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Flexibility and security over the life course; Take it or leave it

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Flexibility and Security over the Life Course

Take it or leave it: flexible working-time arrangements and the synchronization of business cycle and life cycle

1. Introduction

2. Flexible working time arrangements: theoretical considerations

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Working paper 2

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Research project: Flexibility and security over the life course

While the life course perspective has often been neglected in labour market and social policy research, it is now very much – but sometimes implicitly - present in European labour market policy. The grown interest in education and training within the concepts of “lifelong learning” and of an “investive social policy” are indicators of this perspective. The goals of the Lisbon strategy to increase the labour market participation of older workers and the actual retirement age (Barcelona and Stockholm targets, see Commission of the European Communities 2003) have also increased the need to focus on work biographies, on the long term employability of workers and on sustainability in the working world. Accordingly the European Directives for the national action plans explicitly state: “this requires developing comprehensive national strategies based on a life course approach” (Council of the European Commission 2003, paragraph 15).

While a general framework for the life course perspective can be set on the national level (e.g. by adjusting legal arrangements), other actors also play a decisive role when it comes to the implementation of the life course perspective: the social partners can add on the legal framework by regulations in collective agreements, and it is in particular the company that determines issues that are decisive for the life-course perspective of workers, such as working-time arrangements and training options.

Working-time arrangements are essential to workers in balancing their work and private activities and responsibilities. They are also crucial for companies in the management of market demands and production capacity. In this paper, which is a part of a large Foundation project ‘Flexibility and security over the life course’ (see: Box 1) aimed to empirical proofing of flexibility and security at three levels: stat (macro), company (meso) and individual (meso) , we will look at motives and good practices with respect to working-time arrangements and life course policy at the (meso) company level.

BOX 1

The analysis presented in this working paper (WP2) is a part of the research project carried out in 2006 and 2007 by the European Foundation for the Improvement of Living and Working Conditions (hereafter referred to as the Foundation). This project aimed to examine the long-term effects of the ongoing trend towards greater flexibility in employment contracts and working time in the European labour market. The research considered developments at national (macro) level, company (meso) level and worker (micro) level. The main research concerns are, first, what this ‘flexibilisation’ trend means for workers in meeting their needs for reconciling work and private life and for improving their work–life balance. At the same time, the study explores the implications for employers in meeting their flexibility needs over the company’s life cycle. In the context of such flexibility, income and employment security in society should be safeguarded and labour market segmentation avoided.

This research project resulted in eight separate working papers. Annex 1 provides an overview of these papers, as well as the structure, data sources and methodology of the research projects undertaken in the various papers. The overview outlines the main characteristics of the project and working papers that have been completed during the execution of the project. The project was planned in a comprehensive manner to deal with the various research questions at national, company and individual level. The separate working papers are available upon request from the Foundation. The summary of seven working papers dealing with flexibility and security from the national (macro) and individual (micro) perspective is published as a separate Foundation document.

This working paper uses company perspective when looking on working time flexibility. It studies the features and success factors of so-called innovative best practices in human resource management (HRM) within companies with respect to establishing working time arrangements over the life course for their workers. It also looks at the synchronisation of flexibility needs of companies and employees taking in to account that the company business cycle and employees (working) life-cycle. The role of actors (state, social partners, company) in this process has been discussed, as well.

The paper sets out (section 2) with some theoretical considerations regarding working-time arrangements, notably at the company level. Next, (in section 3) an overview is provided of legal arrangements and collective bargaining provisions in seven countries. We will especially look at the interplay of the various regulatory levels. In this section we will also present two examples of nationally designed life course policies, the Belgium time credit system and the Dutch life course arrangement.

In the following section (4) we analyse selected companies from different countries, focusing on the potentials of the working time schemes and other HRM measures these companies offer from a life-course perspective. Flexible working time schemes on the company level can be driven by the employers' need for flexibility in the production process or by the employees' differentiated and changing wishes concerning the number of working hours and the distribution of working times. One question to be investigated in the paper therefore is whether and how these interests from the labour demand side and the labour supply side can be reconciled, and under what conditions the life-course or long-term orientation can become a win-win scenario from which both employer and employees profit. In the last section (5) we draw some conclusions on the availability and potentials of working-time arrangements from a life-course perspective.

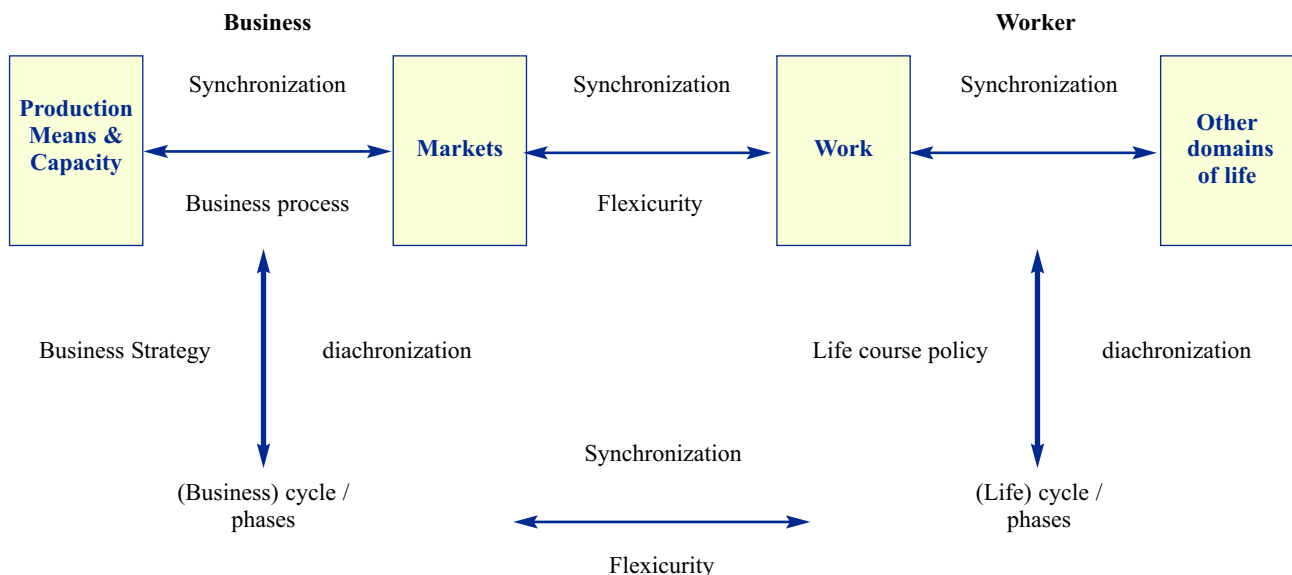
Flexible working time arrangements: theoretical considerations

When we approach working-time arrangements and companies' measures in Human Resource Management from a life-course perspective we have to acknowledge that there is obviously a need for coordination on different levels:

- From the individual workers perspective, his or her different activities in a certain life phase have to be reconciled in particular paid work has to be combined with other social activities at a given moment. This can be called a first level of synchronization. The workers' wishes and potentials can differ according to his/her sex, age, education, family context, interests etc.
- At the same time a life-course policy has to deal with the diachronization and the follow-up of different life-phases throughout the life-course of individuals, since the individual worker's situation is not stable, but can change over the life-course.
- Last but not least the life-course perspective requires the coordination between companies' business cycles and their employees' life-cycles. Business cycles have become shorter and less predictable. They are not necessarily congruent with the workers time horizons. Companies have to adjust to fluctuations in market demands and with the overall need to warrant and enhance competitiveness. Here a second arena of synchronization - business needs versus individual needs - can be identified. Evidently, working-time arrangements are key to the synchronization of business and personal needs and requirements. One may go one step further by saying that the future of the employment relationship lies in the possibility of joint or mutual risk management. Employers can manage their own (business) risks by helping workers to manage their particular risks; equally so workers can manage their own (private) risks by contributing to the employer's risk management. We will return to this notion of mutualisation below.

In figure 1 below we have portrayed the process of the "synchronization of synchronization".

Figure 1: Flexicurity and the synchronization of business cycle and life cycle



Source: Own illustration building on Wilthagen (2003).

The following section investigates the question how life-course policies that take into account these different requirements for coordination can be designed, looking at the perspective of companies and employees, but also at the complex interplay between state law, collective labour agreements, company agreements/HRM policies as well as individual agreements.

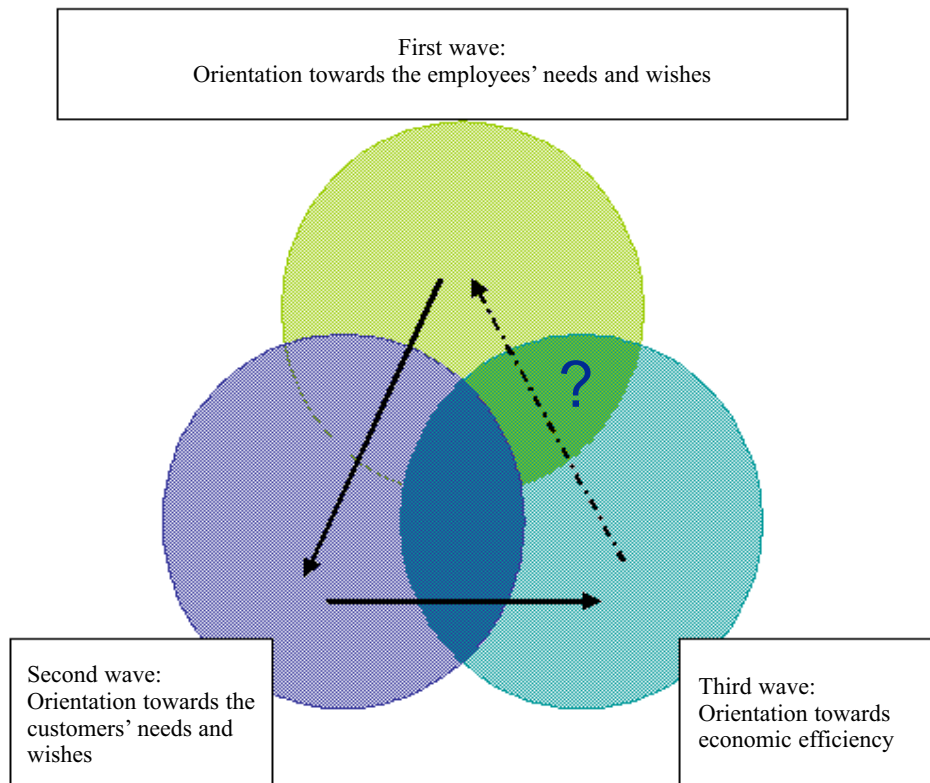
Phases of working time flexibilization – looking at the past

Actually the differing interests of employees and employers as to working time flexibility have influenced the process of working time flexibilisation in different waves in the past. As Hoff (2006) demonstrates in a study on Germany, one can speak of three different waves of working time flexibilisation on the company level, and a fourth wave is obviously in its beginnings (figure 2).

- The first wave of working time flexibilisation took place in the 1970s and early 1980s and was oriented towards new interests and needs of the employees. Due to a shortage in labour supply, employers tried to create more attractive working conditions by replacing strict working times (“9-5 o’clock”) by flexible corridors for the beginning and the end of the working day (“Gleitzeit”). Some of the shortcomings of these working time models were, however, that they were not oriented towards the customers, that there was still no long term flexibility (e.g. on a monthly or yearly basis) and that these schemes were not suited for shift work. In addition this first wave of working time flexibilisation led to a much stricter time control (use of the time clock).
- The second wave of working time flexibilisation shifted the focus from the employee to the customer. In the 1980s and early 1990s, newly developed working time schemes focused on the availability of services for the customers at any time. While collective bargaining in this period led to a further reduction of the average working hours for full time employees, companies extended their operating hours. The organisation of time in the team became one of the measures to cope with due to this new service orientation. Seen from retrospective, the service orientation in combination with a still underdeveloped steering of the presence and absence of the workforce partly led to problems such as overboarding working time accounts which often could not be balanced out.
- During the third wave of working time flexibilisation in the 1990s and early 2000s the economic efficiency moved into the focus of interest, due to growing international competition. This led to a double development in the organisation of working times in the company. On the one hand, a more efficient planning of the presence and absence of each employee developed (e.g. to maximize/optimize the operation of the machinery), while on the other hand working time based on trust became a new issue. This means that working time is no longer controlled by the employer or the time clock, and employees themselves are responsible for the distribution and use of their working time. In the pure version of this approach, working time accounts become obsolete. Problems can arise where employees do not really have the steering competence and power to decide on their work tasks and working time.

Actually the extent and the timing of different waves of working time flexibilisation have differed from country to country and the different waves overlapped. It is important to see, however, that companies’ working time regulations are today influenced by all three approaches to working time flexibility.

As Hoff (2006) predicts, a new, fourth wave of working time flexibilisation can be expected. Due to the demographic change and the future shortage of qualified personnel, this wave could again – on a higher level – focus on the employees’ needs and wishes – although probably concentrating on “high potentials” and the core workforce that the companies don’t want to lose. The employability and health of older workers, but also the better integration of women (and men) with family obligations will be important challenges to tackle by the HRM-departments of the companies.

Figure 2: *The different waves of working time flexibilisation*

Source: *Own illustration inspired by Hoff (2006).*

Flexibility, security and the longitudinal perspective: Interests and strategies of the employees

What can we assume about the employees' interests over the life-course as far as working times are concerned? As it has been described in the Foundation's earlier life-course reports (in particular European Foundation 2003), life courses have changed. The standard three-fold division into the phases a) childhood and education, b) participation in the labour market, c) retirement phase has developed into much more diverse patterns. The timing of the phases mentioned and of the transitions are less clear. In addition they are often no longer sequential phases, but can occur simultaneously – e.g. when paid work is combined with training, or when somebody keeps on working in retirement age. Due to prolonged education and later entry in the labour market we can speak of an intensified “rush hour of life” through the concurrence of family-formation and starting work. At the same time this “rush hour of life” does only affect parts of the younger cohorts due to a considerable decrease in fertility and childlessness in almost all Western industrialised countries. The need to care for elderly, at the other hand, increases due to the aging of the population in Western European societies, and a growing number of people in working age have to take over responsibilities in the field of eldercare. This leads to individually shifting time needs over the life-course.

What is often neglected in research on working time is the impact of the household context as well as the impact of changing gender roles. The labour supply and working time preferences, particularly those of women, depend to a high degree on the (changing) household context. As numerous sociological studies have pointed out, there is a clear trend towards an “adult worker model” in Western European welfare states (see e.g. the contributions in Leitner/Ostner/Schratzenstaller 2004). This means that adults of both sexes are increasingly expected to earn their own money on the labour market. With the increasing share of dual earner families, however, new time arrangements and new options to plan one's time are needed to cover care work and to achieve work-life balance. These needs for individual solutions are additionally enforced by the growing responsibility workers have for keeping up their own employability.

In general, - due to the developments sketched above - it can be assumed that a) different employees have different time needs and working time preferences according to their personal situation at a given point in time, but also that b) in many cases the working time wishes are not stable over one's working life but might change according to peoples changing private context, age, financial means and individual preferences.

Actually the individual's life-cycle consists of several life-cycles that have to be co-ordinated. We can e.g. differentiate between the biological life-cycle, the family life-cycle, the professional life-cycle, the employee's life-cycle in a specific company and even in a specific job (Sattelberger 1995, Mayrhofer 1992). As Graf (2001, 2002) points out, all these different "life-cycles" are currently affected by changes (see table 1).

The different "life-cycles" of a person are interwoven (Ernst 1997: 227), but their weight can be different in different phases of life. Problems frequently occur when transitions have to be mastered (Mayrhofer 1992: 1240, Sattelberger 1995: 28). When the different spheres cannot be matched and the burden becomes too big, people often tend to reduce their engagement in one of the affected areas of life, or they opt for radical changes (Graf 2001: 26). This can become a problem for companies and therefore requires a long-term approach in human resource management.

Table 1: *Important changes in the individual's different "life-cycles"*

Life-cycle	Dominant changes
Biological life-cycle	<ul style="list-style-type: none"> ■ growing life-expectancy ■ changing health risks and health chances
Family life-cycle	<ul style="list-style-type: none"> ■ changes in marriage and divorce behaviour ■ decreasing fertility ■ changing family and household forms
Professional life-cycle	<ul style="list-style-type: none"> ■ changing values concerning paid work ■ "compression" of working life (due to longer education and earlier retirement) ■ new forms of work ■ increase of transitions, discontinuous work biographies ■ increasing importance of lifelong learning
Life-cycle in the company	<ul style="list-style-type: none"> ■ flattening of hierarchies in the company ■ changes in the career orientation ■ shift towards more responsibility for the employee ("entreplooyee") ■ changing age structures, aging of the workforce
Life-cycle in the job	<ul style="list-style-type: none"> ■ changes in the working conditions ■ changes in the required qualifications ■ changes in the working conditions ■ changes in the required qualifications

Source: *Inspired by Graf (2001: 26), own adaption and translation.*

Flexibility, security and the longitudinal perspective: Interests and strategies of the companies

Companies' time horizon is much less clear than the one of employees, and the developments concerning the long-term perspective of companies have to be discussed in a differentiated way. On the one hand, there is a clear tendency towards a more short-term orientation, since production circles have become shorter, and companies often have to adjust ever more quickly to changing markets (see European Foundation 2006a, chapter 7). This often directly touches upon the flexible workforce at the "rim" of the company. On the other hand, ever more sophisticated products are based on a high and specialised knowledge of the staff, which requires a long-term HRM focusing on the qualifying and the keeping of employees. Career management and retention management – necessarily focusing on longer periods – become increasingly important to safeguard the economic success of many companies¹. Within the context of demographic change and shrinking workforces, giving employees long-term security and perspectives for development in the company can increase their satisfaction at the workplace and can reduce costs resulting from sickness and absenteeism as well as job changes. These long-term and short-term strategies in companies HRM are closely related to the overall strategies of the company in a context of increased international competition.

Although the analysis has shown that companies' strategies of flexibilisation affect different groups of the workforce in different ways and to a different extent (e.g. Klammer/Tillmann 2002, chapter II), there is evidence that the trend towards higher flexibility requirements does not only affect the "flexible rim" of the workforce. The core workforce is also increasingly involved in companies' flexibility strategies, but not in the same manner. Actually it depends on the kind of adjustment strategy the company focuses on – e.g. cost reduction strategies, new organisational models for the production process or innovation strategies - who is involved and how people are involved.

Companies' adjustment to new requirements: Three different routes towards flexibility in Human Resource Management

Diewald/Brose/Goedicke (2005: 227-231) identify three main routes in HRM towards flexibility strategies, so called "commercialisation", "negotiated stability" and "mutualisation" that are often applied simultaneously, but with respect to different groups of workers (Table 2).

¹ Actually this trend - which is opposite to the broadly discussed trend towards flexibilisation - seems to contribute to a relatively high stability in job tenure in some countries. As Erlinghagen (2004) has shown for Germany, for example, the labour turnover rate has not changed very much in recent years, opposite to the general perception and discussion.

Table 2: *Different roads to flexibility in companies' Human Resource Management*

Type	Commercialisation	Negotiated stability	Mutualisation
Exchange relationship	Market	Power	Confidence
Type of contract	Contract of sale	Labour contract	Pact
Steering instrument	Competition	Control	Conviction
Traditional elements	“rim” workforce	Core workforce	Conviction
Traditional requirements concerning the worker's behaviour	Indifference / restriction	Long-term affiliation between worker and company, complementarity	Affinity
New elements	Externalisation , sham self-employment	Mobilisation of the employees, more request for (internal) flexibility	Teamwork, joint efforts and achievements
New requirements concerning the worker's behaviour	Economisation of own abilities, “entreplooyee”	Flexibility and availability according to changing demands	Self-selection and organisation, adaptation

Source: Table inspired by Diewald/Brose/Goedicke (2005: 228); own additions and translation.

Each of these three concepts in HRM is dominated by a specific type of exchange relationship (the market, power or confidence), but what they have in common is that all three concepts are undergoing changes in the process of companies' adjustment to new flexibility needs, and new strategies and developments can be identified.

Negotiated stability is a strategy that can primarily be found in fields where standard work contracts used to be the norm – standardised permanent full-time (or part-time) jobs. While the conditions for these jobs used to be regulated by law and collective agreements, they are now increasingly negotiated on the level of the company (Franzpötter/Renz 2002). Flexibility concerning the location of work and working times are negotiated in exchange for employment or income guarantees (Massa-Wirth/Seifert 2004). “Pacts for employment” on the level of the company characterise a new exchange relationship between employers' needs for flexibility and employees' wishes for security (European Foundation 1999). They are focusing on internal flexibility, giving employees some security in exchange for concessions that might also touch upon their time planning.

The time horizon of the pact is usually restricted to something between some months and several years.

While negotiated stability (and flexibility) usually concerns the core workforce of a company, strategies of commercialisation are common to organize the workforce at the rim of the company. Within the process of organising flexibility, however, the borderline between the core workforce and the flexible rim itself has shifted – often towards an extension of the flexible rim. Employees who had been part of the core work force are increasingly – partly voluntarily, partly involuntarily – involved in new arrangements in which working conditions and remuneration are bound to the success of one's work. Working time becomes a variable subordinated to the fulfilling of goals and contracts. In organising his own work in order to fulfil the requirements, the worker partly takes over typical risks of the employer. In the sociological debate, the term “entreplooyee” (“Arbeitskraftunternehmer”) has been framed to describe this type of employment relationship (Voß/Pongratz 1998). Work relationships that are based on the outcome (instead of the number of working hours) can contain a potential for a worker's work-life balance since he is able (and obliged) to organise his own working time. The literature, however, more frequently points at the risk of self-exploitation, in particular in connection with increased competition and decreased remuneration. It also has to be taken into account that the strategy of commercialisation comprises ways of external flexibilisation. People working for a company are only bound loosely to the firm, the degree of mutual obligations is low. This can imply a high rate of fluctuation. In general one can assume that this makes lifecourse planning for workers more difficult. But at the same time there can be chances for a higher

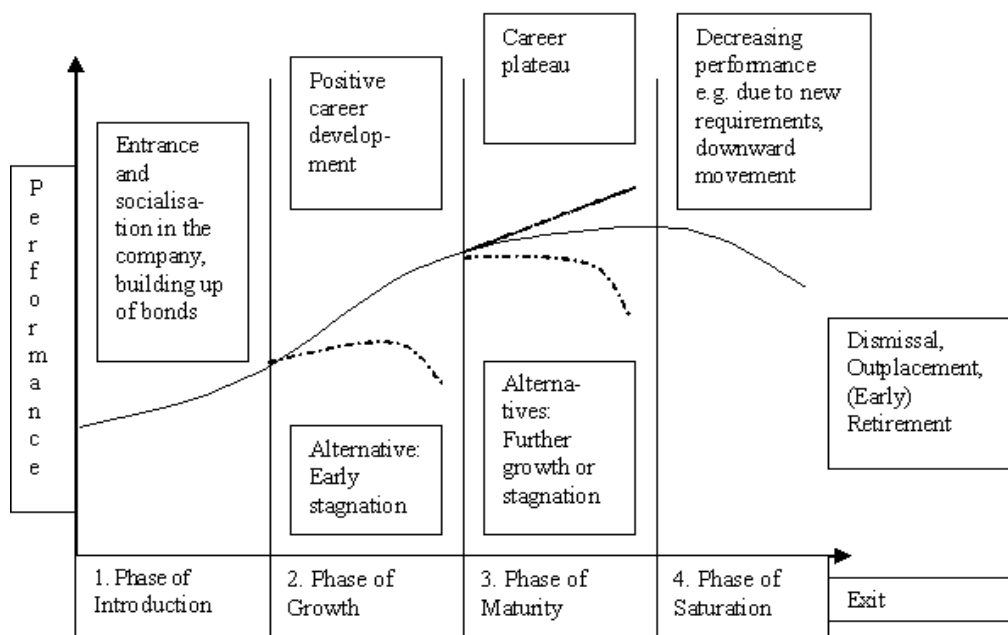
income, and the increase of autonomy (compared to a standard dependent employment relationship) can be attractive for workers in specific lifephases and household constellations. Looking at the time dimension, the exchange relationship between the contractors are in general more short-term oriented than in the case of negotiated stability; the long-term or even life-course perspective plays no explicit role here.

The approach that can be identified as the third major strategy – described as mutualisation in Diewald/Brose/Goedicke (2005) - also contains aspects of negotiated stability as well as commercialisation, but is characterised by an increased reciprocity in the labour relation between employer and employee (instead of its weakening). It is used selectively by HRM and can particularly be found where high qualifications and a high performance are required. In exchange for high salaries and prospects for individual development in the firm, companies today expect an increased commitment to the firm from their key players, as well as a high level of identification. This concerns the amount and flexible use of time the employee is expected to dedicate to his work, but also the place of work, the content etc. The borders between work and private life cannot be kept up, work dominates the other spheres. Concerning these important key players, companies' time horizon is often long term and retention management is used to keep these employees in the company. Although this can give employees some kind of long term security (e.g. as far as income is concerned), it is often at the cost of short term flexibility and these employment relationships only leave restricted room for time needs beyond paid work.

Managing the “employee lifecycle”

Given the context sketched above: Can we expect companies at all to be concerned about their employees' life courses? If one looks at the HRM literature, the “employee lifecycle” is a well-known concept (e.g. Graf 2001, 2002). But this is not congruent with the “real” lifecycle of the employee. Whereas the employee has to organise and to manage the whole (working) life-course from education to retirement (and in addition increasingly has to plan the financing of the retirement phase itself), the “employee lifecycle” in the enterprise describes the development of a person from the entrance into the company until his/her exit from the company (Figure 3). Although employees' career development differ in extent and timing, the most common pattern is characterised by a sequence of an introductory period, a growth period, a phase of maturity with career plateau and (not always) a phase of saturation with downward movement before the employee's voluntary or involuntary exit from the company.

Figure 3: *Phases of the employee life-cycle in the company*



Source: *Own illustration inspired by Graf (2001: 27).*

A similar picture can be assumed when one looks at the employee life-cycle in a specific job, which needs not be identical with his or life-cycle in the company. In this case the challenge is to arrange the employees' movement to another job in the company before saturation leads to a decrease of performance.

In connection with the career development of the employee the return on investment for the company changes as a function of time. It is assumed – in a simplified model (see Table 3) – that the benefit of an employee for the company increases sharply in the first phase after the recruitment, then stays on a high level before it might go down (e.g. when the employee does not engage in further training). This is the point when it is rational for the company to replace the worker, if the legal regulations (e.g. EPL) or other regulations don't prevent it – long before the actual retirement age and the end of the worker's real life-course. According to this idea of the "employee lifecycle" we can assume that the company will be interested in optimizing the development of the employee during this restricted period or "life cycle".

Table 3: *The employee life-cycle – efficiency of the employee in different stages of his employment at a company*

Phase:	Hiring	Assessment, development	Ongoing attachment	Separation
uncertainty about skills	high	medium	low	very low
range of possible tasks	unclear	increasing	stable	decreasing
investment in development	medium	high	low	very low
profit	very low	medium	high	decreasing

Source: *Inspired by Gerpot (1999): 115; own translation and adaptation.*

Bringing the perspectives together

As it has become obvious, flexibility needs of employers and employees can be in conflict with each other, but they can also overlap (see also: Graf 2001, 2002; Ernst 1997, Gross 1993, Sattelberger 1995). Human resource management aims at the building up, keeping (qualifying, motivation) and reduction of staff in order to optimize the profit of the company over time. Adjusting the staff by dismissals (external flexibilisation) usually interferes with employees' wishes for long term planning and security. Flexible working time schemes seem more suited to help the company to adapt to changing circumstances and to meet the interests of the employees at the same time:

- Flexible working times can be a means to adjust the production to differing order positions and capacity utilisation.
- Lifetime working time accounts that allow employees to retire earlier can help companies to reduce their staff in a socially accepted way, and to avoid costs in the context of EPL.
- In addition early retirement through long term accounts is used by companies to keep their staff "young" and to hire new employees according to new qualification requirements.²

Generally speaking, flexicurity options can be regarded as *adapting exchange relationships between employer and employees*, and we can speak of good practices where this adaptation leads to a synchronizing of the employers' and the employees' interests (see above). Human resource management cannot only look at the companies' interests when defining the conditions for a work contract. Voluntarily or involuntarily, the extent and structure of the available

² In Germany, companies show a growing interest in these options due to the upcoming cancellation of the present partial retirement scheme ("Altersteilzeit") as well as the planned increase of the legal retirement age from 65 to 67.

workforce and the working time preferences of the (potential) employees have to be taken into account. At the same time the employee's labour supply is influenced and restricted by his or her personal options and preferences (e.g. for flexibility and security), but also by his family situation and other aspects of his life. Brose/Diewald/Goedicke (2004) therefore suggest to regard the relation between the company and the worker on the one hand and of the worker and his family on the other hand as two exchange relationships that have to be adjusted.

Finally it also has to be acknowledged that the changing needs and preferences of employees, the so called individualisation, have made it more difficult for companies to forecast the development of a young employee at the point of recruitment. Since neither male nor female employees follow the traditional pathways to the same extent as they used to do, companies have to bear higher risks when investing in their staff. The hopeful young manager might change his interests and working time preferences quickly because of marriage, divorce or the individual preference for a sabbatical. This touches upon companies' long-term need for security and planning.

This considerations lead to the hypothesis, that companies working time policies and other HRM measures contain some potential to match employers' and employees' need – also if one employs a long term or life-course perspective. However it can not be expected that companies completely cover their employees' life course needs. We can therefore assume that other levels of regulation – e.g. laws or collective agreements – still have to add on if a successful life-course approach is to be implemented. These levels of regulation are (selectively) scrutinized in the following section.

3

Legal arrangements and collective bargaining on working time arrangements – findings from selected countries

Over the last couple of years, work-life-balance issues have climbed on top of the agenda in both labour legislation and collective bargaining. The extent to which one can accommodate one's working life to personal needs has become a crucial factor in industrial relations. In this section we will look at the "background" for companies' working time policy in selected countries, namely the regulation of flexible working time schemes by law and collective agreements.

Looking at arrangements: Leave schemes, working time flexibility and the life course

One means to strike a balance between personal needs and working life are leave schemes. Which leave scheme applies depends as a matter of fact on the stage of life people are in. First of all, family leaves, such as maternity and paternity leave, parental and care leave, serve as a means to reconcile work with family life, in particular in the rush-hour of life. The employer's interest to provide such leave schemes is, apart from meeting legal requirements, to accommodate the employees' family demands, rather than meeting the companies' economic challenges. Other than this, educational leave needs to be seen in the context of life long learning and is therefore variable over the life-course. Similar things can be said about sabbatical leaves where the purpose is left up to the employee to decide. Also, those leave schemes can accommodate both the employee's and the employer's interests to maintain the worker's employability in terms of training and also in terms of motivation. Last but not least, flexible retirement, including early and phased retirement, is as a matter of fact relevant in the last stage of one's working life. It cannot only meet employees' wishes to exit the employment before having reached the actual retirement age, but also - and often does - the employers' interests to facilitate a reduction in staff.

Another way whereby individuals can adapt to life course needs is through the variation in working time throughout the life course. Using flexible working time is different from using leave schemes in several respects. Firstly, flexible working time can be used throughout the life course and is not bound to a specific phase in one's life course. Secondly, it is an arrangement that can easily be used for both the employers and the employees and can be used to reconcile their needs. Lastly, unlike leave schemes, the flexible working time arrangements are negotiated mostly on the company level. Although regulations for working time are set on the national level, this only provides "the rules of the game". The actual specific arrangement set up is decided more or less on the company level, although this may vary depending on country, sector and the arrangement.

There can be several arrangements that can be used to facilitate one's need to vary working hours, namely the right to increase and to decrease working hours, the right to vary working time or hours and to accumulate hours to be used as days off are just few options that can be used. This enables individuals to adjust working schedules to their changing life needs and schedules. However, to enable individuals to change working hours to accommodate their life course needs, a right to adjust working hours is not sufficient. There must be regulations that provide equal treatment towards part-timers in comparison to full-timers so that there are no disincentives to adjust working hours, just as the right to return to work after leaves without any repercussions is essential in facilitating the use of leave schemes. The challenge, however, is for employers and employees to meet halfway, and therefore leave schemes and working time regulations provide a framework in which individual needs can be negotiated.

Here we examine 7 countries, namely, Germany, Spain, France, the UK, Hungary, the Netherlands and Sweden, and their regulations and collective agreements on various leave schemes and working time flexibility³. The selection of these countries matches the flexibility/security regime typology that was developed by Chung and Muffels (2006) within the framework of this European Foundation project on ‘Flexibility and security over the life-course’. This means we have countries representing the social-democratic (Sweden, Netherlands), the liberal (UK), the corporatist/continental (Germany, France), the Mediterranean (Spain) and the East/Central European (Hungary) clusters. We are focussing on the effects the institutions may have on the individuals’ work-life balance in a life-course perspective.

Looking at countries: different levels of regulation

Sweden

In Sweden the government had a great interest in increasing flexibility in working time, for which they set up a committee for reform agendas in 2000, and three reports were published. The widest reform was made in 2002. This included an entitlement to five additional leave days per year, two starting from 2004 and one additional day each year till 2007. Annual leaves can be taken flexibly and saved in a time bank with a maximum of 10 days or 80 hours per year up to a maximum of 400 hours. These additional five days of leave cannot be converted into cash. The reform also enhanced the workers right to allocate their working time flexibly. For part-time work, there are no legal distinctions between part-time and full-time employment in Sweden. Also a law was proposed in 2001 banning all discriminations against part-time work in pay and employment conditions. In addition, in 2006, a proposal has been submitted to the government that gives part-time workers the right to change their contracts to full-time work if they have been working part-time for three years out of the five reference years. Even with the generous regulations on part-time, the part-time rate is moderate (22% in national definition, 13% in EU definition) compared to the other countries. Although part-time in most cases means long part-time and is more than an “additional” job in the household, about 25% of all part-timers declare to work part-time involuntarily. However this might be due to the fact compensations are given to involuntary part-timers by the unemployment insurance fund. The wage difference between the wage of a part-time worker compared to the equivalent of a full-time job is granted through benefits if qualification rules are fulfilled.

As concerns leave schemes, Sweden has always been known as a forerunner and has generous schemes for various leaves. Parental leave was already introduced in 1974 and from 1998 onwards periods reserved for co-parents were subsequently integrated (two months since 2002). The Parental Leave Act 1995 introduced 10 days of paid paternity leave, and entitlement to partial payment (on full- or part-time basis) while on parental leave. This payment covers 480 days and can be used on a full-time or on a part-time basis until the child’s eighth birthday. For the first 390 days 80% of the former income is paid, followed by a flat-rate benefit for three months. In addition, the gap between the former income and the benefit can be filled by employers. Parents are entitled to take care leave for sick children up to 60 days/year per child, up to the child’s 12th birthday and up to the 16th birthday for a disabled child. Employees can also take time off, up to 60 days, or reduce their working hours to look after a family member who is seriously ill. Leave is paid according to the rate for sickness benefit. Employees also have the right to take unpaid leave for urgent family reasons. Further stipulations can be made by collective agreements.

As concerns other leave schemes, such as educational leave, sabbatical leave and flexible retirement, they are subject to collective agreements. The legal right to educational leave in Sweden is unlimited in terms of time periods. However, there is no provision for payment. A scheme on sabbaticals exists and is currently applied to 12,000 workers who take a certain time off being replaced by an unemployed person. The income replacement for those on sabbatical leave is 68%

³ For legislation on leave schemes see also annex table A1.

of normal pay (SE0501101n). As concerns flexible retirement, employees aged 61 to 64 years can reduce their working hours by 15%, 50% or 75% or can take early retirement (European Foundation 2005: 29). The government has abolished former more generous provisions on early retirement, as in some of the other countries examined.

Sweden can be seen as having the most extensive and generous work-life-balance schemes of the countries under investigation, especially for parental purposes. The role of collective agreements is therefore meant to top up the already existing legal provisions (TN0403101s). The generous leave schemes also make it possible for workers to continue working in full-time employment while responding to other life course needs. This is comparable to the work-life balance method used in the Netherlands, which uses flexibility in working time, i.e. through the reduction of working hours. The 2006 proposal on the right to get back to full-time once you have reduced your working hours highlights this effort of sustaining full-time employment and is hence a further approach towards more life course relevance in working time provisions.

The Netherlands

In the Netherlands, there have been various developments in regulations to enhance work-life balance through using flexible working time measures and leaves for various purposes. Effective since 1996, the Equal Treatment Working Hours Act (Wet verbod op onderscheid naar arbeidsduur: WOA) has guaranteed equal treatment of part-timers and full-timers in the conditions of employment, which refers to wages, reimbursement of expenses, bonuses and training. Also, as of 2000 employees have a right to request an adjustment of their working hours to their employers based on the Act on Adjustment of working time (Wet aanpassing arbeidsduur: WAA). This includes not only a decrease of but also an increase in working hours. These laws in combination with the progressive tax system of the Netherlands make taking up part-time work attractive. For this reason, the Netherlands have the highest shares of part-time workers both for men as well as for women, 14.9% and 60.4% respectively for the year 2004, and also with low shares of involuntary part-timers⁴.

Furthermore the Work and Care Act which came into effect as of January 2002, improved the terms of family leave. First of all, the full payment of the two days of paternity leave was introduced. Also, employees were entitled to two days paid leave (per each event) in case of urgent personal matters as well as 10 days of (70%) paid leave per year to look after family members. However, leave in the context of parenthood remains rather limited. Maternity leave is just above the EU requirements with 16 weeks. Collective agreements for maternity leave can be found in not more than 10% on the sector level as well as on the company level, for paternity leave 15% of sectoral collective agreements give further stipulations (European Foundation 2005: 87). In addition the provisions for parental leave in the Netherlands only meet the EU requirements of three months (unpaid), a part-time option can be taken up of six months. Parental leave regulations tend to be specified rather by sectoral collective agreement than by company agreement. More than half of the collective agreements (55%), but only 16% of the companies specify parental leave more closely (ibid.). Some agreements cover paid parental leave, e.g. in some parts of public administration the employer pays 75% of the gross salary (NL0311102s). There are no statutory rights for educational leave, sabbaticals/career breaks or flexible retirement although regulations can be stipulated through collective bargaining on the sector or company level⁵. Also, since Jan. 2006, these types of leaves can be covered through the new Life-course Savings Account (levensloopregeling), which social partners can implement through their collective agreements. This allows workers to save income or leave time to

⁴ 6.3% of men and 3.1% of women who work part-time in 2004 have said that they work part-time involuntarily.

⁵ More than one in four companies provides for further specifications on care leave. For sabbaticals it is agreed further rather on sector level (35%) than on company level (15%). For flexible retirement 90 % of collective agreements contain further stipulations (European Foundation 2005).

finance leaves for various reasons, including parental, care, education, career breaks, early retirement and so on. Workers can save up to 210% of their yearly (gross) incomes, for a three year leave and employers can also contribute to this scheme which can be settled in the collective agreements (for details concerning the Dutch life course approach see further down in this section). This scheme was especially designed to substitute the early retirement options that existed before⁶. Of the collective bargaining rounds concluded in 2005, 41 out of 70 included the life-course working time account in their provisions. Along this, from 2005 the Working Time Act (Arbeidstijdenwet) has become simplified especially as concerns the definition of maximum working hours within the reference period of 13 weeks.

Overall, it has become possible for employers and employees in the Netherlands to adjust and use working hours more flexibly throughout the year and throughout one's life course although it will take some time before the effects and outcomes of the new life-course account can be assessed. In addition, we can see that the Netherlands is clearly a case where, unlike the Swedish case, life-course needs are met through decrease in working hours, for both men and women but more so for women. Although this can be perceived as another route in facilitating work-life balance, it has also been noted recently that part-time work might have negative effects on the later stages of the life-course (see Roman 2006).

United Kingdom

The legal provisions on maternity leave have successively become more favourable in the UK over the last couple of years. The Employment Act 2002 and the Work and Families Act 2006 raised the (paid) leave period to up to 26 weeks. Furthermore, in 2003 paternity leave was introduced with two weeks paid leave. Collective agreements can be found for both kinds of leave on company level, but rarely on sector level (Europ. Foundation 2005: 87). The provisions on maternity and paternity leave must be seen in the context of limited provisions on parental leave (13 weeks per parent per child, unpaid). However, a number of collective agreements on both sector and company level improve those provisions. In addition some employers offer limited paid parental leave (UK0311102s).

Although the regulations on leave for care are still limited and payment is not provided by law (though social partners can negotiate to supplement on the regulations on care), there have been some developments in the area of working time reduction for care reasons in the past 5 years. From July 2000 on, regulations that make part-time work more accessible and that give equal rights to part-timers were introduced giving more incentives for workers to take up part-time work⁷. In addition as of April 2003, working parents with children aged six or under, or with disabled children aged under 18 have the statutory right to request flexible working times and conditions, and to have their request seriously considered by their employers. This includes working hours and times, working at home and other aspects such as annualised hours, compressed hours, flexitime, home-working, job-sharing, self-rostering, shift-working, staggered hours and term-time working (UK0210103F). In October 2006, the Work and Families bill widened the scope to more people with caring responsibility, and intends to cover carers of elderly or sick relatives from April 2007 (UK0304104F). From the CBI report, 77% of employee requests for flexible working were reportedly accepted by the employers (UK0411104f). As concerns other life-course issues, there are no legal regulations on career breaks, educational leave (with the exception of young workers between 16 and 17 of age), flexible retirement and working time accounts.

One of the biggest problems the UK faces in regards to work-life balance is the long-hour culture in the UK. Individual employees can opt out of the 48 hours a week working hour limit, and in 2003, 30% of workers did so. For this reason, in the work-life balance campaign of 2000 launched by the labour party, there was an attempt to end this culture. However, even with the trade unions support to end long working hours, the majority of companies/employers (72%) believe this would have a negative impact and is against changes (UK0411104f).

⁶ After the introduction of this scheme, tax benefits for early retirement were abolished.

⁷ However, there still are disincentives regarding their access to employment related benefits due to social security contribution and eligibility.

Although there have been substantial changes in the recent policy reform especially in facilitating work and family care needs, as we can see on the level of statutory regulation, the UK does not fare well comparatively, in facilitating work-life balance of workers through leaves and working time flexibility. But contrary to the regulations, substantial numbers of firms offer a wide range of arrangements within the firm which indicates active negotiations of these issues are dealt with on the company level (see Annex, table A2). There also seems to be an increase in these numbers, e.g. a survey by the Chartered Institute of Personnel and Development shows that the proportion of member companies offering some form of leave for care for older relatives rose from 15% in 1999 to 27% in 2002 (European Foundation 2005: 34). As for part-time employment, there has not yet been a dramatic increase, although the level is high (24%) compared to the other countries under analysis, and many women work in small part-time jobs which only generate a low additional income for the household. Only a low percentage of “involuntary” part-time is reported (14% of male and 5% of female part-timers), but it has to be taken into account that it always depends on the general circumstances (e.g. gender roles, availability of childcare etc.) whether part-time work is regarded as “voluntary” or “involuntary”. However the numbers can be taken as an indication that part-time is often chosen as a means to achieve work-life-balance. Overall, most of the regulatory developments we can examine in the UK have been in regards to (child) care needs, and it is uncertain if other life-course needs are accommodated.

Germany

In Germany, a milestone in the development towards paying more attention to the needs of employees over the life-course in labour law has been the “Act on Part-time Work and Fixed-term Employment” (2000). Since January 2001, workers with minimum six months seniority have the right to switch from full-time to part-time work, or to reduce their working hours, given that there are no opposing operational reasons. Acceptable reasons for refusals can be laid down in collective agreements. Also, those who have changed to a part-time job have priority in getting a full-time job again when they wish so. However, this is restricted to companies with 16 employees or more (DE0011293f). Alongside this, part-time work has slowly increased over the past two decades with in 2004 21% of all dependent workers being part-timers. However, the vast majority of them are women (ca. 85%), although this proportion is slowly decreasing. Whereas for men part-time is still not used as a work-life balance option as 25% of them are involuntary part-timers, for women it maybe used more as an option with only 13% being involuntary part-timers, although this is still high compared to the Netherlands or the UK.

The introduction of the right to reduce working hours had a significant impact on leave provisions, e.g. when returning from parental leave. Alongside this general provision the conditions for parents on parental leave have been made successively more favourable over the last couple of years, e.g. the extension of the right to work part-time while on parental leave (“Federal Childcare Payment and Parental Leave Act” 2001). The most recent development is the introduction of the one year income-related payment from Jan. 2007 onwards for those on parental leave, including an additional two months of paid leave for co-parents (Law on the Introduction of Parental Leave Payment 2006). However, the options for care leave after the initial parental leave are rather limited. The legal right refers only to the care of a sick child. The care for elderly dependants is facilitated only by the statutory financial compensation paid to the person in need of care, and not to the care provider. On the other hand, a number of collective agreements on the sector and company level offer employees (paid or unpaid) time off for caring for dependants (BMFSFJ 2005: 13ff.).

As concerns family-friendly provisions, a 2003 representative company survey found that 12,4% of companies are running family-friendly HR policies due to agreements on company level, 13,5% have provisions in their company guidelines and 29,3% have regulations on sector level (Flüter-Hoffmann/Solbrig 2003: 39, in: BMFSFJ 2005: 8). Alongside this, some years ago the German government started to promote family-friendly companies, including the introduction of so-called “Local Alliances for Families” (“Lokale Bündnisse für die Familie”), in which local authorities, companies and other local actors work together on a local basis in order to achieve a family-friendly environment.

Furthermore, in Germany, educational leave is not subject to federal law, but is regulated in most “Länder”. The 2001 “Law on Part-time and Fixed-term Employment” also facilitated the take-up of sabbatical leave, stipulating that the employee has the right to ask his/her employer for such time off. However, these arrangements are often regulated by collective agreements, e.g. the BAT in the public sector. Also, it is common to use time savings accounts to pay for such time off. According to a DIHK-study in Autumn 2004, 3% of companies offer their employees the option of sabbatical leave, particularly big industrial companies, banks and insurance companies (Dercks/Heikaus 2005: 6).

Concerning working time accounts, there are no legal regulations on the use of it, although the Working Time Act (1994) provides legal regulations on annualised hours, or ‘short working-time accounts’. This type of working time account has been used since the mid-1980s, and is restricted to varying hours within six months to two years (DE9803255f/DE0004255F). It is usually used to equalise fluctuations in production activities (DE0011290N). Since October 2000 long-term working time accounts (Langzeitarbeitskonten) have been agreed on sector level (in the steel and banking industry), which provide for the accumulation of working hours (or even the equivalent of money) over a longer period. This allows workers to save overtime to finance a period of time off, early retirement or additional pensions (Demetriades et al. for the European Foundation 2006b; DE0106228N).

Germany’s legal framework on part-time retirement became effective in August 1996. This option has to be specified by collective agreement on sector and company level and has frequently been used by companies in order to deal with redundancy problems, but will run out in 2009. According to the “Gehalts- und Lohnstruktur-erhebung” 2001, 7,4% of all employees in industry and selected services above the age of 55 took out partial retirement in Oct. 2001 (Statist. Bundesamt 2003). In 2004, this number was 27% in public services (Statist. Bundesamt 2005). However, some companies are dodging the expiration date of the regulation and offer their employees the option of early retirement also after 2009, e.g. through lifelong savings accounts (see company case Airbus Germany GmbH).

In conclusion, it can be stated that Germany is increasingly striving to facilitate the employees’ work-life balance in different phases of life. In Germany, where collective agreements on family related leave schemes traditionally add to predominantly legal provisions and go beyond those (TN0403101s), the government broadly expanded legislation on family-related leave and flexible working time and also serves as a promoter for provisions on the company level. However, not so much emphasis (from neither side) is put on other types of leave such as sabbatical and educational leave. Furthermore, legal provisions on early retirement are to be abolished. Therefore as concerns the life-course perspective, regulations in Germany can be seen as limited. Indeed, the introduction of the right to part-time work was a crucial element in terms of life-course and also the sector regulations on long term working-time accounts can play a significant role in this context. However, the actual implementation of both provisions are still decisively depending on the operational conditions of the particular company (for working-time accounts see also section 5.1).

France

Regarding work-life-balance, the linchpin of French legislation is the 35 hours law. Based on the Aubry law, the length of the statutory working week in France was decreased to 35 hours as of January 2000 for companies with more than 20 workers, and 2002 for smaller firms. Since this reform additional changes have been implemented in the working time regulations. In 2000, for example the annualised calculation of working hours over a one-year period was introduced, which enabled overtime work beyond the 35 hour limit. This allowed working time organization of a shorter period while at the same time the working time savings account (Compte Épargne Temps: CET) allowed the organization over a longer period, containing some potential for work-life balance. The CET enables the accumulation of hours over a period of several years for parental leave, sabbaticals, part-time work and training. At his/her return, the employee is guaranteed the same or an equivalent job. This has a significant life-course relevance because it gives employees some security for long term planning, although it is subject to negotiations with the company. At the same time the regulation enabled the employer to demand of his employees to work 40 hours a week without having to pay premiums for overtime. In 2005 another reform in the CET took place, which made it possible to accumulate more days in the account and made it

possible to take days off in a longer reference period. It also enabled the workers to demand cash in exchange for the extra time they have worked and saved in the CET scheme (FR0502109F).

Employees can also choose to reduce working hours individually for family reasons (*temps partiel choisi*). Social partners can define the conditions and the modes of implementation of the right to choose part-time and to return back to full time at the sectoral level or at the firm level. This has increased the variation and flexibility in working time organization in France and decreased the average working hours of full-time employees⁸. There has also been a steady increase in part-time employment in France since the 1970s, the quota currently being approximately 16% in the national definition (14% according to the EU definition). However, a great proportion of these part-timers are women of which 27% declared to work part-time involuntarily (21% of male part-timers) most of which are unqualified low-skilled jobs. This is the highest share of “involuntary” part-time of all the countries examined in this paper. In spite of the problems with the differentiation of “voluntary” and “involuntary” part-time – the answers are always influenced by role models, by the institutional framework such as the availability of childcare etc. – it can be concluded that for many French employees part-time work is not regarded to be a suitable option to facilitate work-life balance.

As far as leave schemes are concerned, several types of leaves are available in France. Concerning care, maternity leave is granted for 16 weeks. Additional agreements dealing with this issue can only be found on the company level (European Foundation 2005: 87). (Some companies, particularly large companies, fully maintain the wage of mothers on paid maternity leave even if they have wages above the general income ceiling (FR0311108s)). Paid paternity leave has been extended from three days to 14 days in 2002. Parental leave is guaranteed by law until the child’s third birthday. An allowance is given by the “Caisse d’allocation familiale” (CAF) from the second child: a flat rate of € 650 if the parent stops working completely, less if the parent continues to work part time.

Since 2004, the PAJE (Prestation d’Accueil du Jeune Enfant) has replaced all former benefits linked to infancy and child care. This applies to all births from January 2004 onwards. Now the benefit consists of a basic allowance which is means-tested, paid from the child's birth on to his/her third birthday, and a non means-tested supplement taking various forms depending on parents’ choice. This supplement allows a parent to either stop or reduce his/her paid employment in order to look after the child or to pay for childcare. Finally there are also tax advantages for families who employ someone at home to care for their children and also for the cleaning. Lastly, there is a family allowance (“allocation familiale”) which is not means-tested given from the second child onwards to encourage high fertility rates.

Employees also have a right to three days of unpaid leave per year in the case of a child’s illness or accident (five days if the child is under one year of age or if the employee has at least three children under 16 years). Employees are also entitled to take leave or to work part time for up to four months in the event of a serious illness of the child or in the event of a terminally ill dependent parent. This can be prolonged twice, up to one year, with a cash allowance.

For leaves that are not related to care, employees have for long had the right to ask for educational leave and sabbaticals. Since 2004 workers have the individual right to training, although employers’ consent is required. Educational leave can be taken for up to one year or 1.200 hours when working part-time. It is facilitated through payments upon time the employee has saved for this purpose. The employee can save 20 hours per year for 6 years (120 hours). Those savings are transferable when changing employers. Concerning sabbatical leave employees have the right to request this from one’s employer and agreements on this can be made on both sector and company levels. The employer may refuse or postpone the demand, but has to justify his/her decision in this case.

⁸ In 2004 an average 35.6 hours were worked for more than 80% of full-time employees.

There is no legal right for flexible retirement. Like in Germany, though, a legal framework specified by collective agreements provided the option to early retirement for employees aged 56 and older. Within the pension reform of 2003, however, this scheme was abandoned from 2005 onwards.

To sum it up, French workers can make use of various leave and working time options to adjust their paid work to life-course need. Especially the reduction of working hours enables workers to put more emphasis on life needs, although the outcomes of this are still unclear. There still seems to be a lack of work-life balance infrastructure for women, for the labour force participation rate of women is still lower than in most countries examined here, although of those employed most are full-time. Also due to the fact that benefits for parental leave are flat rated, there are disincentives for highly-skilled, high wage earners to take it up, which add on to this problem.

Spain

In Spain, the right to reduce working time was restricted to parents with children under six until 1999. Thereafter it has been extended to cover people who are looking after relatives. However, provisions for family leave are not very generous in Spain. Legislation on maternity and paternity leave gives parents 16 weeks (four of which can be transferred to the father) and 2 days of paid paternity leave, which is rather limited. The same can be said about the provision on parental leave which is three years and unpaid. Collective agreements on leave in parental matters exist on sector and company level, but except for parental leave, they are either rare or not used. As concerns parental leave, companies and employees rather tend to make informal arrangements, if any agreements are made at all (European Foundation 2005: 87).

However, more favourable regulations can be found in public administration. In Catalonia, the Law on the Reconciliation of Work with Family Life stipulates that from May 2002 on civil servants of the Catalan administration with children under the age of one year can reduce their working hours by one third without a reduction of salary. Similar regulations exist for workers with children younger than six years or other dependants, who can reduce their working hours by a third (80% paid) or by half (66% paid) (ES0311204s). Concerning care leave, an employee has a legal right to take two to five days (paid) time off or one year (unpaid). Regulations in public administration are also more generous in this field. In December 2005, an agreement on work-life-balance in the general state administration was reached extending the maximum period of leave of absence for public employees to take care of a dependant to three years. During the first two years they can return to the same job, and thereafter they are guaranteed a job at the same income level in the same town. This regulation currently affects more than 500,000 employees and is seen as a good example for other public administrations and private companies in Spain (ES0602104f).

Employees have the right to apply for (paid) educational leave, but as places for training are limited, the right can be realised only to a certain extent. In addition to this, regulations by collective agreement are rather limited (Europ. Foundation 2005). However, the actual situation as concerns educational leave in companies is more advanced than would appear from the development of the agreements (ES0511103f). Other than this, there are no provisions for sabbatical leave. However, also here collective agreements can be found on the sector level and on the company level (European Foundation 2005: 87).

As concerns working time flexibility, due to a high level of temporary employment in Spain, the Spanish government has introduced several measures to increase working time flexibility as a way to tackle or substitute external numerical flexibility, thus temporary jobs. Several reforms in the 1990s up to the recent reform, changed the definition of part-time and the employment conditions for part-time workers. The labour law reform of 1997, for example, eliminated discrimination against part-time workers in the area of employment protection, and guaranteed part-time workers to be treated equally with respect to employment conditions. Since the same year employers' organisations have acknowledged the importance of replacing external flexibility by flexible working time (internal flexibility), and

working time flexibility has meanwhile become an integral part of the collective bargaining in Spain (ES0409211t). The part-time quota is still relatively low in Spain though, with 3% for men and 18% for women, and many of the part-timers declare their part-time work is involuntary (24% of male and 22% of female part-timers). This indicates that part-time work is less used as a work-life balance arrangement compared to the other countries under investigation. Various collective agreements have established mechanisms for varying working hours, and increasingly working hours are fixed on an annualised basis (ES0305203f). Although there is no legal provision on working time accounts, clauses which allow contracts with annualised working hours enable workers and employers to distribute working hours flexibly and to compensate working time with time off or holidays (ES0404205f). In 2002, 46% of the collective agreements contained clauses for this kind of working time arrangement.

Concerning flexible retirement, various forms of arrangements can be found in Spain: The partial retirement refers to employees who reduce their working time and start to receive pension benefits. The flexible retirement came into force in January 2002 and refers to people who are receiving retirement pensions, but decide to (partially) go back to work (ES0201250s). In addition to this, according to the ESWT survey 50% of establishments in Spain offer early retirement arrangements (see annex, table A2).

Although there have been several reforms in Spain to facilitate more work-life balance of employees, the scope and generosity of the benefits are rather limited. Furthermore, reconciliation of work and family life is not on top of the agenda in collective bargaining and this often brings about declarations of good intentions rather than serious measures (ES0311204s). However, both in legislation and collective bargaining recent positive developments towards more work-life-balance, in particular in public administration, can be identified. Still, as concerns legal regulations, especially when we consider the high level of temporary employed workers in Spain⁹ who only have limited access to many arrangements due to their contract restrictions, the issue of work-life balance for the population is a problem yet to be tackled and a coherent life-course approach cannot yet be identified.

Hungary

In Hungary, the new Labour Code (2003) allows employees to request a modification of their working time, which allows full-time workers to ask to work part-time and vice versa (HU0308101F). But still, in Hungary the focus of negotiations is on the reduction of working time and not on the organisation of time. However, there have been recent changes in the regulations on working time flexibility (HU0502105F). Since July 2003, provisions prohibit discrimination against part-time or fixed-term workers. This allows part-time workers to have the same wage as well as other remunerations according to the time spent at work.

As concerns family leaves, Hungary provides rather generous legal regulations (paid maternity (26 weeks) and paternity leave (two days), two years of 70%-paid parental leave). This can be attributed to the fact that Hungary's legislation on parental leave/allowances goes back to the 1960ies/70ies when it was implemented as a means to increase birth rates (Fodor et al.). In addition to this, after the 2002 election, the new Hungarian government has started to promote family-friendly workplaces, but those efforts have not yet been received with much response. Moreover, collective agreements do not play a role in the regulation of maternity and family leaves. Though, a few companies try to make the return to work easier after parental leave (HU0311101s).

⁹ In 2004, 30.4% of all dependent workers were in temporary contracts, with even higher quotas for women (33.2%) and youths (64.3%).

Although there is no statutory right on working time accounts in Hungary, from 2002 working time can be counted in a two to six months' period, based on collective agreements. In 2002, 32% of employers have introduced annualised hours in their collective agreements. However, annualised hours are mostly used by employers to avoid paying overtime premiums, although it also enhances job security of workers when seasonal employment becomes year long employment.

As concerns flexible retirement, various schemes can be found in Hungary. According to the ESWT survey early retirement is offered by almost every other company (49%), whereas one in five (21%) companies offer schemes on phased retirement (see annex table A2). In 2004, the Premium Years Programme was introduced in the public sector and in 2005 extended to the private sector. It gives employees who face redundancy the option to continue working part time in a job that matches his/her professional qualification. The target group is senior employees with at least 25 years of seniority reaching retirement age within three years. The participants of this programme will be recompensated for lower earnings and social security costs will be paid, so that a full pension is ensured. Also, a maximum of three additional years in employment will be guaranteed. On the other hand, the company is required to hire new employees in proportion to the gradual lay-off of their senior employees. However, so far not many employees have been involved in the programme (HU0507102f).

A specific characteristic for Hungary is its traditional approach to training provisions. Apart from the “study contracts”,¹⁰ study leave is an enforced right. However, the right is in so far limited as it is only applicable to training in the context of school system education, including university studies and studies in the framework of the official education system. Moreover, the right is often tried to be derogated by employers. Also, it does not include payment, though payment can be subject to agreements. According to the ESWT survey, more than half (56%) of all Hungarian companies surveyed appear to offer some type of educational leave (see annex, table A2).

In conclusion, in terms of legal regulations Hungary provides a wide range of different working time arrangements and leave schemes most of which can be attributed to its tradition as an ex-socialist country. However, work-life-balance as an issue has not yet reached significant importance in collective bargaining. Hence, the use of working time flexibility and leave provisions in Hungary doesn't reflect the possibilities provided for by legislation.

Towards an integrated life course policy: A closer look at the Netherlands and Belgium

Whereas in most countries we only find regulations for certain life phases and the regulations are not really interwoven, some countries go further and have started to develop real life-course approaches that can provide a reliable background for working time arrangements in the company. The following sections deal with the most developed approaches, the Belgian career break and time credit system and the Dutch life course regulation.

The Belgian career break and time credit system¹¹

In 1985 Belgium introduced a system of career breaks as a labor market instrument to contend with the increasingly alarming level of unemployment. It allows individuals to temporarily exit the labor market while still retaining their binding labor contract with their employer. The resulting temporary job vacancy was then obligatorily filled with an unemployed worker receiving unemployment insurance. In this way, it was intended as a self-financing employment

¹⁰ An employee receives tuition fees, books, living expenses from the employer and is in return bound to a specific training and to the employer's company for a certain period of time (Fodor et al.)

¹¹ The description is based on Roman/Heylen/Schippers (2006).

system, designed to establish a better distribution of labor. The instrument thus had two goals: while protecting groups that may otherwise be obliged to exit from the labor market by providing an instrument to temporarily withdraw with a guaranteed return, it created a port of entry into an otherwise seemingly impermeable labor market for vulnerable groups. The system was innovative because previously individuals wishing to take any kind of extended leave from work were obliged to quit their jobs whether for health reasons, for caring tasks or for educational training. Throughout the years, several amendments to this policy have been made, including additional thematic leaves, gradually shifting the focus from an employment policy measure (the requirement of hiring an unemployed person for the temporary vacancy has been dropped) to more of a life course labor policy package (Debacker/De Lathouwer/Bogaerts 2004).

In the Belgian career break system the worker receives no salary during the period of leave-taking and he does not accrue vacation time, but he does continue to build up his pension claims. Although the government provides subsidies for the workers taking leave, it is a small, lump sum of a few hundred Euros per month, with some minor adjustments for full-time/part-time, lone parents, and lower income groups. It does not compensate for the missed earnings, nor is it intended to do so. What it does create is a buffer of security for the employee, to temporarily exit from the labor market knowing that his or her place will be there upon return.

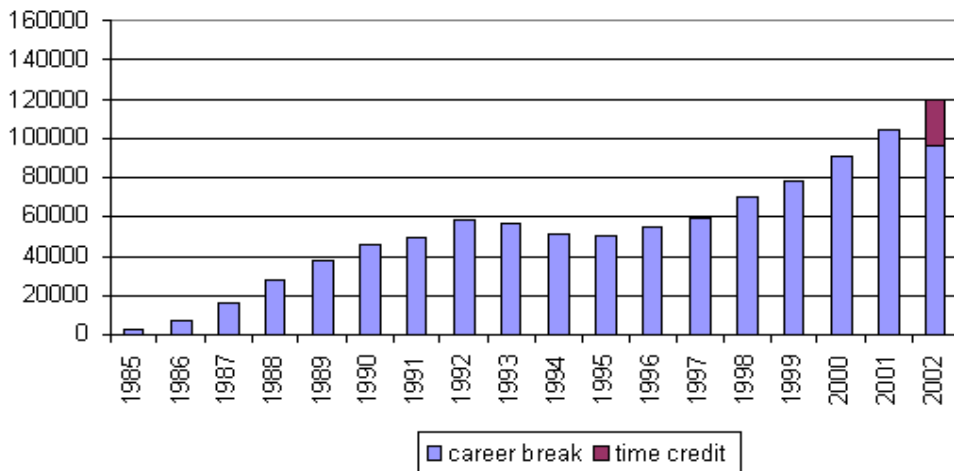
The Belgian career break system is flexible in many ways. The exit or hours reduction is not restricted by the reason why somebody wants to take leave. The individual is completely free as far as his motive for the exit is concerned, and he is not obliged to even name a motive for the desire to take a career break. The employer, on the other hand, is required to permit the career break as long as the maximum level of staff on leave is not exceeded. If work continuity without the employee is not possible, the employer is obligated to substantiate the denial. The current maximum period of time for the (time credit) break is one year although extensions are possible through many of the collective labour agreements.

In the second half of the nineties, a new amendment introduced three thematic leaves: parental, medical and palliative care¹². Thematic leaves have priority over regular career breaks and are not subtracted from the amount of time allowed for regular career breaks. Thus, thematic leaves are *in addition to* career breaks. Individuals taking a thematic break are also entitled to a higher compensation than individuals taking regular career breaks.

There are some logistic restrictions however. First of all, so as not to overburden the organization, there are limits to the percentage of workers within a single organization that can concurrently make use of leave taking and this maximum is currently limited to 5% of an organization's personnel. The employer may go above and beyond this percentage, but is not required to do so. This may lead to some interesting complications. In a sector where there is a high percentage of working women, such as in the healthcare sector, for example, one can imagine that it is an organizational nightmare to accommodate all the staff taking maternity leave on top of the additional time credit leave. Leave-taking is not necessarily full-time. It can also be a reduction of working hours by one-fourth, one-third or one-half. The National Office of Employment presents trends in career break use since its inception in 1985 through 2002, the year when the new time credit scheme was installed (see Figure 4).

¹² Palliative leave is restricted to terminal care for one month, which can be extended by one month per patient.

Figure 4: Trends in the take-up of the Belgium career break scheme* (1985-2002)



*2002 also shows the number of persons receiving allowance for time credit.

Source: National Office of Employment (RVA).

It is important to realise that the career break system is an initiative of the Belgian federal government, as the responsibility for labour market policy is primarily at the federal level. The Walloon and Flemish provinces do have some legislative authority regarding labor policy but certainly not the bulk of the responsibility.

In 1994, the government of Flanders introduced an additional instrument to encourage the use of career breaks in the form of a financial premium: the “Vlaamse Aanmoedingspremie voor Loopbaanonderbreking” (VAL). This is a bonus premium that under certain conditions is paid to employees in Flanders who make use of the career break system and is paid out as a gross sum directly to the employee. The reason for the introduction of the additional subsidy for Flemish workers was to make the career break system more accessible to lower income groups and lone parents. It is intended to better compensate the loss of income during the career break, as critics of the system state that career breaks are a luxury affordable only to those households capable of enduring the reduction in earnings. In an evaluation of the VAL by Devisscher et al. (2005) they found no evidence that respondents were motivated by the premium to use the part-time career break. Their conclusion is that the group using the part-time career break has a higher than average income. In their model they used both household income and net wage loss as indicators. This is at least an indication that the VAL is not succeeding in reaching its target groups, the lower income groups.

Another important original intention for career break use is that of lifelong learning. The first reports on career break use for this purpose have been disappointing. A possible explanation is the existence of the employee voucher system, launched in Flanders to stimulate life long learning. Individual employees receive a 50% subsidy for occupational training or career counseling by a recognized provider¹³. This system is already so successful that it is not unlikely that employees are more ready to use it for training rather than a career break.

The Belgian career break system has proven itself to be a dynamic system, capable of change to more adequately meet the needs of the Belgian worker while allowing the kind of flexibility necessary for a successful implementation by Belgian employers. The career break system and the more recent time credit system are designed to increase labor participation among women and older workers and to facilitate lifelong learning.

¹³ OECD Peer review – Developing highly-skilled workers (19/04/2004).

Lifecourse policy in the Netherlands

The Netherlands are the first country to have introduced a national legal arrangement under the heading of a 'life course arrangement' (levensloopregeling), in force as of January 2006. This new arrangement does not include new entitlements to leave, career breaks et cetera, but offers a fiscally supported saving scheme with the aim of facilitating in a financial way periods of leave or non-participation. Currently the new arrangement is under debate and many commentators are calling for a broader scope of application.

Before going into more detail we briefly describe the development of life course policies in the Netherlands. As already indicated, the term 'life course policy' was only recently introduced in the Dutch political debate, just on the verge of the new millennium, and may be considered the successor of work-family or work-care policies stimulating notably women's labour market participation. The largest part of these policies and rights were either introduced or extended in the 1990s. In this era the main legal framework for the introduction of these primarily 'time arrangements' consisted of the reform of the Working Hours Act (1995), the introduction of the Working Time Adjustment Act (2000) that introduced a (conditional) right for workers to work fewer or more hours, and the Act on Work and Care (2001). The latter can be considered a 'framework act' that mainly pulled together the leave facilities for pregnancy, parenthood, calamities and education that were already in place. In the field of education there are few state-designed measures other than some fiscal measures or financial support, aiming at the creation and the improvement of training or retraining facilities. Here the social partners are the main actors, with the exception of the so-called initial or basic education, which is still largely the responsibility of the government.

In 2001 the Dutch government introduced the so-called Leave savings scheme that allowed for the individual (i.e. time) and collective (money, i.e. fiscally stimulated, up to 10% of the wages) saving of leave in view of optimizing the balance between work and care, reducing pressure at work and preventing an 'over-organized life'. A maximum of one year leave could be acquired that way. However, because only a few employers offered the collective facilities the saving scheme was not transferable across companies and very low numbers of employees opted for the scheme. A next proposal was labelled the Basic Life-course Arrangement which included a leave account, i.e. a saving account, and a 30% bonus on top of the saved money when leave was actually being taken up. However, this proposal was withdrawn, among other things because the bonus was seen as too generous, and a new proposal was made to facilitate people in financing unpaid leave. Now the position was taken that the arrangement (i.e. the possibility of saving money) should be a legal entitlement in stead of depending on the cooperation of the employer. The arrangement, which allowed for the saving of a maximum of 12% of one's wages and a maximum of one year and a half of leave, was presented as a new option next to the already existing general arrangement for saving a certain amount of one's wages. In Dutch the latter scheme is called "spaarloon", a fiscal measure, much more popular among employees, where savings can already be withdrawn after four years and stand at the disposal of the employee irrespective of the purpose of spending¹⁴.

Soon the discussion on this new proposal became linked to the politically very sensitive issue of reforming the pre-retirement schemes. Besides, at that time the Dutch economy was experiencing a significant and surprisingly lengthy downturn and the government called upon the social partners for a wage freeze. After heated debates and even a mass demonstration (a sign of protest rarely seen in this country over the past decade), the government and the social partners reached a new social agreement. A more extended version of the Life Course Arrangement served as one of the bargaining chips in this new deal and was included in a new law called The Act on the Adjustment of Fiscal Dealings

¹⁴ In payroll savings schemes (in Dutch 'spaarloon'), the employer withholds an agreed amount of the employee's gross pay and deposits this in a savings account blocked for at least four years. When the sum is paid out it is not liable to pay payroll tax on the exempted amount. There are some ways to unblock the savings before those four years, like paying for a mortgage, costs for study or if you start a business.

with Pre-retirement Schemes and the Introduction of a Life Course Arrangement (in short VPL Act). As described above the new Life Course Arrangement came into force in January 2006. It contains the following key provisions:

- Employees may save a maximum of 12% of yearly (gross) income to a maximum of 210% of the yearly (gross) income, in order to finance periods of unpaid leave, e.g. care leave, sabbatical, terminal care, parental leave, training leave or to retire earlier from the labour market. After the take up, the account can be refilled up to the 210%. Employees are being covered by the social insurances up to a period of 18 months (a maximum of 3 years leave could be saved for, if the employees decide that 70% of his or her wage suffices, but after 18 months the social insurance coverage expires; an employee that insists on 100% of his or her wage will be able to reach a maximum leave period of 2.1 years).
- Money can be put in an life course saving account or used as premium for life course insurance (at private insurance company, pension fund et cetera). In agreement with employers time saved, such as overtime can also be valued and put in account.

It has already been pointed out that no new rights to leave are being introduced in addition to the existing rights. Collective bargaining parties are expected to incorporate and facilitate the Life Course Arrangements in their agreements. All employees were obliged to opt for either the new arrangement or the existing Wage saving system, (Sparloon). Before the introduction of the new arrangement scepticism and criticism could already be heard. Although the general idea of a life course arrangement was supported, the current version was seen as too limited in scope and inaccessible, notably for the less well-paid employees, who could never save these kinds of amounts (the arrangement was called a “yuppie tool” and “thin air”). In the first half of 2006 it became clear that most employees wished to stick to the Sparloon arrangement and less than 3 out of 10 opted for the Life Course Arrangement.

At present many commentators, including university professors and the Social and Economic Council, are advocating a revised Life Course Scheme, proposing to integrate the current scheme and the Sparloon arrangement. It is also proposed to widen the scope and application of the scheme, e.g. more leeway for education and training, and more possibilities of using the money saved in case of work-to-work transitions. In short, one of the prospects of the arrangement is its reform into a genuine and general flexicurity scheme. However, at an early stage the trade unions, that are not against the arrangements as such, have expressed their concern that the reforms may lead to a fully individualized, privatized and fiscally based social security system. Another issue is the question of unconditional rights. One of the reasons why the Belgium career break and time credit system, described above, is seen as more successful than the Dutch provisions for career breaks (these conclusions do not apply to the new Life Course Arrangement) is the unconditional and rather administrative right that Belgian workers have in taking up career breaks and time credit. No previous permission from the employer is required. The obvious question is whether integrated life course policies should be based on unilateral and unconditional rights from the part of the employee. On the one hand this may seem a favourable approach from the employee’s perspective. On the other hand it may be at odds with the need to also synchronize business and individual interests (see section 2, above). This perspective would imply that life course arrangements should also be considered from the angle of enduring employment and participation and from the employers’ perspective.

Regulating time options and life-course policy on different levels: some conclusions

Ideally, life course policies should be designed to deal with flexible arrangements in order to accommodate individual needs and preferences of employees that may arise from the combination of care, voluntary community work, life-long learning or leisure on the one hand with prolonged and more productive employment on the other. This need for coordination occurs at any point in time and also throughout time, between phases of the employee’s life-course. Furthermore, from a flexicurity point of view a life course policy should at the same time be structurally coupled with the business (life) cycle of companies.

As far as the combination of employees' activities at a given point in time and along the life-course are concerned we can conclude from the analysis presented above that these needs are not supported by fully integrated life course policies in most countries.

Not surprisingly, Sweden and the Netherlands proved to have so far managed to provide the closest life-course approach in legislation and collective bargaining of all seven countries covered in this study. Both Sweden and the Netherlands are in the process of applying an overall approach towards work-life-balance which facilitates for the individuals to decide and arrange rather by themselves how each wants to accommodate one's personal needs to one's working life.

Also, it was not a surprise to see Spain lagging behind which rather seems to put other topics on the agenda than work-life-balance issues. Hungary has due to its socialist past a tradition in legal regulations on life-course related policies such as educational leaves and leave in the family context. Though, as it still has to accommodate with basic economic requirements, work-life-balance issues still remain not well recognized in collective bargaining and therefore the situation on the company level does not fully reflect those provisions.

However, as concerns the UK, Germany and France, there have been significant changes in labour law and collective bargaining which show that the employee's need to facilitate the combination of work and family life have been recognized. On the other hand, most of those changes can be attributed to efforts to improve conditions with regard to child care, and have thus only a limited relevance as concerns the individual's life-course.

All EU countries have granted individuals a set of rights and entitlements with respect to leave schemes for various matters (maternal, educational), also due to EU obligations, but these entitlements are not strongly interwoven. Moreover, the scope of these schemes and their generosity (length, replacement rates/payment, unilateral decision by employee to take up leave or consent required from employer) vary significantly across countries, with the Nordic countries, in particular Sweden, in many ways taking the lead. These conditions do determine actual take up rates.

We can also observe large differences in the relationship between statutory law and collective bargaining. In some countries, e.g. France and Italy, most of the life-course related laws are first and foremost formulated at the statutory level. Collective labour agreements in these cases simply reflect or repeat these provisions. In other countries, e.g. Denmark and the Netherlands, the role of collective bargaining partners is more prominent. Innovation often starts at the sector level and is ultimately 'codified' at the central level of labour law and social security law (i.e. the case in the Netherlands, e.g. regarding workers' rights to work more or less hours; in Denmark statutory regulation remains much more modest compared to collective bargaining).

What is still missing is an overall approach towards the consideration of individuals in their diversity with differing personal needs over their life-course. However, as the discussion of the career break scheme in Belgium and the life course policy in the Netherlands has shown, there are first examples of an integrated life course framework in some European countries.

If we look at the second level of synchronization mentioned in section 2 – the adjustment of the company's and the employee's needs – this is in Europe, if addressed at all, the domain of companies' HRM policies and social partners sector policies rather than the domain of law and state regulation. We are now going to look at the company level to investigate relevant practices in selected award-winning companies; afterwards the preconditions for good practice are discussed, in particular with regard to working time accounts and other working time options that are commonly expected to have a potential for a life-course approach.

Company cases – examples of good practice 4

In this section of the paper we will look at some interesting companies in more detail. Whereas most big companies today offer a range of flexible working time schemes, e.g. part-time work, the selected companies show – to a certain extent – a life-course or at least a long-term approach in the range of working time or training options that goes beyond widespread patterns of flexible working time schemes. We have chosen examples from different countries to be able to exemplify different implications of these company programmes due to the country-specific interplay with the legal framework in labour law and social security law.

The companies that have been selected¹⁵ for this exemplary analysis are:

- ASML, Netherlands
- Airbus, Germany
- Happy, UK
- Danone, Spain
- Hewlett Packard, Germany

Our central question is: What working time options and other HRM measures that can contribute to a coherent long-term or even life-course approach are offered by the company?

The Dutch microchips producer ASML: enhanced flexibility and more jobs by the introduction of a working-time account

About ASML

ASML is a world leader in the manufacture of advanced technology systems for the semiconductor industry. The company offers an integrated portfolio for manufacturing complex integrated circuits (also called ICs or chips). ASML designs, develops, integrates, markets and services advanced systems used by customers – the major global semiconductor manufacturers – to create chips that power a wide array of electronic, communications and information technology products.

ASML's corporate headquarters is in Veldhoven, in the South of the Netherlands (close to Eindhoven, the centre of the Dutch manufacturing industry). Manufacturing sites and research and development facilities are located in Connecticut, California and the Netherlands. Technology development centers and training facilities are located in Japan, Korea, the Netherlands, Taiwan and the United States. Additionally, ASML provides service to its customers via over 50 sales and service organizations in 16 countries. Companies such as Intel are among ASML's most prominent customers. ASML employs 2250 workers in the Netherlands.

Founded in the Netherlands in 1984, the company is publicly traded on Euronext Amsterdam and NASDAQ under the symbol ASML.

¹⁵ The selection was based on the analysis of research on working time, on information about awards given to companies because of innovative working time models or family friendliness, as well as on the analysis of company websites. In addition a number of researchers with expertise in working time research have been asked to name companies with interesting working time models based on a long-term approach. However, these companies stand for only a small section of the working time options that can be relevant for the life course perspective.

The challenge: dealing with upturns and downturns in the product cycle

The product cycle in the microchips business can be labelled unique: a one year 'peak' period and then a two year slowdown phase. In the upturn period full capacity needs to be available and production needs to 'peak' whenever required by sudden increases in demand. This is called 'ramp up' capacity. The problem here is that ASML employs experts in technology that also need company-specific training. The recruitment and training period for these employees amounts to one year and more. And after one year the upturn period is already over. ASML has concluded that its staff capacity, no matter how flexible, will never be able to match the changes in demand. Yet, rapid adjustment to changes in production capacity represents a significant competitive advantage in this business.

The working-time account and new shift schemes

In response to these challenges ASML has developed a master plan, including a working-time account (urenbank, in Dutch), introduced in February 2006. The aim of this plan was to flexibilise the deployment of current staff (i.e. internal numerical flexibility) and to limit the recruitment of flexible workforces (external numerical flexibility). The latter will only be hired for jobs with a total recruitment and training period of less than six months. Initially ASML changed the shift works system, transferring the existing 2-shifts scheme into a 5-shifts scheme, but this did not result in a balanced relationship between costs and benefits. It appeared that 24-7¹⁶ capacity could already be reached by having 15 employees working a full shift. The specific solution lay in 8 different rosters for different production processes, each with an upturn and downturn variant. In periods where production capacity is used to the maximum it is possible that employees work 45 hour working weeks during a maximum of 47 weeks (over-time excluded). That implies that a maximum of 235 hours is put into the working-time account: 47 x 5 hours above the 40 hours standard working week. Each employee has the possibility of checking his or her current credit balance plus the possibility of acquiring a negative balance of 235 hours. So, in total, the bandwidth of the account can amount to 470 hours. The working-time account is a mandatory system for all employees. Employees that wish to draw hours from the account have to consult their manager. The hours saved cannot be put in the national life-course arrangement (see elsewhere in this paper). ASML has also withdrawn its shorter-working-hours system (ADV in Dutch) after the introduction of the working-time account. Some workers found this not easy to accept.

The legal context and the consultation of workers' representatives

The current Dutch Law on Working-time (introduced in 1996) contains a two-tier regime. First there is the so-called standard arrangement that contains maximum standards with regard to working-time. The second regime is the so-called consultation regime where a company can stretch the limits of the standard arrangement if an agreement with the representative body for the workers is reached. First negotiations with the works council at ASML did not succeed. Subsequently the company established a joint working group, a number of staff meetings and a Q&A section on the intranet. Some problems resulting from the new scheme were practical such as transport and parking problems. Some households were confronted with odd working hours for both partners and ASML promised to find a solution to these problems. Furthermore, ASML and the trade unions negotiated a working-time account bonus of 4.5 percent of the wages.

¹⁶ 24 hours seven days per week.

The benefits of the working-time account

So far the following benefits of the working-time account have been reported:

- the final arrangements required less weekend work from the employees than the initial plans
- 150 extra jobs were expected to be created, due to extended business hours and a limited use of temporary workers. Recruitment for the new jobs is currently in full swing.
- There are 12,5 percent more productive hours at the company
- The handling time of orders has been reduced with an average of 13 percent
- The ramp up capacity has been enlarged: each month the production capacity can be increased during six months and the maximum increased speed can be maintained during another six months.

(Sources: van Lammeren (2006): 32-33; <http://www.asml.com>; own research).

Airbus Germany GmbH, Hamburg; “SiduFlex” as a combination of three different working time accounts

About Airbus

Airbus is one of the leading aircraft manufacturers and is well established in this market, delivering half or more of all orders for airliners with more than 100 seats. It was first founded in 1970 and currently employs 55,000 people all over the world.

Airbus Germany GmbH, a subsidiary company of Airbus, situated in Toulouse, develops and manufactures about one third of the European Airbus. In 2004, it reached a business volume of 4.61 Mill. €. In the same year 960 Mio. € was spent on Research and Development. Taking all seven sites in Germany together, with Hamburg being the headquarters, Airbus Germany currently employs 21.300 people.

The starting point

In the forefront of the development of a new model of flexible working there have been agreements on flexibility, but those provisions referred mainly to times when the overall working load was high, including fixed-term contracts, temporary employment and contracts of more than 40 hours/week. However, there were no provisions for working time flexibility in times of HR overcapacity. There were time savings accounts, but they were applied only in the short-term. Due to the crisis in aircraft engineering following Sept. 11 2001 when the company had to react to a significant drop in orders, those shortcomings became apparent.

Project groups were set up to find ways to meet the new challenges. Those project groups were issue-related and were made up of representatives of the company and the works council (also, if necessary external specialists) and were therefore met with high acceptance by employees. In the context of a new approach of working time flexibility the company’s aim was also to find a way to substitute the arrangements for partial retirement based on the statutory legal framework running out in 2009.

The concept “Sidu-Flex”

The outcome of this project work was the concept „SiduFlex“ (“Sicherheit durch Flexibilität”), a package which not only addresses flexible working time arrangements, but also other regulations on temporary work, fixed term contracts, working overtime and apprenticeships, in order to meet the challenges of changing capacity. In the context of this paper, we have chosen to concentrate solely on the regulations of the working time accounts.

As far as working time flexibility is concerned, “SiduFlex” provides a three accounts system which is to meet short term as well as long-term working time needs. It allows employees to recycle overtime hours into funded monetary savings credits that can be used to finance early or partial retirement. The introduction of the concept was accompanied by an open information policy towards the employees in order to foster acceptance for the new model.

Employees can save their working time in one of three ways:

- a) The flexitime account corresponds to the former working time account and is meant to meet short term flexibility challenges. The transfer to the other two accounts is possible. Flexitime savings, overtime, shift work hours can be saved here. Once the account balance has reached 20h less than the agreed maximum limit supervisors and their employees decide on the reduction of the saved hours. If reduction is not possible due to operational reasons, hours can be transferred (max. 10h/month) to the security or the life-long savings account, in agreement with the supervisor. In principle, overtime cannot be paid out anymore. However, there are exceptions, e.g. in times of high over time when accounts are full. The decision whether saved time is transferred to the flexitime account, to the security or the life long working time account is up to the employee.
- b) The security account is supposed to balance the company’s medium-term working time demands in order to avoid short time work. The time saved is reduced collectively to meet recurrent overcapacity. Basically, it cannot be used directly on an individual basis. However, it is possible with the consent of the employers’ and employees’ representatives. In case of the transfer of hours to the flexitime account the employer adds an extra of 15% in order to motivate employees to save time on the security account. Moreover, hours can be used directly given the consent of the employers’ and employees’ representatives in exceptional cases. Then the minimum number of hours to be taken is 10. This time can be used for training e.g. when otherwise the company would have offered unpaid time off. Up to 150 minus/plus hours can be saved, the company adds 15% free time for every hour saved. The transfer of hours to the flexitime account or after to the life-long working time account is possible, but subject to the employer’s consent. Time savings on the flexitime and the security accounts are limited to 250 hours.
- c) The life-long working time account is limited to employees with unlimited contract and a minimum of 6 months seniority. It accumulates savings of the flexitime account (max. 10h/month) and also the security account in case of overrun (under the conditions mentioned above). Also, parts of one’s salary can be saved here. Time is capitalized according to the gross salary of the employee at the time when the claim arises. Time is saved on funded monetary savings credits which can later be used for early retirement. However, there is no provision for sabbatical leave.

The accounts are basically balanced with free time in order to provide security for permanent staff.

By January 2004, some 2.400 Airbus Deutschland staff had taken up the new offers and according to Airbus Deutschland the participation rate is increasing. About 7,000 (35%) employees save time on the life long savings account.

The outcomes of “SiduFlex” – first evidence

“SiduFlex” became effective as from January 2003. Since then, there has been a positive impact on staff retention and the prevention of short time work. The additional option for private pension schemes is said to increase employees’ motivation and therefore also the employer’s attractiveness. Moreover, through the new concept flexible adaptation on varying capacities became possible. However, the model has currently only been experienced in times of high demand and remains to be approved in times of lower capacity.

Seen from a life course perspective, the Airbus concept shows a life course approach only in terms of being able to save time to exit the labour market earlier. Therefore Airbus has found a possibility of meeting employers’ and employees’ needs to regulate early or phased retirement beyond the abolishment of the partial retirement regulations from 2009

onwards, which was one of the aims of the introduction of the working time account. On the other hand, the model doesn't offer any options for temporary labour market exits as concerns other time needs over the life course prior to pre-retirement age, e.g. for parental stages or sabbatical leave.

(Sources: <http://www.airbus.com>; <http://www.arbeitszeitberatung.de>, own research).

Small firms tackling the work-life balance & service goals: the case of Happy Computers in UK

About Happy Computers

Happy Computers is the winner of a vast amount of prestigious awards such as the Service Excellence Awards, an award for the IT-training company of the year, the Impact in Society Award, not to mention several awards for its work-life balance policies, and the award for being one of the best employers of the year. Happy is a small company only employing 45 workers. As a computer training company it believes that "training should be fun", it ranks 50 in the UK for size, yet 3 for quality and is the number one service provider in this field. It started out in the back room of Henry Stewart, a socialist and student activist who became an IT training entrepreneur in 1987. The company is currently situated in London.

Although many small companies perceive application of work-life balance policies as major hurdles that hinges their competitiveness, this case shows how a small company can not only achieve the national standards but also become a forerunner in introducing new work-life balance initiatives and gaining the competitive edge while doing so.

"Make workers happy then quality just rolls in"

Happy Computers is a case where work-life balance measures were introduced based on the management principles of the founder. Stewart believes that good services come only through high satisfaction rates of their employees. As quoted in *Management Today*, "Happy Computers can succeed only if its employees are happy" (*Management Today*, 30/09/2002). In other words, the introduction of the benefits is based on his business philosophy, which is "an organization that concentrates on the customer, the employee and the wider community does much better than those that just focus on short-term profit." (*Telegraph* 11/08/2003).

Guiding principle of this firm is that "people work best when they feel good about themselves" and "life friendly", not just "family friendly", policies are being used to achieve this goal. High quality service is not the only thing this company profits from using various types of work-life balance arrangements. Happy retains low staff turnover which saves on recruitment costs and it also boasts on its low absenteeism which profits the company yet again. Also few years when Happy experienced a downturn in business and had to reduce their staff, the whole company discussed over the issue and resolved it through wage freezes instead of job losses (*The Independent*, 22/10/2006).

Various types of flexibility schemes

Happy computers offer a wide range of arrangements that facilitate work-life balance needs. Even before the extension of maternity leave in the UK, it offered maternity leave for six weeks on full pay and additional six weeks on half pay and held the jobs for nine months for those who were on leave, and unpaid leave was granted for further five years (*Guardian*, 16/1/2001). The staff can choose from various types of flexible working arrangements, which can be taken individually according to the individual preferences, including compressed work weeks, part-time work, job shares, term-time working, annualised hours, paid-leave for religious observances, bereavement, compassion or family needs. In addition there are options for career breaks of up to two years or a month long paid sabbaticals after working six years (100 Best Work Places in Europe 2006 Report). The company has never refused a request for flexible working arrangement. In addition to flexible working time arrangements, this company also provides wellness benefits, which

includes on-site massages, where a masseuse comes in to give the massage and reiki. Holidays are 22 days per year, plus one additional day per year of service. There are company bicycle allowances available to staff.

Corporate Social Responsibility

Another interesting point of Happy Computer's case is its attention to community and charity. Approximately one fifth of the company profit went to the community through donation and charity. There is also a system named "time bank". The company provides an amount of 100 paid days which can be used by the staff members (upon application) to engage in a project that will benefit the community. This time-bank has been used to send Happy staff for IT training in Uganda, Nigeria, and Cambodia. Another example is teaching IT to the deaf using British Sign Language and building websites for charitable organizations, where charity organizations get 35% discounts. Approximately three fourths of its business is with not-for-profit organizations. Happy Computers believes in 'mutual benefit', that the work they do should benefit both the community and Happy Computers.

From making to teaching how to make a good work place

Happy computers, now expanded to Happy Ltd., offers management training as well as computer training which is provided by "Happy People". Their motto is "learn how to create a great workplace... from one of UK's best workplaces". Here they offer one day management training to improve the work place, including identifying key principles that enable work-life balance, and establishing flexible working practices to benefit the organization, workers and clients. Also the company has written a handbook manual on how to manage a company to make a better work-place, dealing with issues such as trust within the company, hiring methods and work-life balance.

In conclusion, Happy Computers represents a case where in a country where the regulations on working time arrangements and leave schemes are not extensive or generous, however, various arrangements are used through the involvement at the company level. This case is also exceptional for that it is a small company, where it is thought to be harder to implement work-life balance initiatives and a long-term perspective. This case shows how small companies can be flexible and innovative to increase their competitiveness in their sector through increase in service quality and cutting down cost coming from labour turnover or absenteeism, thereby combining employers' and employees' need for security and development.

(Sources: <http://www.happy.com>; Financial Times (15-05-2002); and sources quoted above; own research).

Danone, Spain: Focusing on sustainability

About Danone

Groupe Danone is one of the world leaders in food industry. Originally found in Barcelona in 1919, Groupe Danone now has its headquarters in Paris. Its core products are fresh dairy products, bottled water, biscuits and cereal products. It owns the brands Volvic, Evian, Badoit, Naya/Naya Waters, Lattella, Actimel/Activia and LU. The companies' agencies are spread over 120 countries all over the world and currently employ about 88,000 people world-wide. Its subsidiary company Danone Spain is situated in Barcelona. The Spanish workforce at present accounts for 1,800 people, 27% of whom are women. 1,000 of all Spanish workers are distributed over the five factories in the country, the rest of staff works in sales departments and central offices.

Groupe Danone's core values stand for openness towards changes and diversity, enthusiasm for new challenges, humanism and proximity as regards employees as well as consumers. "Corporate responsibility does not end at the factory gate or at office doors", said Antoine Ribaud, the group founder. Accordingly, Danone promotes its social engagement internally as well as externally. Measures include e.g. the hosting of the Danone World Cup, an employees' tournament, which is held every two years since 1997, summer camps for employees' children, financial help and time

off for employees to engage in communal projects, 24 hour telephone counselling for employees, assistance for families with disabled family members, the Danone Nation's Cup for children from all over the world etc.

The DANONE WAY - Key concept sustainability

Sustainable development is one of the core parts of Groupe Danone's strategy and combines the company's commitment to business performance and social progress. Since 2001 the DANONE WAY program has been set up for its business units to define concrete objectives to link business strategy and sustainability more effectively, including the participation of stakeholders in the local context. Nowadays the program is extended to 90% of business units.

Ensuring employability – the EVOLUTION program

One of the cornerstones of Danone's sustainability concept is the aim to ensure the employability of their employees by constantly developing skills and promoting active job security by encouraging mobility and professional development. Special about this is that the program addresses particularly non-managerial staff.

Before 2008, all business units have to set up concrete programs to achieve five key objectives in the context of employability:

- basic skills - reading, writing, basic math - for each employee;
- at least 23 hours of training per year;
- introduction of a "Skills Passport" giving details about positions held, skills developed and training courses taken;
- an annual performance revue for each employee;
- the option of working in another position every five years.

Additionally, an agreement has been set up to establish joint responsibility for development, which means that both the employer and the employee have a responsibility for improving job security, namely the employer by creating working conditions facilitating skills development and the employees by furthering their own professional development.

The figures provided by Groupe Danone state that Danone is already doing well in terms of hours spent on training per year and per employee, though with a significant gap between the hours spent on training by managers and non-managerial staff: Whereas managers spent 39 hours on training in 2004, non-managers only spent 22 hours. Overall, 81% of all employees in Western Europe were trained in 2004. For Danone Spain, the figures show it is even better engaged in its commitment. In 2004, the company has afforded 60,000 hours of training altogether with every employee on average having spent 35 hours of training.

In addition to this, Groupe Danone has with regard to upcoming demographic changes identified several challenges to be addressed in future as concerns seniors. Those challenges include looking at health and working conditions, the development of skills, seniors' motivation and labor costs. A seniors handbook was set up in order to help plant teams develop an action plan in line with their local context. This is part of the EVOLUTION program intended to ensure the employability of all Group employees throughout the course of their professional life.

Women in management and work-life balance

Other than this, Groupe Danone monitors women's performance as concerns their proportion in management. In 2004, women represented 40% of all managers (against 32% in 1999) and 23% of all directors. By analyzing women employees' situation in the company Groupe Danone takes steps to design programs helping women to attain higher management positions.

Furthermore, Danone Spain has implemented several measures in order to improve the work-life-balance of its employees. Measures provided by Danone include: additional two weeks of maternity leave (four in case of multiple births), transferable to the father, tickets for child care facilities, the opportunity to accumulate working hours, flexible working, teleworking, Friday afternoons off and an average workweek of around 35 hours.

DANONE – preparing to meet future challenges

Groupe Danone has set up a very broad HR concept featuring a lot of elements which are interesting from a life-course perspective. Being an international enterprise with branches in 120 countries all over the world, Groupe Danone strives to apply its concept in coherence with local conditions as concerns differences in culture as well as legislation. This is why it is worthwhile to take a closer look at Danone Spain.

Though legal provisions in Spain – as we have seen - are not very generous towards the employees' life course and their work-life balance, Groupe Danone proves that no matter the government's specific provisions, namely concerning parental stages and educational needs, a company can very well meet the employees' needs without having to face economic drawbacks.

Ensuring employability (as concerns training as well as health matters) over the course of one's life is essential for the individual employee's development in order to manage future job challenges. Special about this is that Danone doesn't apply only a limited approach with respect to their own company, but addresses the problem in a broader sense, i.e. providing training detached from current skill shortages in the company as well as applying their concept to every employee irrespective of age. Other than this, Danone's efforts to monitor and improve women's advancement in management positions goes hand in hand with its approach to identify and meet future challenges, i.e. develop potential in order to face future demographic shortages in terms of human resources.

On the other hand, there is still a lack of meeting the individual's needs as concerns work-life-balance. First of all, flexible working is not applied to the same extent to office workers as to factory workers with putting the latter at a disadvantage. Secondly, according to a survey, 77% of the employees of Danone Spain say that they have the liberty to adapt their working hours when needed. However, this percentage declines to 61% when asked if the employer animates the employees to find a better work-life-balance. - One point where Danone still has to rise to the challenge.

(Sources: Danone – Spain: <http://www.danone.es>, El Mundo: Danone gana por orgullo y compañerismo, March 12, 2006; Danone Group: <http://www.danone.com>; own research).

Hewlett Packard, Germany: Making the company attractive and more effective by offering employees a broad range of working time and saving options

About Hewlett Packard

HP is a technology company founded in 1939 that today operates in more than 170 countries around the world, employing about 150.000 people. The company provides a wide range of products and services that span from handheld devices to some of the world's biggest supercomputer installations, from digital entertainment and computing to home printing. HP achieved a revenue of \$ 86,7 billion and an organic growth of \$ 7 billion in the fiscal year 2005.

In Germany, HP has a number of agencies all over the country, with Böblingen (Bavaria) being the headquarter. The number of employees in Germany is about 5.700.

As an employer, HP focuses on the aspect of diversity and has gained several awards for this policy. It is part of the explicit company philosophy that "HP's performance starts with motivated employees; their loyalty is key" and that "a

diverse workforce gives [the company] a competitive advantage” (<http://www.hp.com>). While the aim is to provide people with employment opportunities based on performance, employees are regarded to be responsible for lifelong learning. Other aspects of the company philosophy comprise customer satisfaction, focus on teamwork, speed and flexibility as well as social commitment. As part of the latter, HP encourages the employees to engage in voluntary projects in society and finances a part of the time spent for such projects.

The standard working time model at HP Germany

HP Germany has offered and practiced a broad range of flexible working time models for a long time, such as full time and part time work, work based on hours, permanent and fixed term contracts, work on call, shift work, working time corridors, Job- and Desksharing, telework as well as function contracts. HP Germany was among the first companies that started the flexible beginning and end of the working day (in 1967).

In the context of overall working time reduction in collective agreements, HP developed a new working time system in 1984 together with the work council. The aim of the company was to keep the actual working time at 40 hours per week, at the same time offering the employees a flexible time saving model, thereby creating a win-win scenario. While the contractual working hours of full-time employees were reduced to 38 hours (in line with the relevant collective agreements), employees kept on working 40 hours per week, thereby saving two hours of overtime a week (ca. 12 days a year). Since 1992, employees have had the option to decide each year whether they wanted to save their overtime on a WTA or whether they wanted to have a monetary compensation (on a monthly basis). It is reported that about 22% of the employees - mostly people in a life phase where a higher income is more important than a time credit - chose to take the money, whereas the others opted for the time credit (<http://www.arbeitszeitberatung.de>).

The company leaders gained flexibility since they can stop the overtime work whenever the order books are not well-filled. They can also decide that working time credits have to be used up to cover certain days where the company is closed (e.g. between Christmas and New Year or at “bridge days” between a weekend and a bank holiday).

Since the mid 1980s, HP has permanently developed this standard working time model. Today employees save time on different WTAs. On the short term WTA employees can save working hours up to a certain threshold, when this threshold is passed, days are shifted to the long term WTA. There are no limits as to the amount of working time that can be saved. Time credits can be used up as free hours, free days, Sabbaticals or for an early retirement. Employees thereby have a high time sovereignty, although they have to arrange free times with their superior and in case of a longer absence have to match it with their colleagues to avoid capacity problems.

HP has built up financial reserves in order to cover the countervalue of the time credits. The money is placed outside of the company to guarantee protection in case of insolvency.

Working times are based on trust instead of a time clock, since the working culture is based on outcome, not on the duration of work. Employees therefore note their own working times (since 1999 only deviations from the usual working time) with a computer programme.

According to internal surveys, the working time policy belongs to the elements of HRM at HP that employees appreciate most (<http://www.arbeitszeitberatung.de>).

“100 = 80+20”: Additional options to build up a time credit

The introduction of the working time option “100 = 80+20” was motivated by the aim to further increase HP’s attraction as an employer. This working time model has given the employees even more options to re-organize work, time and money over their lifecourses, and to save money for short term or long term needs such as training, sabbaticals or early

retirement. The formula implies that employees still stick to an actual working time of 40 hours, but now they can decide to save up to a maximum of 8 hours/week (= 20%) by reducing their salary to an equivalent of 32 hours/week (= 80%). In addition, extra benefits such as christmas money or extra premiums can be saved on the account.

Employees have to announce on a yearly basis how much they want to save. Again there is no limitation to the time credit, and no arrangements have to be made in advance about when the saved time will be used up. The model "100=80+20" is restricted to employees with a permanent contract, however, and part time employees do not have the same options as full time employees.

Function time, swingtime-model, flexible working time corridor and "work à la carte"

In addition to the time saving models, HP has replaced the former flexible beginning and ending of the working day by a "function time model". This allows employees to place their daily working time anywhere within the working time corridor from 6.00 a.m. to 7.00 p.m. There is no more core working time, but employees that have to cover a specific time window (e.g. due to customers abroad) have to arrange working times in the team in order to make sure that somebody is available for the customers. This model can give employees a lot more time sovereignty and flexibility (in the team), while it improves the customer orientation at the same time.

Among the additional working time models practiced by HP Germany, the "Swingtime" model can also help employees to synchronize different needs and to achieve work-life balance. This model allows employees to extend their working hours by up to 3 hours during two weeks and by 2 hours in the third week to get an extra day off each month. While this is an offer that aims at easing employees' work-life balance and making HP more attractive as an employer, there are also agreements on the company level that allow branches of the company with particular flexibility needs to steer employees' working times according to the needs of the company within the limits of a flexible working time corridor. The flexible working corridor implies that employees can have to work overtime up to an upper level of time credits, or have to get down to a minus on their WTA until the lower threshold is reached.

HP constantly works on the development of new working time models to allow a quick adjustment to new needs, in particular on individual and flexible time solutions.

Potential for the life course

It is obvious that a range of working time models practiced by HP Germany can help people to synchronize different tasks in a certain phase of their life (e.g. swingtime), while at the same time the long term saving options contain a potential for a diachronization of work, time and money over the employees' lifecourse. By introducing extended time options for employees while at the same time negotiating rights to steer employees' working time under certain circumstances, HP has aimed at synchronizing the flexibility and security needs of both the company and the staff. The solutions found were closely interwoven with the existing legal framework, e.g. the limitation by the maximum daily working time as laid down in the law on working time (Arbeitszeitgesetz) or the regulations safeguarding the coverage by social security during sabbaticals or partial retirement, as laid down in the law on flexible working times ("Flexi-Gesetz") and the law on partial retirement (Altersteilzeitgesetz). In particular the duration of working time as settled in the relevant collective agreements opened the path for the early WTA-models, since it enabled HP to use the two weekly hours difference between the "old" working time to which the employees were accustomed and the "new" working time fixed in the collective agreements as volume for manoeuvre. In addition it is obvious that HP's interest in employees' time sovereignty and work-life balance is part of a long term orientation, namely the aim to increase the attractiveness as an employer and to strengthen the attachment of employees to the company (retention management).

(Sources: <http://www.hp.com>; <http://www.arbeitszeitberatung.de>, own research).

Lifetime working time accounts: the ideal instrument to establish a life-course perspective at the company level?

A review of European policies by Arrowsmith/Sisson (2001) shows that working-time policies designed to better meet the need for time sovereignty of employees are relatively scarce. The authors point at good practice in the Swedish municipal and healthcare sectors. Sweden is also the country where “Time Care” has originated, a software tool that enables self-rostering by employees, first introduced for hospital workers and increasingly becoming widespread in aviation, consumer electronics and apparel industries in Sweden and other European countries (www.timecare.com). The concept of time care and self-rostering is explained as follows on this website: “Many rosters are currently based on fixed shift systems with limited possibilities of adjustment to actual production needs. Time Care’s products assist you in the process of adapting your rosters to production needs. Key words are production, flexibility and well-being. The concept of self-rostering balances the needs of the organisation and those of the employees.” Other initiatives have followed, such as the introduction of the Working-time Evaluator (<http://www.workingtimeevaluator.com>), a Dutch software tool that allows companies to match working-time needs and preferences.

An analysis of self-rostering examples in Austria shows that the institutional design of the labour market is a weak predictor of self-rostering. Rather the adoption of self-rostering is linked to a firm’s internal environment, and the role of HRM to increase worker commitment and to improve the productivity and retention of workers. Similar HRM motives to implement family-friendly flexibility strategies are found in Van Velzen (forthcoming), who reports on different flexibility-security trade-off outcomes in Belgian, Danish, Dutch and German logistics firms. Here as well, the role institutions play in determining such outcomes is modest.

Although the company cases we have focused on have revealed a broad range of flexible working time arrangements that can be used by employers and employees to adjust to changing circumstances and needs, it seems to be the instrument of working time accounts and in particular life-time working time accounts that fit particularly well to the life-course perspective. WTA can enable both firms and workers to build a ‘stock’ of overtime hours, ‘created’ during peak hours. During slow periods, workers can stay employed and continue to receive pay by ‘drawing’ from the accounts. Time (or money) saved on WTAs can also serve to cover shorter or longer periods in which time needs beyond paid work occur. Crucial for working time accounts is the legal room to consolidate, average and allocate hours over a relatively long period.

In Germany, working time accounts already exist in about 30% of companies employing about 40% of the workforce (Bauer et al. 2002: 183), and the share of WTAs that allow the distribution of time over a longer period is increasing. WTAs that create options for the location and distribution of working time can be used in various ways to meet time needs of employees. It has to be acknowledged, however, that employees can only use flexible working times to suit their requirements if they enjoy access rights to their saved-up working time credits. The existence of a flexible working time model per se tells us nothing about whether it helps to meet the employee’s interests and needs or not. The specific provisions relating to these working time accounts and the ‘time sovereignty’ are the decisive factors.

Empirical research on the access rights to working time accounts in Germany has come to the result that white collar employees can use their WTA much more often according to their personal needs than blue collar workers. Whereas 72%/60% of all highly qualified male/female employees with WTA were able to (co-)decide on the amount and distribution of their working time, only 19%/12% of the low qualified blue collar workers with WTA could do so. Among the latter group, 46%/36% of the WTA were primarily run according to the companies’ needs (Bauer et al. 2004: 125, Klenner 2005: 222).

Will long term working time accounts be a crucial instrument within future working time schemes offered by companies, and can they be a cornerstone for a new life course orientation? Some aspects lead to a rather sceptical assessment here.

- Long term WTA are not a solution to the upcoming shortage in qualified personnel. On the contrary, when specialists work more today to retire earlier (thanks to their time credits), this will even increase the labour shortage in the long term. This way the business cycle is not accommodated by the facilitation of the life cycle.
- When long term WTA are concentrated on an earlier labour market exit (as it is now), this will reduce the incentives to invest in older workers and their training.
- In times of labour shortage there might be problems to take time out of one's WTA for other reasons, as a sabbatical. As the experience shows, working time credits are sometimes cancelled and cannot really be used up by the employee. Here the paradox seems to be that a long-term perspective, as embedded in a WTA and in life course policies in general, may produce counter-effects if in practice it appears difficult to reap the fruits of the savings made.
- Problems can also arise when savings suffer from inflation, e.g. when neither the legal framework nor collective or company agreements guarantee the value of the savings in real terms over time.

Lehndorff (2005) illustrates how different the actual use of WTA can be from a life-course perspective. In a recent analysis based on company case studies (Haipeter/Lehndorff 2004), the reality of long term working time accounts turned out to be connected with additional work stress in some companies whereas WTA increased workers' time sovereignty and working conditions in other companies. In the negative cases, the situation was dominated by overboarding WTAs and employees often were not able to take the time they had saved out of their WTA due to an increasing shortage of staff that actually limited their room for manoeuvre. Reductions in personnel can therefore be decisive for the actual flexibility (or missing flexibility) offered by WTA. If the company is understaffed, employees who get sick might be expected to take time out of their working time accounts. Other companies, on the contrary, had clearly defined rules limiting the endless increase of overtime, or defined pathways to shift time from short term to long term WTA, or they made sure that the employee really had the opportunity to influence his working time and to take off the time had previously saved.

In an empirical study on overflowing WTAs in Germany, Bauer/Groß/Munz/Sayin (2002) came to the result that 40% of the respective companies made sure that the WTA was balanced again soon, 20% paid money for overtime beyond the upper limit¹⁷, 5% of the companies shifted the time to long term WTAs – and in 18% of the companies finally the saved time credits beyond the upper limit got lost for the employees. In a follow-up study, Bauer/Groß/Lehmann/Munz (2004) concluded that in about 80% of all cases WTA were actually used to balance time needs; in the remaining 20% either money was paid for overtime, or overtime beyond the fixed limits got lost. Munz (2006) sums up that in Germany employees vary their working time more often for company reasons than for private reasons. Employees with flexible working times do overtime more often than their colleagues with fixed working times, and they more often work overtime without any compensation. However, the time sovereignty of employees is positively correlated with the existence of clearly regulated WTA (that define rules for the handling of overboarding time credits), and with the existence of a work council in the company that can control these rules.

¹⁷ It is also reported that the habit of compensating overflowing WTAs in money has led to employees' unnecessary extension of their working time (e.g. in the German Software AG – the XML company, see <http://www.arbeitsberatung.de>), so that the system had to be changed.

Actually it appears that the ‘working culture’ within the company is more important than specific company-level provisions, as Hochschild (1997) has shown in a US-study.

Ultimately, the necessary social policy debate on role models should lead to a paradigm shift in companies, creating a situation where each employee is automatically also seen as a person with time needs beyond paid work, e.g. as a caregiver or as somebody involved in other socially relevant activities that can change over the life-course (Klammer/Klenner 2004). This means that companies should no longer base their planning concepts on the assumed norm of the (qualified male) employee who is freed from the full range of household duties.

At the same time it has become clear when looking at companies’ interests and flexibility needs that we cannot expect companies to mainly focus on their employees’ life-course needs irrespective of the business needs – that would be at odd with the main message of the flexicurity concept. The synchronization of the business cycle and the life cycle is not self-evident. Companies’ pressures and motives as well as their needs concerning flexibility and security, as well as the time horizon for their actions, are not necessarily congruent with those of their employees. Besides, company performance and employment stability clearly also are in the (long-term) interest of workers. Without work, there is no work-life balance. Due to this fact, implementing a life-course perspective requires the simultaneous involvement of different actors – e.g. the state, the social partners and the company – with different tasks.

Old and new tasks for different actors in a life-course approach

A sustainable ‘adult worker model’ would have to allow variations and fluctuations in working times for people in different life situations and with different priorities (Klammer/Klenner 2004, BMFSFJ 2006). The contribution of the state can be to generate the legal framework for different time-based options and to add these life phase-regulations to a coherent life-course approach. As it has been discussed, the Belgium career break scheme as well as the Dutch life-course approach contain a lot of potential in this respect. However these approaches also reveal the potential danger from the perspective of some groups of citizens: when the state only concentrates on organizing a scheme that allows people to save time and money for all kind of needs during their individual life-course without any differentiation concerning the motives for working time reductions and interruptions, there is an obvious risk for a further individualisation of risk-coverage. This can only be avoided by deciding which situations in life, e.g. child care or elder care, (still) need some public, collectively financed support within the welfare state, and by integrating such regulations in an overall life-course framework. The role of the state in establishing a life-course policy therefore comprises the setting of legal rights to adjust one’s working time (working time reduction/working time extension) as well as options to leave and to re-enter the labour market (e.g. for parental leave), minimum standards for work contracts but also cash benefits for defined life phases.

However there is clearly a limit to the influence of the legislator when it comes to the time arrangements in the working world. The German provisions on parental leave (that are ‘generous’ in an international comparison in time-based terms) can be taken as an example: the right of mothers (parents) to take advantage of parental leave and to employment security during this phase is regularly undermined in practice in cases where those affected are in fixed-term employment – something that is increasingly common among younger employees in particular. Other time-based options such as access to sabbaticals are also often confined in practice to the core workers who are on unlimited employment contracts.

Collective agreements can forerun, extend or specify legal regulations concerning leaves and flexible working times, or they can set up a framework where there is no legal regulation. But it is companies in particular that are becoming increasingly important as actors on the ‘work life balance stage’. Due to the direct interrelationship between company

working hours and the day-to-day arrangements of their workers, flexible time options offered by the company can help workers to adjust paid work to changing needs over the life course. Companies can acknowledge the framework defined by the state and by collective agreements and they can draw up provisions to operate within this framework. The company cases presented in this paper demonstrate that both employer and employee can profit from a long-term orientation. This can help to pave the way for better integration of the life-course perspective and to reduce workers' insecurity concerning their future work-life balance.

The state can also encourage companies to adopt a more family-friendly life-course policy by creating incentives of various kinds – such as tax benefits for companies which provide certain family-friendly working times, by making the awarding of public contracts dependent on family-friendly corporate policies, or through certification schemes and public awards. Economic arguments may create an additional, and potentially very strong incentive to ensure that personnel policy in companies is more family-friendly and life-course oriented¹⁸.

Furthermore, there also seems to be a role for company or business networks in this area. It is indicated that individual companies face limits in offering flexicurity to workers. In particular employment security (the security to remain in job, not necessarily with the same employers) sometimes requires a form of coordination and synchronisation across company borders. To put it in more theoretical terms: the synchronisation of individual's work and private activities may benefit more, albeit in an indirect way, from the synchronisation of business cycles among different firms than from the direct synchronisation between one particular firm's business cycle and one particular individual's life cycle. To give a concrete example: if two firms with 'contra cyclical' production processes team up, e.g. a firm with a production peak in the summer and one with a production peak in the winter, they might be – together – able to offer more and better working-time options to workers than one of the two firms by itself (Evers/Wilthagen 2004).

Finally, it is important to link the debate on working-time arrangements to debates on other aspects of work, which are also key to the mission of the Foundation. Working-time arrangements have a fairly procedural or non-substantive character: they refer to the presence and absence of workers (at work), not to the content of jobs or to job quality. Trade-offs can occur. E.g. more leeway in working-time arrangements, i.e. more time autonomy, could in practice be traded off against more restrictions with regard to workers' task or job autonomy. In the Netherlands it appears that increasingly more workers can determine the time of starting and leaving work (Wilthagen et al. 2006) and that large companies rank working-time issues among the less important HRM issues (compared to productivity, employability, training and hiring and firing). But at the same time the managerial prerogative regarding functional flexibility, i.e. the power to determine the employees' tasks, job and work location (what & where, as opposed to when), has been enhanced by law (especially case law; see Nagelkerke et al. 2006).

¹⁸ A cost-benefit analysis of the economic effects of family-friendly measures in ten German companies showed an average return on investment of +25%. The study also showed that family-friendly policies avoid over 50% of the costs incurred as a result of the lack of reconciliation of work with family (Prognos 2003).

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Annex 1: The Foundation project: Flexibility and Security over the Life Course: Overview of working papers, project design and content

	Title/Subject	Data	Time window	Countries	Calendar	Study objective
WP0	Introduction/executive summary. Results and policy implications					Summarising, reporting
WP1	Contract and working time flexibility: Constructing a typology	ESWT, EWCS, EB	Repeated cross-sections 1 year	21 countries: EU15 + 6 transition countries	2000–2005	Constructing a typology of countries based on contract and working time flexibility within the company
WP2	Take it or leave it: Working time arrangements and the synchronisation of business and life cycle	Inventory of legislation and collective agreements. Best practice company cases	Some 25 years	DE, NL, UK, HU, FR, ES, SE	Updated to 2006	Company case studies on working time flexibility and legal arrangements in 7 countries
WP3	Contract flexibility and employment security in Europe	ECHP	1, 3 and 5 years	14 countries (EU15 minus SE)	1995–2001	Assessing career effects: <ul style="list-style-type: none"> ■ Employment status ■ Income/wage
WP4	Working on a flexible contract: Improvement or scarring for the career?	ECHP, DSEP, GSOEP, BHPS	1, 5 and 8/10 years	14 countries (EU15 minus SE) and further analysis of DE (W), NL, UK	1995–2001, 1984/8–2002/5	Assessing career effects: <ul style="list-style-type: none"> ■ Employment status ■ Income/wage
WP5	Working part time and caring in Europe: Short and medium-term effects on the career and income	ECHP	1, 3, 5 years	DE, NL, UK	1994–2001	Assessing career effects: <ul style="list-style-type: none"> ■ Employment status ■ Income/wage
WP6	Part-time employment and its long-term effect on the career in DE, the NL and the UK	DSEP, GSOEP, BHPS	1, 3, 5 years	DE, NL, UK	1984–2002/5	Assessing career effects: <ul style="list-style-type: none"> ■ Employment status ■ Income/wage
WP7	Careers of working mothers after first childbirth	Life-course data	Child's birth to age of 10 years and 20 years	DE, NL, UK	1950–2000	Assessing career effects: <ul style="list-style-type: none"> ■ Employment status ■ Occupation
WP8	Employment patterns and occupational mobility over the life course	Life-course data	Age 30 years to age 45 years	DE, NL, UK	1950–2000	Assessing career effects: <ul style="list-style-type: none"> ■ Employment status ■ Occupation

Notes: ESWT = Establishment Survey on Working Time and Work–Life Balance; EWCS = European Working Conditions Survey; EB = Eurobarometer; ECHP = European Community Household Panel; DSEP = Dutch Socio-Economic Panel; GSOEP = German Socio-Economic Panel; BHPS = British Household Panel Survey.

Annex 2

Table A1: Legislation on leaves schemes in selected countries (2006 or latest information available)

Leave scheme		France	Germany	Hungary	Netherlands	Spain	Sweden	United King.
Maternity leave	duration	16 weeks	14 weeks	26 weeks	16 weeks	16 weeks ¹	14 weeks	39 weeks
	payment	100% paid	100% paid	100% paid	100% paid	100% paid	80% paid	90% paid
Paternity leave	duration	14 days	no	2 days	2 days	2 days	10 days	2 weeks
	payment	% paid		paid	% paid	100% paid	80% paid	% paid
Parental leave	duration	3 years	3 years	3 years	3 months ²	1-3 years (6 years when part-time)	18 months ³	13 weeks ⁴
	payment	% paid	67% paid ⁵	70% paid (until child is 2 years)	unpaid	unpaid	80% paid ⁶	unpaid
	part-time opt.	yes	yes	no	yes	yes	yes	right to ask
	regulation for co-parent	no	2 months	no	individ. right for coparent	No	2 months	No
Educational leave	regulation	statutory right, employer's consent required	regulations in most "Länder"	study leave ⁷	no legal right	right to apply	yes	only for employees aged 16-17
	duration	one year at most ⁸	5 days/year, 10 days in 2 years	-	-	not dependent on length of course	no time limit	"reasonable" time
	payment	paid	paid	unpaid	-	paid (up to 200 working hours)	unpaid	paid
Sabbatical/career breaks	regulation	right to ask	request has to be considered seriously	no legal right (yet option to take 1-year leave to build a home)	option (% paid), but no statut. right	no legal right	no universal legal right ⁹	no legal right
Care leave	Duration a) for care of sick child b) for care of dependant	a) 3-5 days/year b) leave or part-time option	10 days/year for each parent to care for sick child	a) depends on age of child b) up to 2 years	a) 2 days per event in urgent matters b) 10 days for fulltime worker ¹¹	a) 2-5 days b) 1 year	60 days/y. per child/per ill relative + right to unpaid leave for family reasons	right to "reasonable" amount of care leave; flexible working for carers from 4/2007
	payment	a) unpaid b) % paid (flat-rate benefit)	70% paid	a) 60%-70% of daily income depending on seniority b) flat-rate benefit	a) paid b) 70% paid	a) 100% paid b) unpaid	% paid	unpaid
Flexible (early/phased) retirement	regulation	no legal right	legal framework, no statutory right, only until 2009	Early retirement, Premium Years Programme for public and private employees ¹²	no statutory right	partial retirement ¹³ flexible retirement ¹⁴	employees aged 61-64 years may reduce working time or take early retirement	no legal framework

¹ 4 weeks can be transferred to father. ² 6 months part-time. ³ 9 months per parent. ⁴ per parent/per child. ⁵ for 12 months, to be extended by 2 month if co-parent takes leave for at least those 2 months; min. €300, max. €1.800. ⁶ 80% of former income for first 390 days (up to a ceiling of € 2.600/months, after that flat-rate benefit for three months). ⁷ restricted to education system training. ⁸ 1.200 hours (when part time). ⁹ scheme currently applies to 50,000 employees. ¹⁰ for up to 4 months also for dependant parent, can be regranted twice up to one year. ¹¹ twice the number of working hours per week (per year). ¹² employees continue to work part-time (max. 12h/week for public, 20h/week for private employees). ¹³ employees aged 60 - 64, who reduce working time and start receiving pension payments. ¹⁴ people who are receiving retirement pensions, but decide to (partially) go back to work.

Source: *Own institutional analysis.*

Table A2: Percentage of companies offering/using flexible working time arrangement 2004/2005

Country	Flexible WTA	Working time accounts ^a	Parental leave ^b	Paternal leave ^c	Care leaves for family	Educational leave	Phased retirement	Early retirement
Germany	51	21	52	7	35	40	52	55
Spain	43	7	25	4	26	22	22	50
France	49	12	59	23	28	50	33	57
Netherlands	45	15	47	24	59	42	68	77
Sweden	65	28	90	61	49	74	50	40
UK	58	11	56	26	44	37	61	71
Hungary	37	6	53	2	62	56	21	49

a : possibility to accumulate time for long period of leave, such as week or more.

b : have employees who have taken parental leave in the last three years

c : have men who have taken parental leave in the last three years

Source: *ESWT survey data – establishment weighted.*