



**Reset, Restore, Reframe**  
Enabling wellbeing through flexible work

# Employee wellbeing and flexible work

The increasing complexity of modern work means that workers are exhausted, and one-off interventions are no longer enough to restore depleted wellbeing (and associated performance) levels. Flexible working conditions represent a tangible and sustained approach to improving wellbeing. It also delivers enduring value to organisations and their people in the form of improved performance, productivity, engagement, and resilience.

However, implementing effective flexible work is not without challenge. The widespread adoption of flexible working practices since the pandemic have served to demonstrate the growing evidence that designing flexible working practices that support employee wellbeing requires more than just solving the logistics of when and where people work. **It requires the thoughtful adaptation of flexible work practices both to enable worker wellbeing and to drive business outcomes.**

In early 2022, Swinburne Edge and Deloitte, as part of a research project, worked together to analyse responses from 2,084 Australian workers on their views and experiences of flexible work. The analysis considered both onsite workers, who are required to work at their employer's workplace or a specific site, and flexible location workers (flexworkers) for whom work is not location dependant. Our subsequent **[Reset, Restore, Reframe – Making Fair Work FlexWork](#)** report released in June 2022 and based on the analysis, reconfirmed the potential flexible work has in enabling employee wellbeing.

This supplementary report aims to extend the initial analysis of collected data to provide practical guidance to organisations in their journey towards implementing flexible working practices to support employee wellbeing. It does so by:

- **Exploring** the link between flexible work and wellbeing.
- **Highlighting** the growing incentives to manage wellbeing through flexible work
- **Providing guidance** on effective practices to realise the wellbeing benefits of flexible work



# Defining wellbeing in the workplace

Before diving into this report it is important to understand **wellbeing** as used in our research. The term **wellbeing** is used in a variety of places and in a variety of ways. Some definitions of wellbeing stress how an individual feels, while others look to encompass a more holistic meaning and include an individual's purpose or physical environment.

Most definitions of wellbeing focus on the perspective of the individual, and can be understood as how people feel and how they function both on a personal and social level, and how they evaluate their lives as a whole<sup>1</sup>. Factors that influence how we feel may include our relationships, our physical health, our environment, and our emotions. It is important to acknowledge that wellbeing describes not just the absence of illness but the state of flourishing. **Wellbeing** is a reflection on how satisfied people are with their lives as a whole, their sense of purpose, and how in control they feel<sup>2</sup>.

Wellbeing can be defined to explicitly refer to the wellbeing of a group or groups of people. In these settings wellbeing is measured either through subjective ratings from individuals within the group or via a collection of objective indicators such as unemployment, health status, educational attainment or economic output.<sup>1</sup> One such group, where wellbeing is further defined and is the focus of the current report, is that of individuals in the workplace, or workplace wellbeing.

The International Labour Organisation (ILO) states that **workplace wellbeing** refers to all aspects of working life, and incorporates anything from the physical environment, to how workers feel about their work, the culture at work and the work organisation<sup>3</sup>. Wellbeing of workers is a key factor in an organisation's long-term effectiveness, and there are proven links between productivity levels and the general health and wellbeing of the workforce.<sup>4</sup>

Evidence points to poor workplace wellbeing outcomes being associated with reduced performance outcomes, lower economic output, increased rates of burnout and are increasingly contributing to a growing mental health crisis. Consequently, organisations, regulators and governments are increasingly aware of and actively pursuing avenues to improve workplace wellbeing.



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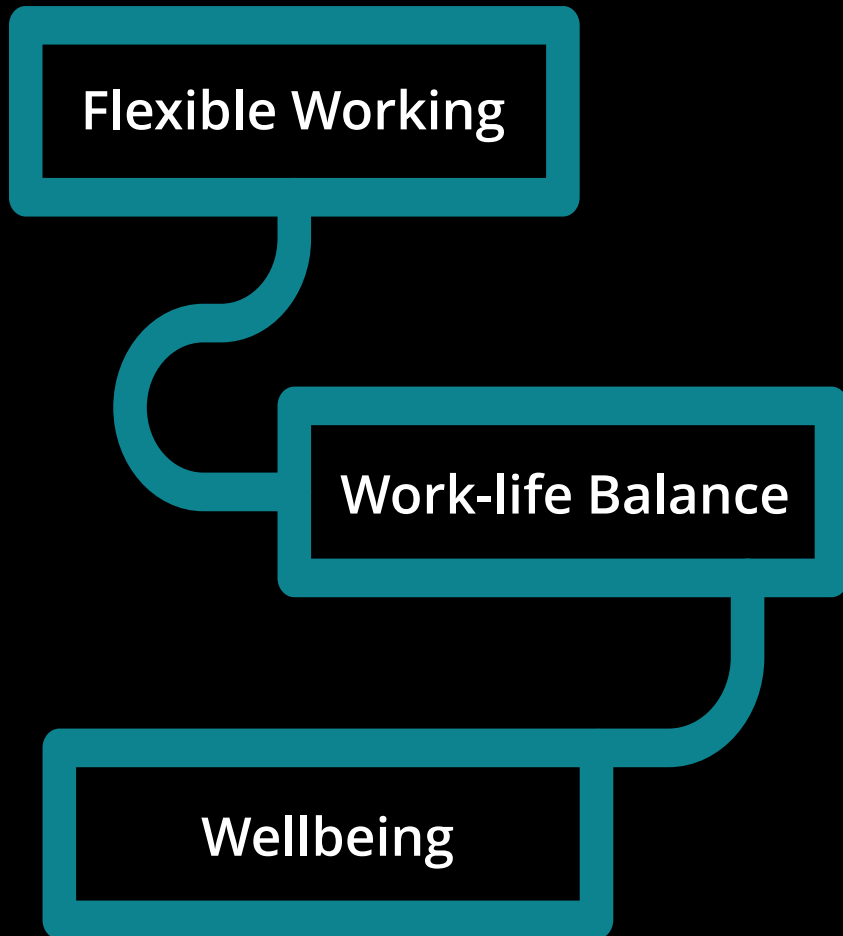




# Flexible work: A new frontier for wellbeing management

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# Flexible working enables wellbeing through improved work-life balance



Our research has shown that flexible working delivers wellbeing outcomes primarily through its ability to moderate work-life balance. In other words, flexible work delivers more time and control to the individual which enables them to better prioritise their wellbeing at and outside of work. Our data shows that this enables workers to realise life benefits that foster wellbeing such as:

54% of flexworkers reported spending less time commuting

52% of flexworkers report improved mental health

49% of flexworkers reported being able to fit in more physical activity

35% of flexworkers reported contributing more to domestic duties



These findings illustrate that flexible work allows for a majority of individuals to feel a better sense of balance in their lives and experience improved levels of mental and physical wellbeing as a result of the increased time they have available. This ability to enable wellbeing outcomes through the restoration of time should be the key consideration for organisations as they look to implement flexible working practices.

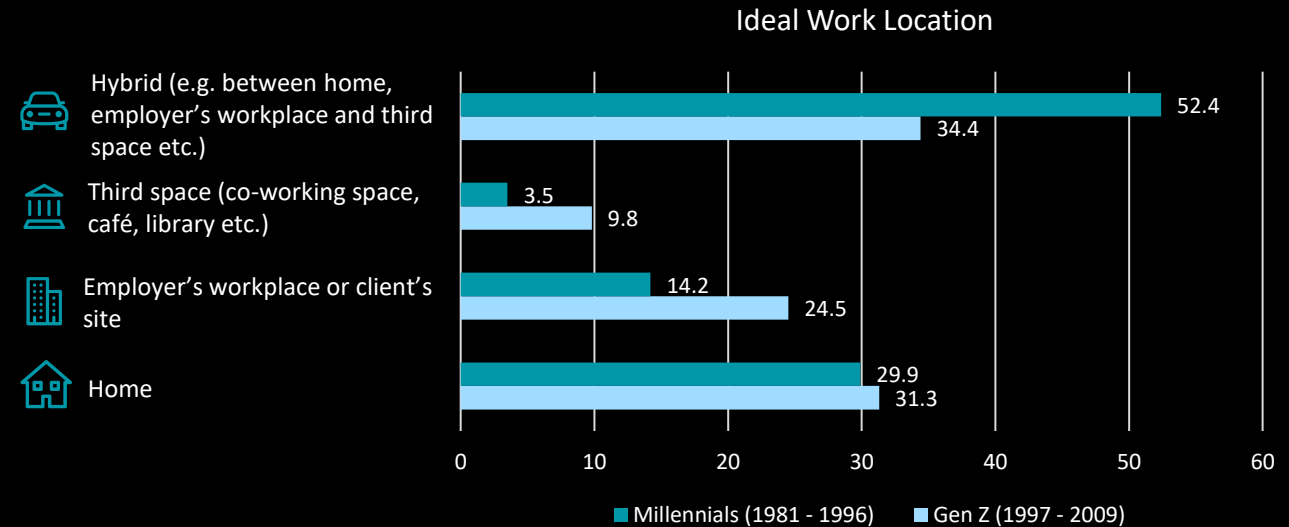
# Flexible working is strongly desired by employees for its wellbeing benefits

“Flexibility has gone from a ‘nice to have’ or a preference to a baseline expectation. It’s got to be a core element of the employee value proposition. Particularly in today’s tight labour market, if it’s not, the risk is you’re going to lose people.”

- Natalie James, Secretary, Department of Employment and Workplace Relations<sup>5</sup>

The demand for flexible working conditions has never been higher. Employees who have been forced to work remotely or with varying forms of flexibility during the pandemic now expect it to be the norm. Our data shows that close to 75% of people report being able to perform their work outside of the traditional workplace.

*The future is flexible; younger generation workers demand flexible work.*



The hunger for flexible work conditions reflects a broader trend of people seeking to work to live, not live to work. In our Australian sample, the preference for flexible work was highest amongst mid career workers aged between 25 - 49. Traditionally, the mid-career stage is a time of peak performance where workers are particularly concerned about getting promoted<sup>6</sup>. But it is also a time marked by family commitments. Respondents indicated that better life balance and improved mental health were the top benefits of increased work flexibility (60% and 52% respectively). A culture of overwork is no longer celebrated or glamourised but progressively being recognised for the detrimental consequences it creates for the workforce. People are increasingly seeking to balance work, life, and their wellbeing<sup>7</sup>.

# Flexible working and wellbeing are attractive employee value propositions

As of July 2022, the number of job vacancies in Australia surpassed available job seekers within the labour market<sup>8</sup>.

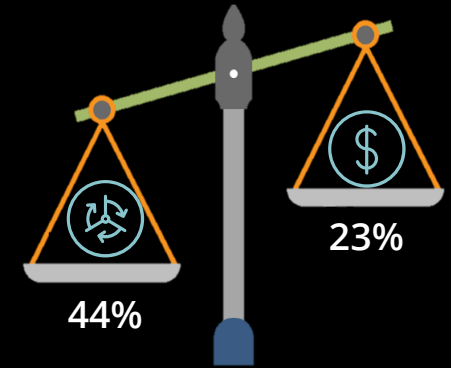
Our data shows that increasingly valuing and supporting employee wellbeing and flexible working conditions can be a key differentiator through which organisations can better attract and retain the best talent in a competitive labour market.

## On wellbeing, our results show:

- 93% of employees rated their physical, mental and emotional wellbeing as just as important as pay.
- Half of respondents placed wellbeing amongst the top 3 most important factors they look for in work.

## On flexible work, our results show:

- Head-to-head, almost twice as many individuals (44%) rated flexible working conditions as more important than a pay rise, compared to 23% who rated a pay rise as more important



Real-life examples support our finding that employees are attracted to companies with flexible working provisions. When Spotify introduced its flexible 'Work From Anywhere' policy, the company's attrition rate dropped by 15%.<sup>9</sup> Similarly, Atlassian employees scored "positively" the company's work-from-anywhere approach at least 8 out of 10<sup>10</sup>.

Our data shows that just over a third of flexworkers cite "home" as their ideal location. Yet LinkedIn job data shows that the advertised jobs don't meet this need<sup>11</sup>. This is particularly the case among Australian employers who lag the rest of world with advertising for positions with remote working options. Currently, less than half in Australia (6% of all advertised positions) compared to the rest of the world (13%), indicating that **employers may be missing a substantial opportunity to attract employees through flexible working conditions.**

When organisations support advancing wellbeing through flexible work, they may uncover benefits that enable them to be more agile, purposeful and productive. This, in turn, appeals to jobseekers within the competitive talent marketplace.



# Key takeaways for organisations

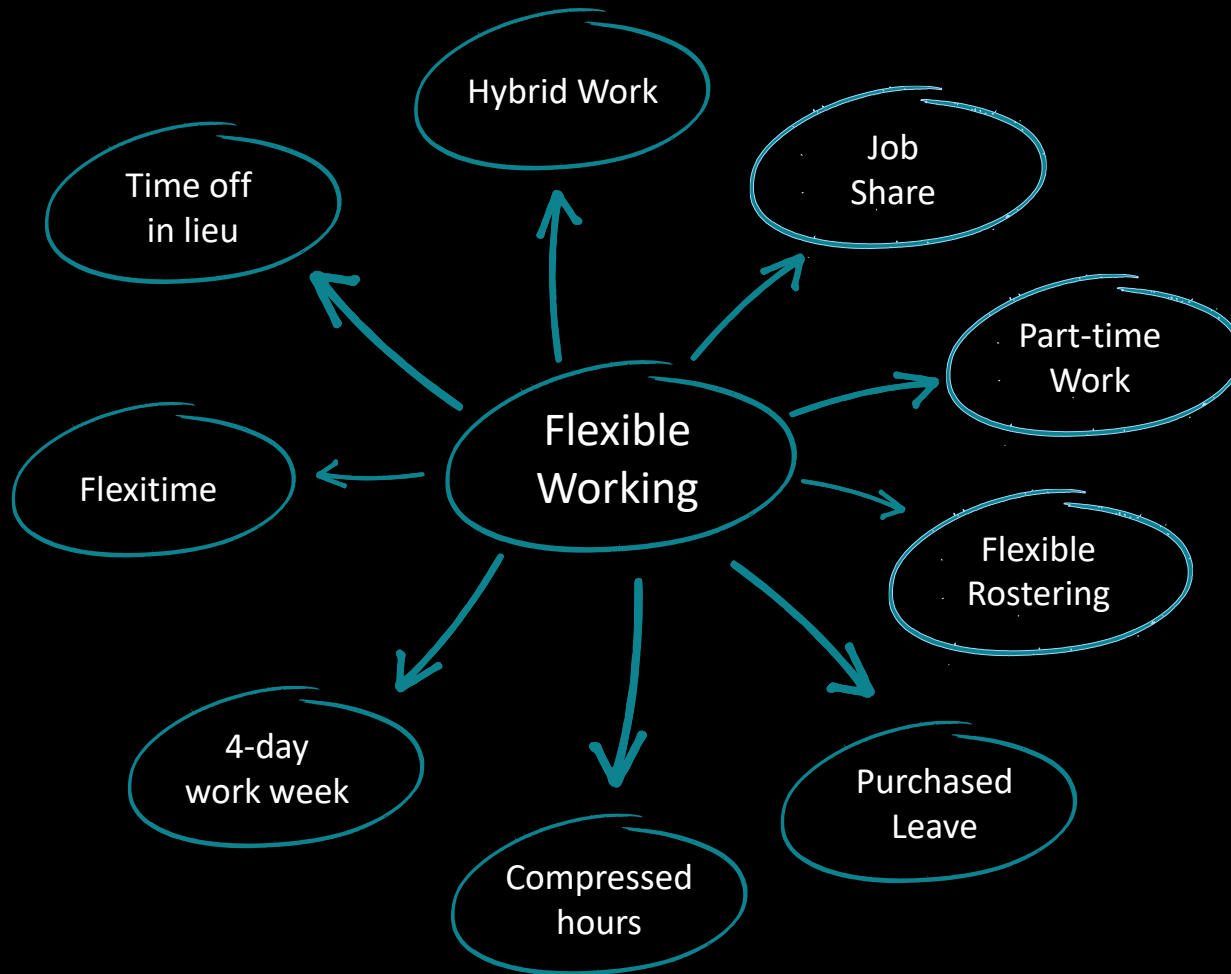
- Flexible work enables substantial wellbeing outcomes through achieving better work-life balance.
- The ability to engage in work flexibly is strongly desired by employees and is already viewed as possible in their roles by a majority of the workforce.
- Organisations' ability to support wellbeing in the workplace and flexible working conditions is substantially attractive to employees.



**A diversity of options  
and needs**

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# Flexible work is more than remote work



Flexible work means empowering employees with a sense of autonomy to structure their work conditions around their individual needs. This extends beyond being able to work remotely. In fact, our data shows that hybrid work is the most preferred form of flexible work. The **benefits of flexible work are not just constrained to the office or to 'office' workers**. Adopting an expansive understanding of the definition of flexible work enables organisations to adopt a fair approach to flexible working across their workforce, whether they are able to work remotely or not.

We are seeing an increase in organisations that define and promote flexible working across multiple dimensions, including time flex (which allows people to shift the hours they work) and school flex (which provides leave that covers school holidays). In this sense, flexible work can accommodate the life requirements of a diverse range of people, removing hurdles for people who may not have otherwise been able to participate in the workforce.

In the public sector we are seeing that job sharing or the act of splitting a fulltime role across two people to enable flexibility. There are a number of successful examples of job sharing from the NSW public service which can be found [here](#).

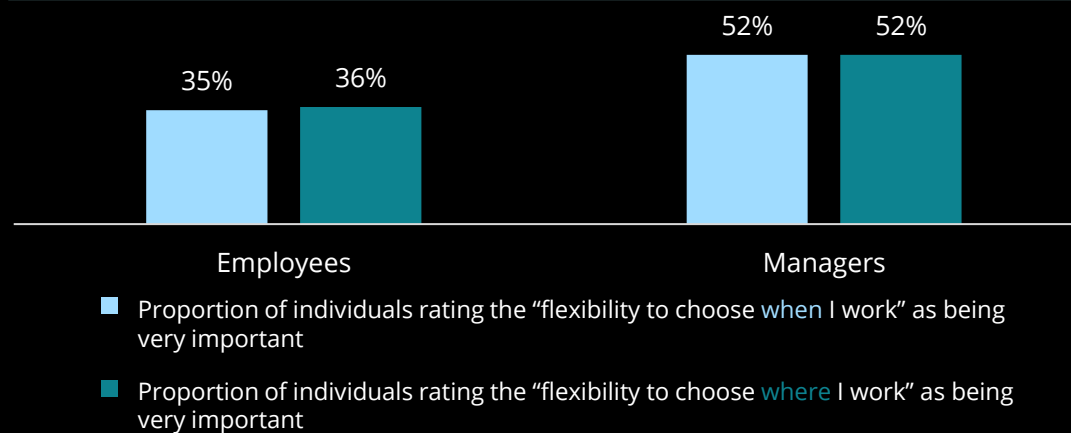
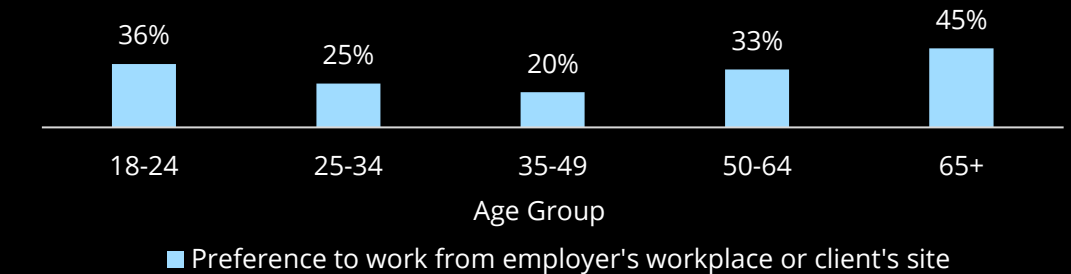
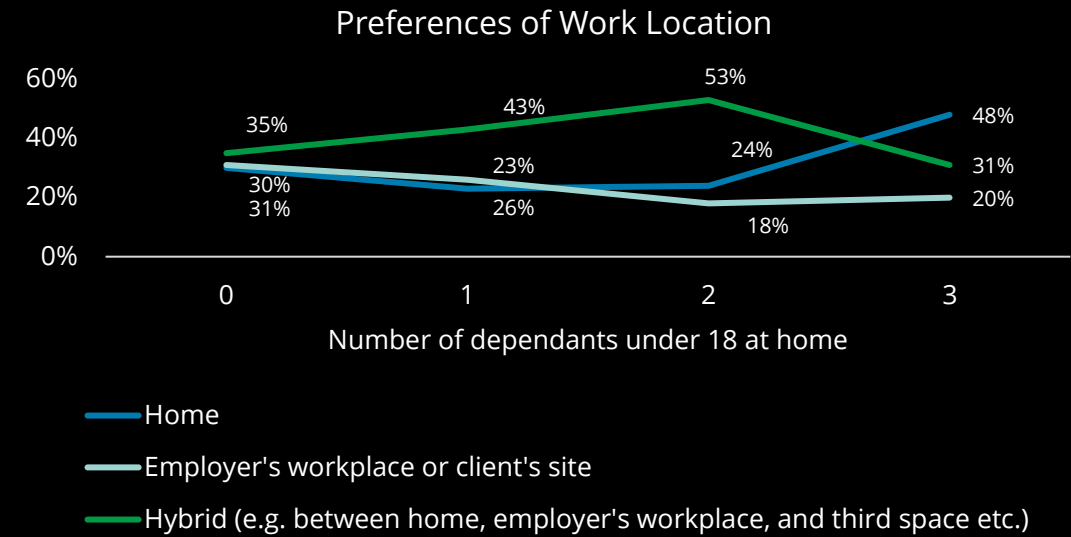
The benefits in adopting such approaches are clearly illustrated by Buurtzorg, a Dutch healthcare organisation that employs self-directed teams of nurses. Each team of 12 has maximum autonomy and determines their own work, schedules, and roles<sup>12</sup>. Buurtzorg has won the Netherland's 'Best Employer' award five times.

# People want different things from flexible work

The modern workplace comprises a diverse range of individuals. Naturally, different workers desire different things from flexible working.

Our data shows **increasing preference for hybrid arrangements when workers have up to two dependants under 18, but shifts toward remote working preferences for more than two dependants within households.** This is likely driven by working parents' need to balance work with caring responsibilities.

Our data also shows that the youngest entrants to the workforce have some of the strongest preference to work in the office fulltime. This is likely the result of younger professionals seeking the office to build their professional networks and mentoring relationships. Studies show that these connections and relationships (which younger entrants to the workforce may find difficult to build virtually) are important contributors to career satisfaction and longer-term career outcomes<sup>13</sup>.



# Key takeaways for organisations

- Flexible work is more than remote work and can apply to more than those who are able to perform their work remotely or in a hybrid work environment.
- Flexible working needs are not uniform across the workforce with people expressing different preferences for flexible work depending on their stage in life or career.



# Making flexible work *work* for wellbeing

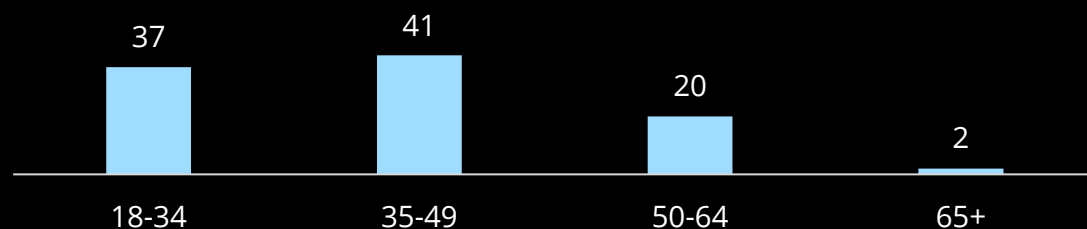
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# Designing flexible work for wellbeing starts With understanding needs

Enabling wellbeing through flexible work is about having different options to cater to different needs, leading to a fair rather than equal, approach to working flexibly. Investing the time to understand the needs of the workforce is fundamental to determining what approaches might be effective, and what the underpinning principles and workplace culture should be.

For example, remote working arrangements or the ability to work from home may not necessarily be accessible for all individuals. Our data shows that there can be more barriers to remote work among younger segments of the workforce and those with children even as they exhibit the strongest preference for such work.

Organisations need to provide targeted support options for these groups which are underserved by traditional flexible working approaches to enable wellbeing across their workforce.



Percentage of individuals reporting challenges working from home across age groups.

Flexible work approaches that enable wellbeing should support basic employee needs essential to wellbeing such as autonomy, competency and connection. To achieve this, organisations need to build a clear, shared understanding of their roles, expectations, and work schedule in a flexible working paradigm. When designed with employee needs in mind, flexible work can improve both employee performance and wellbeing through more time for family, volunteering, and learning.

Finally, flexible work policies and practices once implemented, require appropriate support to enable their benefits to be realised. Our data shows that organisations struggle with this, with 70% of people who stated that their organisation had a formal remote work policy in place reported that they faced challenges with working from home.



**1 in 5 employees of organisations with formal remote work policies do not have a comfortable space to work.**

# Psychosocial risk management is essential

Psychosocial risks/hazards refers to factors in the design or management of work that can increase work-related stress, and potentially lead to physical or psychological harm<sup>14</sup>. The management and mitigation of such risks in the workplace is critical to enabling wellbeing and one that will be mandated through updates to WHS legislation.

Our research indicates a significant number of employers might not have appropriate management approaches in place to reflect the new WHS guidelines surrounding psychosocial safety. (e.g. SafeWork Australia's *Model Code of Practice: Managing Psychosocial Hazards at Work and ISO 45003:2021 Psychological Health and Safety at Work*).

For example, 1 in 4 workers report working from home without a remote working policy. This is far more prevalent for organisations of 50 employees and less. Without a policy and clear guidelines to manage their time away from the office, employees are exposed to psychosocial risks such as low role clarity and low job control.

Further, more than half of respondents report working outside of standard hours more than once a week, with a quarter reporting they do so daily. Overworking exposes employees to fatigue, and can lead to burnout.

Enabling wellbeing through effective flexible work practices must focus on the effective management and mitigation of psychosocial risks in a flexible work environment. This will enable organisations to unlock the significant benefits that the absence of such risks can hold such as increased productivity, engagement, reduced absenteeism among others.



Psychosocial risk management process. Source: SafeWork Australia

**“Managing psychosocial risks protects workers, decreases staff turnover and absenteeism, and may improve broader organisational performance and productivity.”**

- Michelle Baxter, Safe Work Australia Chief Executive Officer<sup>15</sup>



# Leaders are integral to enabling flexible working

In a flexible work environment leaders often set the standard of what is expected from, and provide support to employees. Consequently, leadership expectations play a critical role in moderating the success of wellbeing outcomes from flexible working provisions. Where leaders' examples do not match what is expected from employees, their guidelines will be ineffective.

Our study confirms this link with flexible workers in particular rating leadership more preferentially among the most important factors to their work in comparison to those on-site.

Leaders can undertake three key actions to successfully enable wellbeing outcomes from flexible work:

1. Define clear values and co-create expectations and responsibilities around flexible working with employees.
2. Model and build a culture of trust and empowerment to enable the utilisation of flexible working conditions as intended.
3. Ensure organisational policies are applied consistently regardless of the work mode adopted by individual employees.

Our findings show that there is a lot of work to be done in this space as those who exhibit a strong preference for flexible work also exhibit substantial concerns for their career prospects as a result of flexible work.



Millennials are more likely than any other generation in the workforce to be concerned about their choice of work location negatively impacting on their career prospects (1.3x) or relationships at work (1.1x).

Worryingly, these concerns are valid. A landmark 2014 study randomly assigned hundreds of employees to work from home<sup>16</sup>. Although remote workers were 13% more productive, they were only half as likely to be promoted. While this study is reflective of pre-pandemic trends when flexible work was not as widely adopted, the mostly unchanged approach organisations have since taken to flexible work mean that they are still relevant. This disparity in outcomes likely has amplified negative implications for females and other minority groups who have a stronger preference to work from home such as carers, people with disabilities, and people who live in regional areas.



Women are 1.7x more likely than men to choose home as their preferred location in comparison to the office.

Enhancing leadership capabilities to facilitate the employee value proposition of flexible working through the empowerment of teams and individuals, and the creation of clear working expectations consistent with flexible working guidelines is key to realising the wellbeing benefits of flexible work. Additionally, developing organisational policies or instilling in leadership the need to consistently and equitably apply organisational policy across work contexts is similarly crucial.

# Key takeaways for organisations



- Flexible work practices need to be equitable rather than equal, and need to be tailored to the needs of the workforce and the organisation. Collaboration and consultation with the workforce is fundamental to facilitating this understanding.
- The management of psychosocial risk factors is essential to the enablement of wellbeing through flexible work.
- To enable wellbeing through flexible work, leaders must create clarity and a culture of trust among their teams while working to ensure fairness in individual outcomes regardless of their work preference.

# Wrapping up

Flexible working conditions represent a tangible and sustained approach to improving wellbeing which delivers enduring value to organisations and their people. This report has extended some of our analysis and thinking from our [Reset, Restore, Reframe – Making Fair Work FlexWork](#) to provide employers with approaches to ensure these benefits are able to be realised as they are faced with growing demands to implement flexible working practices.

Employers need to approach their implementations of flexible working through a focus on restoring time and control in their employees' lives and with a broader definition of flexible work that isn't limited to those that can undertake their work remotely.

Effectively implementing flexible working conditions requires employers to:

- Actively engage and collaborate with their employees to co-create initiatives to meet differing needs across the workforce;
- Adopt a 'fair not equal' mindset to implementation;
- Effectively develop strategies to manage psychosocial risks within a flexible working environment; and
- Enhance the capabilities of their leaders to foster a culture of empowerment while fostering equitable outcomes and consistency in application.

Deloitte and Swinburne Edge support flexible work practices and are proud to publish this report to highlight the link to workplace wellbeing for the benefit of organisations and individuals.



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## Authors



**Justin Giuliano**  
Partner, Workplace  
integrity  
Deloitte Australia



**Samantha Jones**  
Partner, Health, Safety &  
Wellbeing  
Deloitte Australia



**Mahesh  
Shankaralingam**  
Manager, Wellbeing &  
Culture  
Deloitte Australia



**Sean Gallagher**  
Director, Centre for the  
New Workforce  
Swinburne University of  
Technology



**John Hopkins**  
Associate Professor of  
Management  
Swinburne University of  
Technology

## Key Contributors

- **Amelia Strong** Deloitte Australia
- **Marion Ware** Swinburne University of Technology
- **Christian Valery** Deloitte Australia
- **Mike Lagastes** Swinburne University of Technology
- **Brendan Martin** Deloitte Australia
- **Ammy Lewis** Deloitte Australia
- **Peter Brauer** Deloitte Australia
- **Monica Trezise** Deloitte Australia
- **Lauren Gatt** Deloitte Australia

## About Deloitte and Swinburne

In January 2022, Deloitte and Swinburne worked together to conduct a survey of 2,084 Australian workers, to understand the experience, expectations and motivations of workers whose work is not location dependent and published the '[Making Fair Work FlexWork](#)' Report.

Since publishing the report, Deloitte and Swinburne have been working directly with clients to assist them understand the findings, risks and implications arising from the FlexWork Report.

Over the next few months, Deloitte and Swinburne will be working together to deliver sector specific briefings, highlighting key findings from the FlexWork Report through analysis of data and key insights on relevant topics.

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