



# Better Conditions, Better Business

A report on carer and family friendly provisions in Australian small and medium enterprises



*'Better Conditions, Better Business* contains important findings for the small and medium businesses of Australia. Most organisations are responding flexibly to the needs of their employees and are reaping business benefits in return. Less staff turnover, increased productivity and a better working environment have all been identified by operators as the direct result of their family friendly strategies. I encourage all employers in this vital part of Australia's economy to consider how the findings of this report can benefit their business.'

The Hon Julie Bishop MP  
Minister for Education, Science and Training  
Minister Assisting the Prime Minister for Women's Issues

## Key findings

### Business benefits

- Eighty per cent of SME operators who provide their employees with carer and family friendly provisions consider that this benefits their business in some way. This finding challenges the notion that a business needs to be large to have the capacity to offer employees the flexibility to balance work and family responsibilities and benefit from such flexibility.
- The most common business benefits were: less staff turnover; more flexibility for staff; increased productivity; a better working environment; and happier employees. This has implications for operators seeking to retain existing employees and attract quality people.
- Other business benefits identified by some SME operators were: improved relationships between employers and employees; a sense of loyalty and reciprocal obligation; and less absenteeism.
- In addition to the reported benefits, businesses offering these provisions also reported higher levels of business performance, in particular in sales and profitability, when compared to businesses that do not offer any carer and family friendly provisions to their employees.
- SMEs that provided carer and family friendly provisions were also more likely to export than those that did not.

*Continued overleaf*

- SMEs that offered a large array of provisions (eight or more) to their staff reported very strong levels of performance, with indicators for sales, profitability, capital expenditure, employment, wages and prices all rating significantly above average. This finding suggests that the potential benefits to SMEs of family friendly provisions extends beyond the morale of the workplace to the financial bottom line.
- Overwhelmingly, businesses reported that the most usual method for providing carer and family friendly provisions in SMEs was through unwritten informal agreements, with formal mechanisms such as awards and Australian Workplace Agreements being used by a relatively small number of businesses.

### Availability and uptake of provisions

- Ninety-seven per cent of SMEs provide at least one provision to their employees to assist them in balancing their work and caring responsibilities.
- Most SME operators are very flexible in the types of provisions that they provide. Fifty-seven per cent of SMEs stated that they would be willing to change their working arrangements to obtain or retain skilled employees (over one quarter of SMEs anticipated that skills shortages would impact on their businesses in the next 12 months).
- The provisions most likely to be offered to SME employees were: access to a telephone for family reasons (offered by 87 per cent of SMEs); flexible annual leave (offered by 83 per cent of SMEs); and flexible start and finish times (offered by 73 per cent of SMEs). These same three provisions were also the provisions employees used the most. The provision with the fourth highest take-up rate by employees was the ability to work from home (taken up in 83 per cent of the 30 per cent of businesses in which it was offered).

*The report draws upon survey data collected in January and February 2006 for the Sensis® Business Index, which surveys 1,800 small and medium enterprise operators drawn from across Australia and from all industries.*

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