



Performance Audit

Flexible Work Arrangements for Public Employees

Table of Contents

List of Abbreviations	4
Executive Summary	5
Chapter 1	9
The Evolution of Flexible Work Arrangements within the Public Service and the Wider Public Sector	
1.1 Flexible Work Arrangements Available to Public Employees	10
1.2 Defining the Flexible Work Arrangements Available to Public Employees	11
1.3 Benefits of Flexible Work Arrangements	12
1.4 Policies on Flexible Work Arrangements	12
1.5 Study carried out on Flexible Work Arrangements Available to Public Employees	14
1.6 Objectives and Scope of the Study	15
1.7 Structure of the Report	16
Chapter 2	17
Aligning Telework with Organisational Goals	
2.1 Considering Telework	18
2.2 Evaluation and Introduction of the Measure	18
2.3 Costing Telework	22
2.4 Filing Systems	24
2.5 Training the Teleworkers	24
2.6 The Impact of Telework on Non-teleworkers	25
2.7 Monitoring Mechanisms related to Teleworkers' Performance within the Case Study Organisations	26
2.8 Assessing and Managing the Overall Measure	27
2.9 Conclusions and Recommendations	28
Chapter 3	31
Implementing and Managing Flexible Work Schedules and Reduced Hours	
3.1 Best-fit Solutions for Flexible Work Arrangements	32
3.2 Flexible Work Schedules across Government	32
3.3 Evaluating the Introduction of Flexible Work Schedules	33
3.4 Determining Hours of Work	33
3.5 Required Resources	34
3.6 Policies and Procedures	34
3.7 Monitoring Mechanisms	36
3.8 Reduced Hours across Government	38
3.9 Uptake of Reduced Hours within Case Study Organisations	38
3.10 Managing Reduced Hours	39
3.11 Conclusions and Recommendations	41

Appendices

Appendix A: Performance Audit Report Published by the National Audit Office (July, 2010) – Child Care Arrangements for Public Employees	44
Appendix B: Family-Friendly Measures Supporting Public Service Employees	46
Appendix C: Methodology	48
Appendix D: Brief Descriptions of the Questionnaires related to the Telework Measure at DSS	50
Appendix E: Data Protection Policy Regarding Processors Engaged by Ministries or Government Departments	64
Appendix F: Summary of Extract from CBU Family-Friendly Measures Template	66
Appendix G: Selected Bibliography	67

Tables

Table 1: Summer and Winter Work Schedules for Public Employees	11
Table 2: Definition of Terms	13
Table 3: Teleworking Policy in the Public Administration	13
Table 4: Evaluations Carried Out by MITA and DSS Before Offering Telework	19
Table 5: Principal Clauses of the Telework Policy in the Public Administration	19
Table 6: Teleworking Arrangements available to DSS and MITA Employees (as at November 2010)	20
Table 7: Approximate Costs Directly Related to Telework	23
Table 8: Ongoing Evaluations and Streamlining of the Telework Measure at DSS	28
Table 9: Flexible Work Schedules at NSO and MFEI	33
Table 10: Flexible Work Schedules at NSO and MFEI	36
Table 11: Uptake of the Telework and Reduced Hours Measures across Government	38
Table 12: Uptake of Telework and Reduced Hours Measures at ETC and MEPA	39
Table 13: Child Care Arrangements for Public Employees: Conclusions and Recommendations	45
Table 14: Extracts from the Family-Friendly Measures Handbook	46

Figures

Figure 1: Summer and Winter Work Schedules for Public Employees	12
Figure 2: Delivery System at the Department of Social Security	23
Figure 3: Clock-in Frequencies at NSO (Based on the Moving Average Model)	35
Figure 4: Clock-in Frequencies at MFEI (Based on the Moving Average Model)	35
Figure 5: Pay Deductions due to Late Attendances at NSO	37

List of Abbreviations

CBU	Collective Bargaining Unit
CCO	Customer Care Officer
DCS	Director/s Corporate Services
DPA	Data Protection Act
DSS	Department of Social Security
DSWS	Department for Social Welfare Standards
ERD	Employee Relations Department
ETC	Employment and Training Corporation
FWS	Flexible Work Schedules
HR	Human Resources
IT	Information Technology
ITCSD	Information Technology Consultancy Services Department
MEPA	Malta Environment and Planning Authority
MEU	Management Efficiency Unit
MFEI	Ministry of Finance, the Economy and Investment
MITA	Malta Information Technology Agency
MPO	Management and Personnel Office
NAO	National Audit Office
NSO	National Statistics Office
OPM	Office of the Prime Minister
PAHRO	Public Administration HR Office
pdf	portable document file
PSMC	Public Service Management Code
SD	Standard Deviation
TA	Time and Attendance
UA	Unemployment Assistance
VoIP	Voice-over Internet Protocol
VPN	Virtual Private Network



Executive Summary

Executive Summary

Background

1. Flexible work arrangements allow employees to have a more variable schedule as opposed to complying with the standard eight-hour workday. The application of these arrangements offer creative approaches for completing tasks, whilst promoting balance between work and other personal commitments. Such arrangements are considered as conducive to creating a mutually beneficial work environment for employer and employee alike. These innovative work arrangements compliment each other, especially when one considers the constantly changing needs of different employees. A particular measure may fit an employee's personal schedule for a few years, whilst a different work arrangement may better suit the same employee's needs in ensuing years.

2. In this context, NAO undertook a performance audit in order to evaluate the implementation and management of flexible work arrangements across Government. This was achieved through three cross-comparative studies focusing on corresponding flexible work arrangements, namely, telework, flexible work schedules and reduced hours. The case study organisations for the telework measure were the Malta Information Technology Agency (MITA) and the Department of Social Security (DSS); the Ministry of Finance, the Economy and Investment (MFEI) and the National Statistics Office (NSO) for the flexible work schedules measure; as well as the Employment and Training Corporation (ETC) and the Malta Environment and Planning Authority (MEPA) for the reduced hours measure.

3. The audit sought to determine the internal policies and procedures that the selected case study organisations had adopted with respect to flexible work arrangements, as well as the challenges encountered in the process. This was carried out through various models of analyses, namely, detailed evaluations on the introduction and implementation of the telework measure at MITA and

DSS; the administration of a questionnaire on flexible work schedules available to public employees; an analysis of the systems in place for the provision of flexible work schedules at NSO and MFEI; and a review of the reduced hours measure as provided by ETC and MEPA.

4. The following are the key conclusions and recommendations of this report.

Aligning Telework with Organisational Goals

5. Providing employees with the opportunity to balance their work and life commitments, whilst still maintaining the same level of performance throughout the organisation, is being given prominence by organisations that offer telework to their employees. Offering this level of flexibility to a workforce implies managing at a distance, which subsequently necessitates a more robust and adaptable system of work measurement. DSS and MITA employed different systems of evaluating the facility of telework within their respective organisations, which subsequently influenced effective implementation.

6. The impact of the introduction of telework within these organisations involved a number of considerations, including cost-related issues, the interface of filing systems with the measure, and training provided to teleworkers. One issue of due importance, particularly in the case of DSS, was the impact of telework on non-teleworkers. This relationship is but one aspect of the monitoring mechanisms implemented by management in the assessment of the overall measure, whilst another aspect that warrants attention is the ongoing monitoring of teleworkers' performance.

7. Both case study organisations have established an adequate work mechanism with respect to telework. In fact, this type of work arrangement has been ingrained in the normal work systems of DSS and MITA. NAO encourages these organisations to continue developing this

work arrangement whilst keeping important factors, such as work performance and the effect on non-teleworkers, in view.

8. MITA and DSS have gained significant insight into the manner in which telework should be introduced, implemented and monitored. NAO considers the following recommendations as relevant and appropriate:

- (a) Given the impact that telework may have on the performance of work carried out, it is essential to adopt a strategic approach, duly analysing possible ramifications and repercussions on other aspects of the organisation's operations. Such an approach facilitates the determination of the number of potential telework positions within each given work section. The establishment of the number of hours that can be teleworked within each work section should also be taken into consideration, so as not to create an imbalance with respect to in-office workloads for non-teleworkers.
- (b) Evaluate whether the filing system is suitable for telework. In the event that file movement results in disturbances to the work flow, corresponding and supporting systems should be considered and, if feasible, introduced. Such systems, if implemented appropriately, would enhance file movement efficiency.
- (c) Specify the work schedule agreed upon by the teleworker and the respective superior on the telework agreement. Agreeing on the work schedule is a vital part of telework and should be managed, on a day-to-day basis, by the teleworker's immediate superior.
- (d) Adopt, where possible, work systems and infrastructures which benefit all employees. For instance, develop a system by which teleworkers may respond to telephone calls from clients while they are teleworking. Work sections may also benefit from new office space strategies, such as dedicating a room to all the teleworkers within the section. Such an office space strategy may not always be a feasible option due to the possibility of low ratios of teleworkers to non-teleworkers, as well as other considerations relating to the level of interaction between the two. New work systems should always fit the organisation's goals and strategies.
- (e) Establish clear and measurable controls with respect to the monitoring of teleworkers' presence at the office. Adequate control systems include, mainly, palm readers and access control systems. Furthermore, Section Heads are to effectively monitor their subordinates' work performance.

Managing at a distance requires respective superiors to closely monitor deadlines and to carry out random checks on the quality of work performed by the teleworkers. NAO urges Section Heads and managers to be constantly aware of the work that is being carried out by their teleworking subordinates, as the supervisory aspect of telework is considered to be centrally important to its overall success. In addition, organisations may benefit from standardising monitoring processes if the operational aspect of the work permits.

- (f) Examine the overall telework situation through discussions, focus groups, questionnaires as well as management meetings. Such studies should focus on the overall efficiency within the organisation, as well as possible concerns voiced by employees. These studies can help management determine the training needs of employees. Monitoring may also be carried out in an informal manner during unplanned discussions between employees and their superiors.

Implementing and Managing Flexible Work Schedules and Reduced Hours

9. Flexible work arrangements compliment each other, especially when one considers the constantly changing needs of different employees. A particular measure may fit an employee's personal schedule for a few years, whilst a different work arrangement may better suit the same employee's needs in ensuing years.

10. Flexible work schedules and reduced hours provide a means by which employees are able to conveniently meet family commitments, personal obligations, and general life responsibilities. These measures may be provided in various forms, especially with respect to flexible work schedules.

11. MFEI and NSO introduced the flexible work schedules measure following consultation with their respective employees, Unions, and other stakeholders. Both case study organisations indicated that their respective core hours were decided upon after careful consideration of the organisations' operational exigencies. Successful implementation of flexible work schedules was determined by rigorous policies as well as corresponding procedures, adequate control mechanisms, and required resources.

12. NAO noted that the implementation of the flexible work schedules measure required thoughtful consideration from the part of the major stakeholders. The latter includes employees, management, and Unions. NAO encourages this practice, since it promotes the adoption of the best-fit model for all parties involved.

13. An examination of the extent of usage of the flexible work schedules measure confirmed that it was being widely used in both case study organisations. In fact, the average clock-in time of employees shifted to an earlier time following the introduction of the measure. This analysis confirmed that the measure was a success at MFEI and NSO alike, and that employees found it to be practical and useful.

14. A significant number of employees opted for the reduced hours measure at ETC and MEPA. These two organisations noted that this measure presented no major difficulties in its administration and management, mostly due to a well-established policy and straightforward monitoring mechanisms.

15. All four case study organisations have gained a comprehensive understanding of the management aspects of the measures. Organisations that have introduced such measures, or are planning to introduce them, would benefit from the application of the below recommendations:

- (a) Prior to introducing flexible work schedules, employees should be involved in the establishment of technicalities governing the said measure. Such technicalities would include, mainly, the desired core hours which suit the employees and adequately fit the organisation's operational framework.
- (b) Ensure that the core hours selected for flexible work schedules do not in any way jeopardise the organisation's strategic, as well as operational objectives, and that the flow of work is not undermined.
- (c) Document the policy (on flexible work schedules and/or reduced hours) and include it, where possible, in the organisation's collective agreement. This would provide employees with ease-of-access to the policy.
- (d) Monitor employees' attendance and movements through an electronic attendance-verification system, rather than through a manual one. The sporadic arrival times of employees can be

monitored more efficiently and effectively through such systems. This aspect was corroborated by all four case study organisations.

- (e) Introduce a system whereby employee movement to and from the office building is duly recorded and justified. This practice would reduce the risk and curtail any abuse related to deliberate absenteeism.

16. NAO encourages the diversification of flexible work arrangements across organisations, as long as their implementation does not hamper, or in any way undermine the flow of work. Such arrangements are to be ideally designed with inter-ministerial business and operability needs in mind, where such alignment would contribute to the overall efficiency and effectiveness of these measures.

17. The introduction of an automated TA system provides organisations with a more reliable method of controlling and verifying employee attendance and movement to and from the office. Moreover, such a system is critically important in implementing flexible work arrangements. NAO recommends that Public Service and public sector organisations adopt such systems, especially when one considers how the anticipated gains outweigh the nominal costs involved.

18. NAO also encourages organisations to consider an extension of flexible work schedules, where hours worked outside the stipulated core hours could be compensated-for over a pre-determined period. In this context, these hours form part of the standard working hours and reference is not being made to instances of extra hours or overtime. Such arrangements afford employees with greater flexibility whilst also ensuring that the organisation's core hours are being adhered to.

19. It has been evidenced that, over the past few years, the uptake of flexible work arrangements experienced an upward trend. Furthermore, when employees were afforded with various options in this regard, the uptake of such arrangements was spread over a number of different measures. NAO considers this to be significant, as it may provide organisations with greater workforce flexibility.



Chapter 1

The Evolution of Flexible Work Arrangements within the Public Service and the wider Public Sector

Chapter 1 – The Evolution of Flexible Work Arrangements within the Public Service and the wider Public Sector

Chapter 1 defines what is meant by the terms ‘telework’, ‘flexible work schedules’ and ‘reduced hours’, and discusses the benefits of such measures to employees and employers. It also outlines the timeline within which these measures were introduced and subsequently improved upon, as well as the relevant policies in place. Moreover, this chapter outlines the scope and objectives of this study.

1.1 Flexible Work Arrangements Available to Public Employees

1.1.1 Flexible work arrangements allow employees to have a more variable schedule as opposed to complying with the standard eight-hour workday. The application of these arrangements offer creative approaches for completing tasks, while promoting balance between work and other personal commitments. Such arrangements are considered as conducive to creating a mutually beneficial work environment for employer and employee alike.

1.1.2 The Employee Relations Directorate (ERD) within the Public Administration HR Office (PAHRO) is responsible for, amongst other duties, the establishment and monitoring of family-friendly policies within the Public Service, intended at improving the overall conditions of public officers, whilst ensuring that workplace requirements are met. These policies include an array of flexible work arrangements that have been developed over the years, namely – summer hours, teleworking, flexible work schedules, as well as reduced hours. The PAHRO has also established a system, whereby it collects statistical data on the level of uptake of flexible work arrangements within Public Service and public sector organisations.

1.1.3 These statistics clearly illustrate that the overall majority in terms of uptake of flexible work arrangements across Government organisations was mainly dominated by female employees. Specifically, during 2010, women registered 83% of a total of 2,949 employees who were

benefiting from flexible work arrangements (namely, telework, flexible work schedules, and reduced hours).

1.1.4 In addition, an innovative work arrangement that is being offered to a number of public employees includes the provision of child care arrangements. Child care arrangements offered to public employees were analysed in a separate report published by the National Audit Office (NAO) in July 2010. The conclusions and recommendations of this report are outlined in Appendix A.

1.1.5 During November 2010, the Office of the Prime Minister (OPM) distributed to employees within the Public Administration a questionnaire on the utilisation of family-friendly measures. This was done through OPM Circular 23/2010, which sought to take stock of the overall level of uptake of family-friendly measures currently in force, and to explore possible opportunities for improvement with respect to these measures. The questionnaire replies received are currently being analysed by a third-party organisation (the University of Malta), on behalf of OPM. The target date for the completion of the analysis is June 2011 and the impending analysis will guide OPM on the type and depth of further research and analysis to be carried out in the field of family-friendly measures.

1.1.6 Although efforts are being made by the Administration to promote flexible work arrangements, the manner by which vacation leave may be availed of by employees within the Public Service are somewhat inflexible. The Public Service Management Code (PSMC) states that “...*Vacation leave is to be availed of in whole days/attendances computed in hours, provided further that employees may avail themselves of shorter absences up to a maximum of 32 hours per year and a minimum of four hours at a time (eight absences of four hours, or lesser absences of more hours).*” This provision resulted from negotiations with Unions in the Collective Agreement for Employees in the Public Service 2005-2010. Hence, employees are not allowed to avail themselves of instances of less than four hours of vacation leave.

1.2 Defining the Flexible Work Arrangements Available to Public Employees

1.2.1 The three main flexible work arrangements, available to public employees, are explained in the PSMC and the Family-Friendly Measures Handbook, as set out hereunder. Figure 1 provides a graphic representation of the timeline relating to the evolution of flexible work arrangements within Government.

1.2.2 During the summer months, public employees ordinarily work a thirty-hour schedule per week, which is compensated for throughout the winter timetable. Start and finish times vary slightly among the different categories of employees and are set out in the PSMC, as presented in Table 1.

1.2.3 On the other hand, the application of a reduced hours schedule results in employees regularly working fewer hours than an organisation's standard full-time schedule. Public employees have the option to work on a reduced time-table, which may vary between 20 to 35 hours every week.

1.2.4 Flexible work schedules allow employees to plan working hours flexibly on a daily and/or weekly basis, within specified limits set by the employer. Hence,

a portion of each work day is designated as 'core hours', when all employees must be present. Employees must reach a specified number of working hours over a set period. This period may vary from one day to a month. Formal flexible work schedules allow workers to vary their starting and ending times and, in some cases, even the number of hours that they work during a particular week.

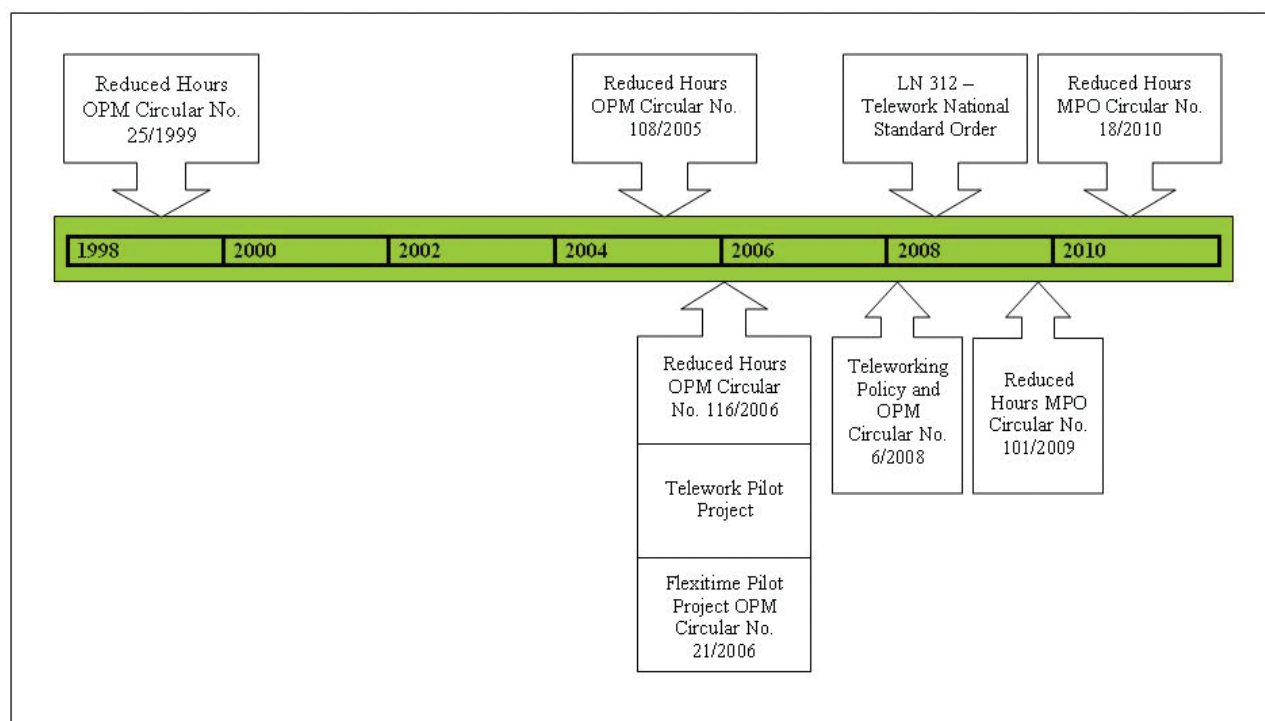
1.2.5 Finally, telework is a form of organising and/or performing work, using information technology (IT), in the context of an employment contract/relationship. Such a work arrangement entails the transfer of duties ordinarily performed at the employer's premises, to an alternative location, generally the teleworkers' respective residence, on a regular basis.

1.2.6 These flexible work arrangements available to public employees are also complemented by other family-friendly measures. More detailed information on these measures is provided in Appendix B. A handbook on family-friendly measures has been issued by PAHRO and is intended to serve as a management tool for Directors Corporate Services (DCS) and Human Resource (HR) Managers in order to help them make the best use of family-friendly measures.

Table 1: Summer and Winter Work Schedules for Public Employees

Non-industrial and Office Staff (Malta)	
16 June to 30 September Mondays to Fridays	07:30 - 13:30
1 October to 15 June Mondays to Fridays	07:45 – 17:15 (inclusive of a fixed 45-minute break)
Non-industrial and Office Staff (Gozo)	
16 June to 30 September Mondays to Fridays	07:00 – 13:00
1 October to 15 June Mondays to Fridays	07:15 – 16:45 (inclusive of a fixed 45-minute break)
Industrial Staff (Malta and Gozo)	
16 June to 30 September Mondays to Fridays	06:30 – 13:00 (inclusive of a fixed 20-minute break)
1 October to 15 June Mondays to Fridays	07:00 – 16:45 (inclusive of two fixed breaks one of 15 minutes and another of 45 minutes)

Source: PSMC, PAHRO (2011)

Figure 1: Summer and Winter Work Schedules for Public Employees

1.3 Benefits of Flexible Work Arrangements

1.3.1 The application of flexible work arrangements is of benefit to the employer, the employee, as well as internal and external clients. Research illustrates that employers gain from such arrangements as employee productivity and performance improves, the organisation is rendered more competitive, and its reputation and image are ameliorated (Fsadni, 2010; Management Efficiency Unit, 2009). This leads to enhanced employee recruitment and retention, reduced absenteeism, as well as increased employee morale and commitment. In addition, employing flexible work arrangements could also reduce the amount of required overtime to be worked by employees.

1.3.2 Employees stand to gain from such arrangements due to increased flexibility, reduced stress and more work opportunities. Moreover, employees are better able to manage their work and social life, whilst attaining a higher level of satisfaction on the job. Additionally, clients benefit from better customer service due to the fact that organisations are able to cater for a wider range of customer needs and requirements.

1.4 Policies on Flexible Work Arrangements

Telework

1.4.1 For the purposes of this audit, the terms ‘teleworker’, ‘non-teleworker’ and ‘Head Office’ are expounded upon in Table 2.

1.4.2 In February 2008, the Management and Personnel Office (MPO) published a telework policy for employees in the Public Administration. The main sections of this policy are outlined in Table 3.

1.4.3 The policy stresses the voluntary nature of such a flexible work measure for both employees and employers. Beyond the formal definition of telework, this document focuses on employment conditions for teleworkers. It also lays down the rights and obligations of the employer, with particular emphasis on the teleworker’s privacy and the equipment provided by the employer. The policy also highlights key areas requiring adaptation or specific attention when working away from the employer’s premises, such as data protection, health and safety, work organisation and access to training.

1.4.4 Telework within the Public Administration started out as a pilot project in 2006, when an employee from the Department of Social Security (DSS) was granted this facility on a pilot project basis. Following the introduction of the telework policy, more employees within this same Department started to apply for the said measure. Furthermore, the number of employees making use of telework across the Public Service and the wider public sector, which stood at 167 in 2008, subsequently soared to 306 (a 183% increase) by 2009.

1.4.5 The *Teleworking Policy in the Public Administration* led to the legislation of this type of work arrangement through Legal Notice 312 of 2008 – *Telework National Standard Order, 2008*. The National Standard

Table 2: Definition of Terms

Teleworker	Teleworker refers to a person in paid employment who, by using IT, carries out work away from the office, whilst at times also reporting for duty at the employer's premises.
Non-teleworker	Non-teleworker refers to an employee who performs all of his/her work duties at the office.
Head Office	The Head Office refers to the office where non-teleworkers are stationed on a full-time basis and where teleworkers are stationed for a portion of the week.

Table 3: Teleworking Policy in the Public Administration

Section	Description
Definitions	Defines telework, the teleworker and the Director / Superior.
Who can Telework	Characterises the suitability of prospective teleworkers, the job to be teleworked as well as the voluntary nature of the agreement to be entered into by the employer and the employee.
Employment Conditions	Lays out the rights and obligations of teleworkers with respect to applicable legislation and collective agreements vis-à-vis comparable employees working at the employer's premises.
Data Protection	Pinpoints the responsibilities of the Director / Superior with respect to the protection of data.
Privacy	States the rights of teleworkers and the obligations of the Director / Superior in order to safeguard the privacy of the teleworker.
Equipment	Identifies the procedures and responsibilities, whilst indicating who incurs the costs with respect to equipment.
Health and Safety	Refers to the Occupational Health and Safety Authority Act, 2000, and acknowledges that the employer's responsibilities on control over the wider teleworker's physical environs are limited. It also sets out the responsibilities of teleworkers in this regard.
Organisation at Work	Addresses the issue of social isolation and how performance standards are to be addressed.
Monitoring of Telework on a Regular Basis	Identifies who must monitor the telework arrangement and the type of action to be taken if the required standards are not met.
Training	Defines the extent to which training is to be provided to prospective teleworkers before they actually start to telework, as well as their access to training whilst making use of the telework arrangement. This section also addresses training that is to be provided to the teleworkers' supervisors.
Telework Contract	Articulates the type of contract that the organisation and the teleworker should enter into.

Source: Teleworking Policy in the Public Administration, MPO (2008)

Order sets out the general legal framework for telework, regulating telework practices in both public and private sectors. Provisions include specifications that should be included in the telework agreement entered into by the employee and the employer, as well as the rights and responsibilities of both parties.

1.4.6 Having a telework measure in place calls for increased control mechanisms, which ensure efficiency and effectiveness of the work being performed. Furthermore, other mechanisms may need to be put into place in order to address new issues arising as a consequence of this new work measure. Such issues typically include levels of communication between employees and the transfer of documents or files to and from the office. Efforts to



streamline these processes may include holding meetings with the teleworkers’ direct supervisors, organising and administering a questionnaire to all employees as well as consulting with external experts.

Flexible Work Schedules

1.4.7 The Collective Agreement for Employees in the Public Service, effective as at 1st January 2005, contains a specific provision on flexibility in work schedules. It states that “*the Employer and the Unions recognise the need of flexibility in work schedules and staff deployment in order to ensure the effective and efficient delivery of service.*” In addition, Government set out the following two objectives with respect to flexible work schedules:

- (a) The exigencies of the organisations which set up flexible work schedules are to be given due consideration when applying such a measure, especially with respect to public services offered to the business and tourism sectors.
- (b) Changes in work schedules are to be discussed between the Employer and the Union/s concerned.

1.4.8 In June 2006, the OPM issued Circular 21/2006, entitled ‘Flexibility in Work Schedules’. The aim of this Circular was to launch a pilot project with regards to flexible work schedules across the Public Service, through which the service given to citizens is enhanced. The Circular did not specify how organisations were to determine their respective work schedules. However, it denoted that timetables generated should allow both the organisation and its employees to define a best-fit model and jointly achieve the set objectives in the best interest of all involved. The document stressed that this project was

to be of an experimental nature and was not intended to replace the summer time-table then in force.

Reduced Hours

1.4.9 The reduced hours measure was first introduced within the Public Service and the wider public sector in June 1999, through OPM Circular 25/1999. This measure gave employees the opportunity to work on a reduced hours basis, at 50% or 75% of the normal full-time work schedule. The aim of this measure was twofold. First and foremost, this measure enables public employees to balance their respective work and family responsibilities more effectively, and secondly, provides employment opportunities to employees with health problems. Subject to the discretion of the Director / Superior, reduced hours may also be allowed for non-family reasons. Employees who opt to make use of this measure receive salary and benefits on a pro-rata basis. Employees are free to negotiate with their respective Director / Superior the schedule of hours to be worked.

1.4.10 The reduced hours measure has undergone significant revisions throughout the years. One such revision is that put forward in MPO Circular 101/2009, which allowed employees to choose to work on a weekly reduced time-table that may vary between 20 and 35 hours, to the nearest hour. In addition, statistics published by PAHRO indicated that a 164% increase in the measure’s uptake was registered between 2006 and 2010.

1.5 Study carried out on Flexible Work Arrangements Available to Public Employees

1.5.1 Between July 2004 and June 2005, the Management Efficiency Unit (MEU) issued a three-phase study on family-friendly measures offered to public



employees, with specific references to flexible work arrangements. The study emanated from a request made by OPM, to carry out an assessment of the policies and measures geared towards reconciling work and family life.

1.5.2 Phase one of the study provided a background of such measures, as well as examples of best practices in Europe. This phase also covered the Maltese legislative framework in relation to work-life balance. In the second phase of the study, MEU embarked on a ‘stock-taking exercise’ of the policies aimed at balancing work and family life for public employees.

1.5.3 The Unit subsequently proposed policies to be included in the minimum policy framework addressing family-friendly measures for public employees. Included in these policies were reduced hours, flexible work schedules and telework. Finally, phase three of the study provided details on the monitoring and evaluation mechanism proposals set out by the project team.

1.6 Objectives and Scope of the Study

1.6.1 NAO undertook a performance audit to evaluate the implementation and management of flexible work arrangements across Government. The audit sought to determine the internal policies and procedures that the selected case study organisations had adopted with respect to flexible work arrangements, as well as the challenges encountered in the process. This was carried out through various models of analyses, as presented hereunder.

- (a) A detailed evaluation of how telework is offered within DSS and the Malta Information Technology Agency (MITA). The two organisations registered the highest number of employees utilising the telework measure within the Public Service and

the public sector respectively. The statistics used were compiled by PAHRO, and were based on an annual survey conducted by the Office to determine the uptake of family-friendly measures across the Public Service and the public sector.

- (b) The administration of a questionnaire on flexible work schedules available to public employees. NAO distributed questionnaires to those organisations which had indicated to PAHRO that they offer some form of flexible work schedule/s to their employees. The aim of the questionnaire was to generate information regarding the types of flexible work schedules that were offered to public employees.
- (c) An analysis of the systems in place for the provision of flexible work schedules available at the National Statistics Office (NSO) and the Ministry of Finance, the Economy and Investment (MFEI), which were the organisations with the largest number of employees who were offered flexible work schedules.
- (d) A cross-comparative analysis of how the reduced hours measure was provided to employees of the Employment and Training Corporation (ETC) and the Malta Environment and Planning Authority (MEPA). According to statistics provided by PAHRO, the two selected organisations were considered to have a high proportion of employees working on reduced hours.

1.6.2 In parallel, the study included in-depth interviews with PAHRO and the Collective Bargaining Unit (CBU) to determine the Public Administration’s plans on flexible work arrangements for public employees.

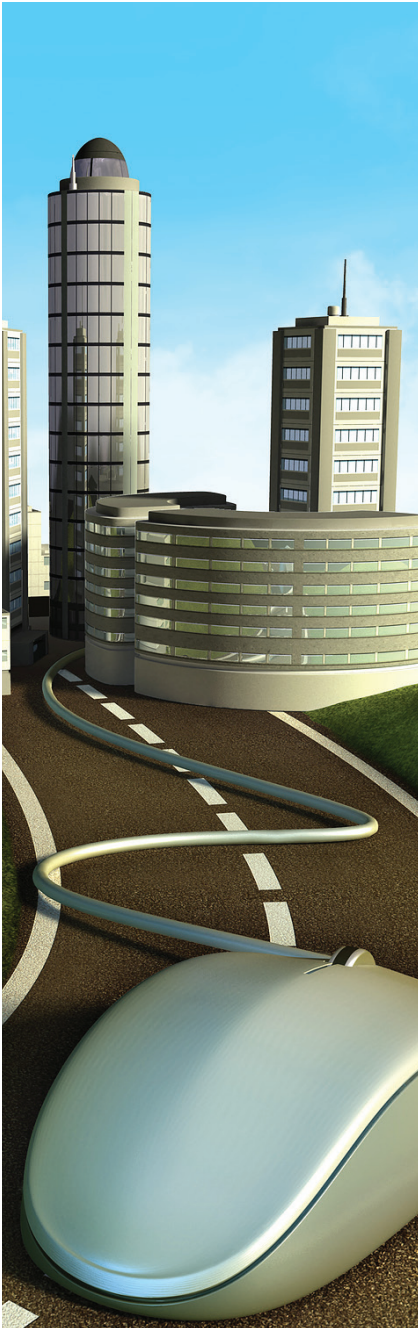
1.6.3 Unless otherwise stated, the findings in this report reflect conditions up to the end of February 2011.

1.6.4 NAO would like to thank all the participating organisations for their collaboration during the performance audit.

1.7 Structure of the Report

1.7.1 The rest of this report is structured as follows:

- **Chapter 2 – Aligning Telework with Organisational Goals:** This chapter evaluates the establishment of telework for public employees. It also assesses the systems that were put into place to facilitate this work measure, as well as the conditions offered to teleworkers. Furthermore, the challenges that were met by the two selected case study organisations, which had a telework arrangement in place, were appraised. Financial considerations and monitoring mechanisms were also examined.
- **Chapter 3 – Implementing and Managing Flexible Work Schedules and Reduced Hours:** This chapter evaluates the impact of other flexible work arrangements on the operational aspect of organisations which employ them. It also evaluates the effective uptake and extent of usage of these measures. In addition, the chapter delves into the resources required and monitoring mechanisms applied in order to manage flexible work schedules and reduced hours.
- **Appendix A – Performance Audit Report Published by the National Audit Office (July, 2010) – Child Care Arrangements for Public Employees:** Using various research and analytical techniques, this NAO study evaluated how child care support at the workplace was introduced, developed and managed over the years across the Maltese Public Administration. This appendix outlines the major recommendations and conclusions that emanated from this report.
- **Appendix B – Family-Friendly Measures Supporting Public Service Employees:** This section presents, in summary format, alternative and complementary family-friendly measures to those analysed in this report. These include a diversity of leave arrangements, including, maternity, paternity, adoption, parental, and responsibility, amongst others.
- **Appendix C – Methodology:** This section describes the information sources and analytical techniques that were used during the study.
- **Appendix D – Brief Descriptions of the Questionnaires related to the Telework Measure at DSS:** The questionnaires utilised in eliciting teleworkers’ and non-teleworkers’ views on the application and experience of telework within their work environment are presented in this appendix.
- **Appendix E – Data Protection Policy Regarding Processors Engaged by Ministries or Government Departments:** This appendix presents extracts relating to the scope and background of this data protection policy, whilst also providing sample contractual clauses that may be assimilated into relevant agreements with third parties.
- **Appendix F – Summary of Extract from CBU Family-Friendly Measures Template:** This extract is a summary of the standard template used by CBU when public sector organisations are in the process of introducing and implementing family-friendly measures.



Chapter 2

Aligning Telework with Organisational Goals

Chapter 2 – Aligning Telework with Organisational Goals

Chapter 2 examines the evolution of telework arrangements offered to public employees within two case study organisations. It also assesses the systems that were put into place to facilitate this work measure, as well as the conditions offered to teleworkers. Moreover, this chapter discusses the challenges that were faced by the case study organisations following the introduction of telework. Financial considerations and monitoring mechanisms are also reviewed.

2.1 Considering Telework

2.1.1 Providing employees with the opportunity to balance their work and life commitments, whilst still maintaining the same level of performance throughout the organisation, is being given prominence by organisations that offer telework to their employees. Offering this level of flexibility to a workforce implies managing at a distance, which subsequently necessitates a more robust and adaptable system of work measurement.

2.1.2 Two case study organisations which provided telework to their employees – DSS and MITA – were selected to participate in this study. Both organisations started to offer telework before February 2008, which marked the launch of the *Teleworking Policy in the Public Administration*, through OPM Circular 6/2008. The Circular, entitled Teleworking, encourages organisations within the Public Administration to offer telework to employees, as long as the output level is maintained.

2.2 Evaluation and Introduction of the Measure

2.2.1 Before committing to offering employees the opportunity to telework, both case study organisations evaluated the options at hand. DSS and MITA indicated that telework arrangements were specifically introduced to retain knowledge workers, provide staff with a better work-life balance, and, in the case of MITA, to attract new staff with the qualifications, skills and competences which fit the Agency's needs.

2.2.2 At MITA, the launch of an internal telework framework in July 2001 was part of an overall management plan to champion new work practices brought into play by technology. Furthermore, adopting a flexible approach towards work, through the promotion of a healthy lifestyle for staff members, was at the forefront of MITA's operations. To this effect, a project team, which was managed by an HR executive and included two employees from the Information Technology Consultancy Services Department (ITCSD), was set up.

2.2.3 The ITCSD's terms of reference were to (i) classify posts which may be operable in a teleworking environment; (ii) determine connectivity means, technical requirements and the cost of each option (in order to apply the most cost-effective connection); (iii) identify potential security risks and establish a corporate framework for minimising these; (iv) determine any necessary training and associated costs; (v) conduct research on any legal implications in contracts of employment; and (vi) establish a policy and framework on teleworking.

2.2.4 ITCSD calculated that providing telework to employees would cost MITA an estimated average of €1,410 (Lm605) per year for every teleworker. Due to these anticipated costs, MITA recommended that telework be introduced in a staged approach, offering the measure to a limited number of employees at first. This approach served to allow the Agency to implement the new work practice in a manageable manner. MITA reported that, when offering telework, the Agency no longer considers the cost of telework due to its relatively low significance.

2.2.5 This Department proposed that the Agency should adopt a hybrid approach, whereby telework is based on a maximum of three days working from home and a minimum of two days working from the office. Although such criteria are not included in the telework agreement signed by the teleworker and the HR Manager, records held by MITA show that, out of the 18 teleworkers, 12 work from the Head Office between four or five times a

Table 4: Evaluations Carried Out by MITA and DSS Before Offering Telework

Malta Information Technology Agency	Department of Social Security
1 Identification of positions operable in a teleworking environment.	1 Evaluation of the request put forward by an employee.
2 Determination of the costs and technical requirements of different options.	2 Determination of the costs and technical requirements involved.
3 Establishment of a formal corporate framework in order to minimise identified security risks.	3 The drawing up of policies, procedures and the telework contract.
4 Creation of a telework policy and framework and its respective endorsement by the Board of Directors.	4 The estimation of the number of employees anticipated to request the telework measure.

week. The established schedules when teleworkers work from the Head Office are, at times, agreed upon by the respective managers and teleworkers on a week-by-week basis, depending on the type of jobs that are delegated to the teleworker in question.

2.2.6 The identification of the need for telework at DSS was triggered in 2006, following an employee's request to utilise the said measure. Top management recognised that the employee in question was an asset to the organisation and were intent on not losing the knowledge and skills acquired over the years. Hence, October 2006 marked the official launch of the measure at DSS. However, since this measure constituted a new way of working, caution was exercised in its implementation.

2.2.7 In view of the fact that there were no formal policies or guidelines governing telework within the Public Administration, the Department drew upon the knowledge and expertise of the then Director of Gender Equality in order to create a contract specifically tailored for teleworkers. A policy on the subject was also drawn up so as to ensure the necessary transparency of the measure. Following the subsequent launch of the *Telework Policy for the Public Administration*, DSS ceased reference to its internal telework policy, thereby aligning itself with central Government's initiative. Management regarded

the measure as a win-win situation – employees benefit because they can better balance their work and family life, and management benefits from increased man-hours. DSS indicated that, through the application of telework, employees who were previously working on reduced hours, shifted back to work on a full-time basis, whereas employees on parental leave were reintegrated into the organisation.


2.2.8 Table 4 presents a step-by-step approach detailing the process of implementation of telework adopted by both case study organisations.

2.2.9 Teleworkers in both case study organisations sign a Telework Agreement before they start making use of the measure. This agreement is essential in order to:

- Define, formalise and manage procedures;
- Ensure adherence with the Telework Policy;
- Warrant fairness;
- Ensure that teleworkers continue to deliver;
- Document contact details and other information, as required by the organisation; and
- Instil adequate risk management in the systems.

2.2.10 *The Teleworking Policy in the Public Administration* establishes the measure's framework through the clauses presented in Table 5.

Table 5: Principal Clauses of the Telework Policy in the Public Administration

	Purpose of Agreement	Training Opportunities
	Voluntary Character	Contactability
	Work Conditions	Data Protection Issues
	Work Schedule	Contact Information
	Reviews of Telework Arrangements	Equipment Requirements and Related Repairs
	Rights and Responsibilities of Teleworker	Overall Monitoring of Teleworkers

Source: Teleworking Policy in the Public Administration (2008)

2.2.11 The policy is accompanied by guidelines which further explain the telework clauses. The guidelines are meant to help employers when launching the measure and are also intended to provide teleworkers with transparency on what is expected of them, as well as their rights and responsibilities.

2.2.12 The guidelines of the policy provide a template Telework Agreement that may be used by organisations when offering telework. Although the policy is not intended to be rigidly adhered to, “...the document outlines the general principles on which telework should be administered in the Maltese Public Service and public sector and is intended to be used in combination with the Telework guidelines.”

2.2.13 The Agreements applied by MITA and DSS are largely similar to that proposed by Government. However, MITA does not allow for the specification of work schedules, but states that this should be agreed upon by the respective manager and teleworker. Nevertheless, the work schedules for MITA teleworkers are stipulated in the application for telework, after an agreement is reached between the teleworker and the manager.


2.2.14 Apart from the organisations’ telework policy, DSS has endorsed a standard aimed at supporting and


complementing the telework arrangement, which requires teleworkers to reply to any e-mails sent from DSS employees within a timeframe of twenty-four hours. The need for this standard was identified by management, after non-teleworkers lamented that not all teleworkers were replying promptly to e-mails sent to them. Hence, queries made by the public were taking longer to be satisfactorily answered.

2.2.15 In fact, there had been cases where teleworkers’ attention was drawn to the policy, since e-mails were not being replied to within the stipulated timeframe. Furthermore, upon the conduct of an internal quality service audit during April 2010, it was disclosed that teleworkers do not always reply (within the defined timeframe) to queries made through e-mail. As at January 2011, DSS indicated to NAO that this problem persisted and that certain teleworkers were sent reminders regarding this issue from time to time.

2.2.16 Table 6 provides an overview of telework arrangements offered to DSS and MITA employees as at November 2010. Conditions of work, resource requirements and operating systems adopted by the case study organisations are highlighted in the table. This table allows for a cross-comparison of the arrangements offered by both organisations.

Table 6: Teleworking Arrangements available to DSS and MITA Employees (as at November 2010)

Organisation	Description of Telework Arrangement Offered to Employees
 <p>Department of Social Security</p> <p><i>justification</i></p> <p><i>printing</i></p>	<p>Telework within DSS was availed of by 53 employees as at November 2010. Teleworkers were requested to work at least 10% of their working time from the office, in line with the <i>Teleworking Policy in the Public Administration</i>. The established day/s and time/s when each teleworker intends to work from the office are stipulated in the Telework Agreements. Section Heads monitor this 10%, although no clear and established controls are were in place. A quality service audit held in February 2010 highlighted the fact that teleworkers were not spending enough time at the office.</p> <p>DSS stated that reasons provided by teleworkers so as to justify their request for telework were all related to caring responsibilities. Such responsibilities included caring for children, adults, and persons with disabilities.</p> <p>Printing facilities at DSS included a system whereby teleworkers could send a print job to a designated printer at the Head Office and subsequently collected it when they were at the office. As a consequence, there was a risk that teleworkers’ printed material ended up being misplaced due to the fact that the teleworkers were not at the office when the printing took place.</p>

<p><i>work space arrangements</i></p> <p><i>file movement</i></p> <p><i>communication</i></p> <p><i>costs</i></p> <p><i>granting telework</i></p>	<p>Office space within two work Sections at DSS was rationalised in order to save space and to allow employees to be more comfortable. The Pensions Section and the Social Assistance Section dedicated a room with touchdown desks to all teleworkers within their respective Sections, adjacent to the one where the non-teleworkers were stationed. The dedication of one room for all teleworkers at DSS was resisted, due to the fact that it was assumed that teleworkers would become more isolated from the rest of their teams.</p> <p>The manual filing system at DSS means that when teleworkers were delegated tasks, a number of files had to be moved from the Head Office to the teleworkers' homes. This movement to and from the Head Office inherently implied that documents and files were exposed to a number of risks (refer to paragraph 2.4.1).</p> <p>Communication between the teleworkers and the non-teleworkers was mainly carried out by email. Urgent requests to teleworkers were dealt with by the respective Section Head, who called the teleworker on his/her private number. This arrangement had been identified (by non-teleworkers, Section Heads and District Managers) as not being conducive to the Department's needs and overall workload. Better communication mechanisms were called for during a management workshop that was held in November 2010.</p> <p>The provision of telework came at a cost for DSS. All employees stationed at the DSS Head Office worked with desktop computers, whereas teleworkers required a laptop in order to carry out their duties. Each extra laptop was leased for five years, through MITA, at a cost of €1,274 for the first year. The four subsequent years were paid for from a central Government fund at a cost of €271 per year for each leased laptop. Other IT requirements included network and internet connections, depending on the exigencies of the job to be carried out remotely.</p> <p>Granting telework required a process which included approving, delaying, or refusing the measure. At DSS, requests submitted by three employees (working on a reduced time-table) to start teleworking, were declined. These employees were requesting to shift to a full-time work schedule and perform additional duties from home. The reason provided by management for turning down such requests was the lack of back-office work that could be delegated to these employees. It should be noted that said employees were working in District Offices, where almost their entire workload entailed front office duties. A further 20 telework applications were pending as at November 2010. A variety of reasons were provided with respect to this delay, namely (i) hardware problems; (ii) the prospective teleworker would be undergoing training; (iii) priority given to other teleworkers; and (iv) the fact that the nature of duties of the prospective teleworkers were not compatible with telework.</p>
 <p>Malta Information Technology Agency</p>	<p>As at November 2010, MITA was managing 18 telework agreements. The number of hours that employees were expected to work from the MITA offices was not stipulated in the signed agreement, as these hours were agreed upon by the manager and the teleworker. Records of time expended at the office by employees showed that, on average, a teleworker spent around 20 hours every week at the MITA offices (50% of a full-time work schedule).</p>

<i>justification</i>	Telework at MITA has helped parents with their parental and caring responsibilities. However, the telework measure was not granted solely to employees with such responsibilities. Another reason why telework was requested (and granted) was long commuting distances, especially in the case of Gozitans.
<i>electronic files</i>	MITA indicated that teleworkers' jobs were widely associated with electronic rather than manual files. Hence, printing at MITA was centralised at one multi-function copier, placed on each floor. The use of electronic files implied that MITA was not exposed to the risk of losing files in the process of their commute from the office to the teleworker's home. In addition, files required by all employees were available instantaneously, depending on their access rights.
<i>office arrangements</i>	The Corporate Services Department at MITA have attempted to rationalise office space by proposing a room with touchdown desks to cater for all teleworkers. However, this proved to be futile since employees and their managers strongly opposed the proposal due to the perceived increased difficulties of communicating with teleworkers should they be stationed away from their colleagues.
<i>communication</i>	Communication mechanisms were mainly carried out by e-mails. However, where the teleworker's job required the teleworker to attend to clients via telephone a Voice-over Internet Protocol (VoIP) system was provided. Having a VoIP system in place inherently signifies that a teleworker was able to attend to calls made to their work extension by internal and external clients while they were teleworking. This facility was not provided to all teleworkers since most teleworkers communicated solely via e-mails.

2.3 Costing Telework

The Direct Costs of offering Telework to Employees

2.3.1 Costs related to the provision of telework vary, depending on the needs and exigencies of the job to be performed remotely. When analysing and budgeting for costs, consideration was also given to the equipment already available. For instance, MITA ensured that, as much as possible, it always registered the same number of computers, except in the case of recruitment. Hence, computer programme license costs related to extra computers were kept to a minimum. It should also be noted that if an employee who, under normal circumstances, requires a replacement of his/her desktop computer with a laptop, only the difference in cost between a laptop and a desktop computer are taken into consideration. On the other hand, DSS budgeted for an extra computer for each teleworker. Consequently, computer programme license costs (€799.86) were incurred once for every extra computer that was leased, apart from the annual leasing cost.

2.3.2 Costs directly related to the telework arrangement are presented in Table 7. As indicated above, not all teleworkers required connections so as to be able to work from home. MITA indicated that telework may sometimes be carried out at no extra cost to the Agency.

2.3.3 According to data forwarded by DSS, connection costs incurred by the Department (for 55 teleworkers) amounted to approximately €9,000 per annum. On the other hand, MITA spent around €3,000 annually on connection provisions for its 18 teleworkers.

Indirect Costs of Telework

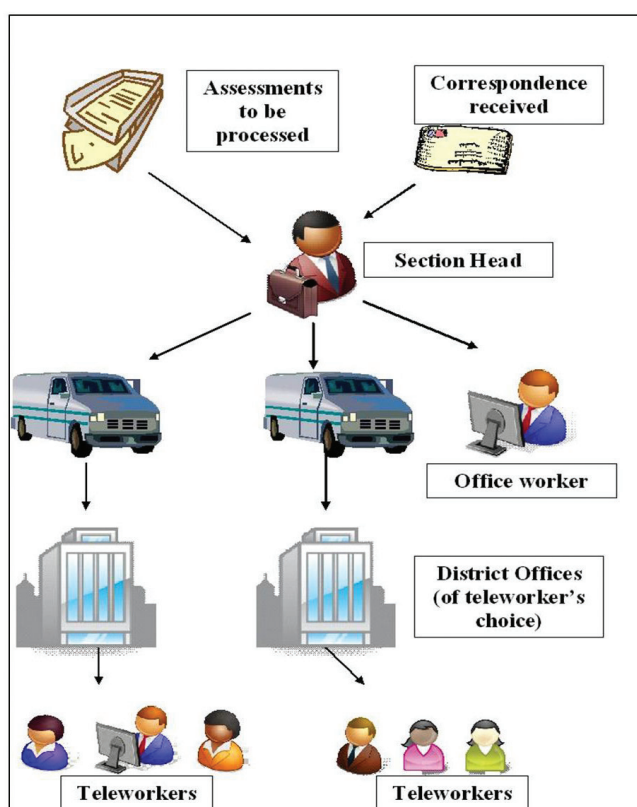
2.3.4 DSS indicated that it incurred an additional indirect cost with regards to telework. The introduction of a new delivery system within DSS was partly driven by the telework arrangement. Files tagged with jobs that had to be completed by teleworkers were transported to and from the District Office (area-based branches of DSS, primarily tasked with addressing customer care related concerns and managed by District Managers) of the teleworker's choice. This system was set up for two main reasons: to ensure the security of DSS files; and to facilitate the flow of work. Furthermore, the delivery system was also intended to safeguard employees' health and safety. Teleworkers were requested to collect files from their designated District Office twice a week. Through this delivery system, teleworkers did not have to carry files to and from the Head Office. Figure 2 provides a graphical and simplified representation of the delivery system at DSS. This system also served to collect and distribute ordinary mail and cost approximately €2,000 per month.

Table 7: Approximate Costs Directly Related to Telework

Type of Cost	Cost (€)	Additional Information
Home Connection (Non-secure)	291 (annually)	Specifically for users making use of internet and e-mail.
Secure Home Connection	527 (annually)	Provided to users requiring access to particular applications, including VoIP. Teleworkers who are provided with this type of connection do not need the home connection.
Secure Virtual Private Network (VPN)	200 (annually)	Set up for users who want to avail themselves of their personal connection at home but still require access to particular applications. The use of a VPN token requires the VPN client software and certificate installed on the equipment provided.
Computer Programme Licenses	800	This is incurred once for every extra computer that is leased.
Notebook Computer	271 (annually)	The first year of lease is paid by the Ministry or Department in question. Subsequent payments covering the remaining four years are made by the Ministry for Infrastructure, Transport and Communications through a central Government budget.

2.3.5 The delivery system was subcontracted to a local security service organisation and was operated through an annually renewable contract. However, NAO noted that this contract did not include a data protection clause, and the absence of such a clause presented the risk of the Data Protection Act being breached. DSS is also unable to hold the subcontractor liable for any loss of documentation,

which could have arisen through the negligence of one of the delivery service employees. Although the contract makes specific reference to the loss of indemnity in cases of deliberate wrongdoing, NAO maintains its reservations regarding the tenuous distinction between negligence and intended wrongful acts or omissions.

Figure 2: Delivery System at the Department of Social Security



2.4 Filing Systems

2.4.1 Having an adequate filing system in place proved to be of high importance to the case study organisations. At MITA, manual files were kept to a minimum, as was also the case with hard copies of documentation. In effect, teleworkers were able to access all the files they required through a VPN. On the other hand, although some work at DSS was carried out without the use of hard copies, employees largely required the manual filing system in order to complete assigned tasks. The introduction of telework has brought to the fore a number of difficulties associated with such a filing system.

(a) *Required files were not always held at the DSS offices*

At times, employees stationed at the DSS Head Office, required files which were being held at the teleworker's work station. The need for such files may arise from a client's request regarding the status of his/her benefit payment. DSS management indicated that, as a consequence, employees were not always able to provide clients with prompt and accurate replies to the questions posed. Furthermore, searching for a file entailed a time-consuming process, since its location was not always easily determined. This was essentially due to the multiple processes entailed in searching for a given file, which normally included: (i) confirming that it was not at the office; (ii) sending out e-mails to all teleworkers who might possess the file; and (iii) finding the exact location of the file (that is, whether it was at the teleworker's work station or in transit through the delivery system).

(b) *Moved files risked being misplaced*

File movements between Head Office, District

Offices and the teleworker's home inherently increased the risk of them being misplaced.

(c) *File movement was time-consuming*

Whereas with an electronic system a file may be accessed at any point in time and with no delay, a manual filing system required users to allow for waiting time for the file to be at their disposal. Hence, if a claim for a benefit payment was received, the corresponding file had to be obtained from the respective Registry Office.

2.4.2 DSS is currently considering the feasibility of adopting an electronic filing system through the scanning of documents. The Department has estimated that, as at end 2010, it had approximately 192,000 active client files in its Registry Offices. Hence, shifting from a manual filing system to an electronic one would require an investment in appropriate equipment and a significant number of man-hours. DSS envisaged that an electronic filing system would eventually lead to substantial savings in terms of salaries associated with the present manual filing system.

2.5 Training the Teleworkers

2.5.1 The guidelines set out by the *Teleworking Policy for the Public Administration* suggest that training in self-management skills, such as time management, should be provided to teleworkers. Both case study organisations have not provided such training to the respective teleworkers.

2.5.2 In the case of DSS, teleworkers had requested for telework training which was specific to the Department's needs. During a focus group held in 2009, teleworkers called for training on time management. In addressing the training issue, DSS took stock of the specific training needs indicated by the teleworkers and requested by top



management. The Department was planning on providing telework training targeted at the needs of the organisation, in collaboration with the Centre for Development, Research and Training.

2.5.3 MITA indicated that no training specifically relating to telework had been requested by the teleworkers or provided by the Agency, from implementation to date.

2.6 The Impact of Telework on Non-teleworkers

2.6.1 MITA and DSS reported different impact levels that telework has had on the non-teleworkers; with MITA stating that this work measure had a minimal effect on the employees who did not telework. Conversely, DSS identified a number of shortcomings with respect to the impact of this measure on non-teleworkers, and subsequently attempted to address them. The following is a list of difficulties that DSS encountered with respect to non-teleworkers:

(a) *Reassignment of tasks required to deal with clients' queries*

According to the February 2010 Quality Service Audit, the influx of telephone calls from clients whose cases were assigned to teleworkers were considered to be a burden on the non-teleworkers within the Pensions Section. Hence, the DSS internal audit team recommended that an officer be selected in order to attend to such queries made by clients. A Customer Care Officer (CCO) within the Pensions Section was subsequently appointed to assume these responsibilities. DSS also stated that two other Sections, the Social Assistance Section and the Children's Allowance Section, also assigned a CCO to take on clients' queries. DSS stated that the CCOs

were relieved of their assessing duties and requested to solely attend to clients' queries. Consequently, the number of assessors within these three Sections decreased following the redeployment of CCOs to facilitate telework. The Quality Service Audits are further elaborated-upon in paragraph 2.8.2.

(b) *Decreased communication between teleworkers and non-teleworkers*

Following the introduction of the telework measure, DSS reported that the relationship between members of staff on telework and those not on telework had, as a consequence, been strained. Focus groups were subsequently conducted, where teleworkers voiced their concerns relating to how non-teleworkers were distancing themselves from them. Furthermore, teleworkers stated that feelings of resentment from the non-teleworkers resounded at the office. Staff meetings with Section Heads and the non-teleworking counterparts were called for, in order to address the communication barriers and to strengthen working relationships. Similarly, non-teleworkers expressed concern on the lack of communication between the teleworkers and the non-teleworkers. Furthermore, District Managers, through the Quality Service Audits, expressed their worries that this decrease in communication was, at times, hindering the employees' output.

(c) *Ensuring teleworker preparedness*

A total of 10 teleworkers were transferred from a section where telework was not possible to a new section where this measure was available. Such staff movements consequently implied that teleworkers freshly transferred to a new section required intensive on-the-job training so as to carry out their delegated tasks. Under such circumstances,

teleworkers were expected to receive six months' training in order for them to be able to start working independently. However, non-teleworkers contended that not all teleworkers were able to work independently following the designated training period. Consequently, non-teleworkers lamented on the fact that teleworkers who were relatively new to a section required more attention and help while they were on telework. This sometimes hampered the workflow at the Head Office, since non-teleworkers would have to temporarily put their tasks on hold.

- (d) ***Unavailability of teleworkers during office hours***
Due to the fact that teleworkers inherently do not have fixed work schedules, a few non-teleworkers sometimes found it difficult to reach them during stipulated office hours. DSS indicated to NAO that, as a result, it was considering the possibility of binding teleworkers with a set of core hours (for example, three hours a day between 09:00 and 12:00), implying that the teleworker may be reached at a specified location.
- (e) ***Addressing queries in a timely manner***
DSS indicated to NAO that queries tagged with teleworkers, at times, took longer to be addressed. The Department also indicated that this time-lag was mainly attributable to the behavioural patterns of individual employees, irrespective of their telework or non-telework status, rather than the management of the measure itself.
- (f) ***Coping with additional workloads***
Teleworkers did not attend to clients' telephone calls while they were not at the office. In addition, it was common practice for Section Heads and District Managers to delegate urgent tasks to non-teleworkers. Hence, non-teleworkers complained of increased work pressure due to the telework measure. Furthermore, during a meeting with the Quality Service Audit team, District Managers pointed out that telephone calls were not always answered, especially within sections where telework prevailed.
- (g) ***Teleworkers did not always present themselves at the office on their designated dates***
The stipulated dates when each teleworker was to work from the office were not consistently abided by. According to DSS, teleworkers were, at times, absenting themselves from the Head Office for prolonged periods of time. Teleworkers were, on instances, availing themselves of vacation leave specifically and solely on their designated office day. As a consequence, on certain occasions, two weeks lapsed before a teleworker reported to Head Office. This issue was highlighted by non-teleworkers and

District Managers, as well as in the Quality Service Audits .

2.6.2 Whilst having a high ratio of teleworkers implied lower infrastructural costs and increased man-hours (when compared to employees opting for reduced hours), DSS have found difficulties in sections where the teleworker ratio was elevated. The June 2010 Quality Service Audit revealed that the Unemployment Assistance (UA) Section, which had 64% of its staff compliment on telework, was facing difficulties that were directly related to the ratio of teleworkers to non-teleworkers. Day-to-day office duties were solely carried out by the two non-teleworkers of the Section. DSS is currently attempting to address these difficulties by merging three Sections together, namely, the UA Section, the Medical Section and the Social Assistance Section. This reorganisation was intended to rebalance the teleworker to non-teleworker ratio, and in so doing, spread the workload normally assigned to non-teleworkers in a more balanced manner, thereby addressing present limitations.

2.6.3 In addressing the issue of additional office-contingent tasks that non-teleworkers had to perform, DSS, after due consideration and following consultation with Section Managers, determined that the level of output in terms of number of cases completed by teleworkers should be greater than that of non-teleworkers. The Department found that this system mitigated the difficulty concerning workloads and led to an overall increase in completed tasks.

2.7 Monitoring Mechanisms related to Teleworkers' Performance within the Case Study Organisations

2.7.1 MITA and DSS indicated that teleworkers' performance was monitored, albeit through different mechanisms of measurement and evaluation. Managers at MITA monitored teleworkers in a fairly informal manner. Notwithstanding this, the Agency reported that the system was efficient and effective.

2.7.2 The four interviewed managers at MITA corroborated the fact that jobs were normally broken down into smaller tasks, which were pegged to specific deadlines. Managers were subsequently tasked with ensuring that the assigned deadlines would have been adhered to. There were instances where delegated jobs were not broken down into smaller tasks. This was particularly the case when the manager and employee's work relationship was characterised by a high level of trust. Nevertheless, deadlines of such jobs were still subject to management scrutiny. Breaking down tasks and assigning a deadline for each of these respective tasks occupied a notable portion of management time and effort. Managers indicated that this component of telework was the most challenging.

2.7.3 Alternatively, jobs at DSS were inherently divided into pre-defined measurable tasks and Section Heads found it easier to assign jobs to teleworkers. Section Heads determined the number of Social Security cases that were to be assigned to teleworkers on a weekly basis, which varied from one section to another. The number of tasks to be carried out at DSS was consistent from week to week and applied to all teleworkers within given sections. Monitoring of teleworkers' performance was not a standardised process at DSS, even though the nature of tasks was largely similar across sections.

2.7.4 From the information gathered by NAO, it emerged that DSS employed three types of monitoring processes, as presented hereunder:

- (a) Section Heads reported that monitoring of completed work was normally carried out by means of a Progress Sheet. However, the Progress Sheet was being filled in by the teleworkers when jobs were completed. Additionally, tasks were delegated to teleworkers by an Executive Officer from the respective registry, and hence Section Heads were not able to reconcile the tasks delegated with those completed.
- (b) Another monitoring mechanism used by the Section Heads included random checks of completed jobs in order to examine the quality of work.
- (c) Finally, DSS employed a monitoring regime through User Efficiency Reports, specifically designed by MITA to cater for the particular requirements of DSS management staff. The programme was able to generate jobs completed by each employee, as well as the location of files.

2.8 Assessing and Managing the Overall Measure

2.8.1 Both case study organisations indicated that they used various methods to assess the degree of success of the telework arrangement in place. As opposed to DSS, MITA used informal methods of assessment in order to determine the performance of telework vis-à-vis the organisation's goals and targets. Such assessments were mostly executed through informal conversations between teleworkers and their superiors. MITA managers indicated that they were receptive to teleworkers' difficulties related to the measure. Conversely, DSS scrutinised the telework arrangement through the organisation of formal assessments. These systems of assessment are presented in further detail in Table 8.


Quality Service Audits

2.8.2 During December 2009, DSS introduced internal bi-monthly Quality Service Audits with the intention of suitably identifying existent shortcomings within the Department. During such audits, the telework arrangement was also explored. Upon finalisation of each audit, senior management organised a meeting in order to discuss the findings, conclusions and recommendations of the presented report. Issues relating to telework that arose from these audits included:

- Certain teleworkers not adhering to the 24-hour e-mail reply policy;
- The need to contact teleworkers during set core hours;
- Decreased teamwork;
- The possibility of shifting from a manual to an electronic filing system; and
- High numbers of teleworkers in a given section, resulting in pressure on the non-teleworkers.



Table 8: Ongoing Evaluations and Streamlining of the Telework Measure at DSS

	<p><u>Questionnaires</u></p> <p>During 2009, DSS carried out a survey in order to determine the impact that telework had on all employees. Hence, the study was two-fold and consisted of one questionnaire designed for the teleworkers and another one specifically intended for the non-teleworkers. Appendix D provides brief descriptions of the questionnaires.</p>
	<p><u>Teleworkers' Questionnaire Results</u></p> <p>The questionnaire results indicated that, on average, teleworkers availed themselves of fewer sick leave days than they used to before they were granted this measure. Other benefits noted by the teleworkers included the ability to increase working hours and to remain in paid employment. Teleworkers also pointed out that they noted a decrease in travel-related costs and child care expenses. On the other hand, negative aspects of the arrangement were also brought up, including social isolation.</p>
	<p><u>Non-teleworkers' Questionnaire Results</u></p> <p>From the questionnaires administered to non-teleworkers, results indicated that nearly half of these employees were not satisfied with the telework arrangement. Reasons provided included the following:</p> <ul style="list-style-type: none"> • Tasks were taking longer to be completed; • Non-teleworkers were experiencing a loss of control over delegated tasks; • Non-teleworkers had to deal with more telephone calls; and • Increased pressure on non-teleworkers. <p>Both questionnaire results included recommendations from the respondents.</p>
	<p><u>Focus Groups</u></p> <p>During April 2010, DSS organised three focus groups (one for teleworkers and two for non-teleworkers). Employees were requested to speak freely on how they felt about the telework arrangement and what improvements they suggested should take place. The outcomes of these focus groups were subsequently recorded and analysed. The findings corroborated, in the main, with the results of the administered questionnaires.</p>
	<p><u>Management Workshop</u></p> <p>During November 2010, DSS organised a workshop targeted at management to discuss the issues that were raised by employees (data from the questionnaire results and from the focus groups was used). Possible recommendations and their feasibility were discussed, and senior management indicated its intention to follow them up. As at April 2011, DSS was drawing up an internal document entitled 'Management Guidelines for the Identification, Application, Evaluation, Selection, Granting, Monitoring and Termination Process for/of Telework Arrangements/Teleworkers'. The scope of this document was to supplement the current <i>Teleworking Policy across the Public Administration</i> (that was being utilised by DSS) and to assist management in adapting the telework arrangement to the realities of the Department.</p>

2.9 Conclusions and Recommendations

2.9.1 Both case study organisations have established an adequate work mechanism with respect to telework. In fact, this type of work arrangement has been ingrained in the normal work systems of DSS and MITA. DSS undertook considerable studies in order to identify practices that led to inefficiency and ineffectiveness. On the other hand, MITA management has not considered it necessary to rigorously analyse the telework situation.

2.9.2 NAO encourages MITA and DSS to continue developing this work arrangement whilst keeping important factors, such as work performance and the effect on non-teleworkers, in view.

2.9.3 NAO supports DSS in its decision to merge work sections and opines that its careful planning would most likely lead to higher efficiency and effective levels of work. Such efficiency and effectiveness gains would be brought about through the better balance of teleworker and non-teleworker staff ratios, as well as by ensuring greater

continuity of work through the shared knowledge acquired by staff. The success of this latter aspect depends on the suitable provision of training to staff so as to fulfil their respectively revised duties.

2.9.4 It is recommended that DSS further enhances its present file movement system by ensuring that teleworkers are accountable for files transferred to them. File movements from the office to other locations necessitates that the respective teleworker signs official documentation recording such movements, thereby assuming responsibility for the safe keeping of files and confidentiality of data.

2.9.5 MITA and DSS have gained significant insight into the manner in which telework should be introduced, implemented and monitored. NAO considers the following recommendations as relevant and appropriate:

- (a) Given the impact that telework may have on the performance of work carried out, it is essential to adopt a strategic approach, duly analysing possible ramifications and repercussions on other aspects of the organisation's operations.
- (b) Determine the number of potential telework positions within each given work section through meetings with Section Heads. The establishment of the number of hours that can be teleworked within each work section should also be taken into consideration, so as not to create an imbalance with respect to in-office workloads for non-teleworkers.
- (c) Draw up a budget for telework costs. This would enable the employer to determine the number of telework jobs that the organisation is able to finance, as well as ensure objectivity and transparency in the method applied.
- (d) Evaluate whether the filing system is suitable for telework. In the event that file movement results in disturbances to the work flow, corresponding and supporting systems should be considered and, if feasible, introduced. Such systems, if established appropriately, would enhance file movement efficiency. DSS addressed such an issue through the subcontracting of the delivery of files, whilst MITA did not have to incur such an additional cost due to a high dependence on electronic filing systems.
- (e) Conduct a feasibility study when considering whether to shift from a manual filing system to an electronic one. Although an electronic filing system lends itself to greater efficiency and effectiveness, organisations considering such a change should estimate its total cost, which may include a considerable number of man-hours, as well as the procurement of appropriate equipment. Conversely, this job may be subcontracted.
- (f) Ensure that data protection clauses are assimilated into agreements entered into with third parties. Appendix E presents specimen data protection clauses provided by the Data Protection Unit within OPM.
- (g) Specify the work schedule agreed upon by the teleworker and the respective superior on the telework agreement. Agreeing on the work schedule is a vital part of telework and should be managed, on a day-to-day basis, by the teleworker's immediate superior.
- (h) Establish clear and measurable controls with respect to the monitoring of teleworkers' presence at the office. Adequate control systems include, mainly, palm readers and access control systems. DSS were making use of attendance sheets, however, a palm reader or access control system would be better-suited for the telework arrangement. Moreover, such attendance verification systems facilitate the introduction of flexible work schedules for all employees.
- (i) Adopt, where possible, work systems and infrastructures which benefit all employees. For instance, develop a system by which teleworkers may respond to telephone calls from clients while they are teleworking. Work Sections may also benefit from new office space strategies, such as dedicating a room to all the teleworkers within the section. Such an office space strategy may not always be a feasible option due to the possibility of low ratios of teleworkers to non-teleworkers, as well as other considerations relating to the level of interaction between the two. New work systems should always fit the organisation's goals and strategies.
- (j) Consider all possible printing options. These may include requesting teleworkers to send print jobs to a portable document file (pdf) printer and then actually printing the saved pdf documents in hard copy when reporting at Head Office.
- (k) Ensure that Section Heads are effectively monitoring their subordinates' work performance and that adequate control mechanisms are in place. Managing at a distance requires respective superiors to closely monitor deadlines and to carry out random checks on the quality of work performed by the teleworkers. Hence, this activity takes up considerable management time, but is nevertheless an important factor which should

not be ignored. NAO urges Section Heads and managers to be constantly aware of the work that is being carried out by their teleworking subordinates, as the supervisory aspect of telework is considered to be centrally important to its overall success. In addition, organisations may benefit from standardising monitoring processes if the operational aspect of the work permits.

- (l) Develop adequate controls so as to ensure that teleworkers report to the office at least once a week, even if not on their designated day. Should circumstances so merit, teleworkers may be requested to replace missed designated office days with an alternative date, hence ensuring the minimal level of contact between the teleworker and the rest of the office.

- (m) Examine the overall telework situation through discussions, focus groups, questionnaires as well as management meetings. Such studies should focus on the overall efficiency within the organisation, as well as possible concerns voiced by employees. These studies can help management determine the training needs of its employees. Monitoring may also be carried out in an informal manner during unplanned discussions between employees and their superiors.

2.9.6 The following chapter examines the introduction and management of flexible work schedules and reduced hours, whilst also according due consideration to the impact these measures have had on the four case study organisations selected for this part of the study.

Chapter 3 – Implementing and Managing Flexible Work Schedules and Reduced Hours

This chapter evaluates the impact of other flexible work arrangements on the operational aspect of organisations. It also evaluates the effective uptake and extent of usage of these measures. In addition, the chapter delves into the resources required and monitoring mechanisms applied in order to manage flexible work schedules and reduced hours.

3.1 Best-fit Solutions for Flexible Work Arrangements

3.1.1 Flexible work arrangements compliment each other, especially when one considers the constantly changing needs of different employees. A particular measure may fit an employee's personal schedule for a few years, whilst a different work arrangement may better suit the same employee's needs in ensuing years.

3.1.2 For instance, an employee may find it beneficial to utilise the telework measure following the birth of a child. However, when the child starts attending school, the parent may prefer to spend more time working from the office. In such a case, the employee may opt to start working on a flexible or reduced work schedule. Nevertheless, management should examine the feasibility of providing such measures and to which extent they can be offered.

3.1.3 Flexible work schedules and reduced hours provide a means by which employees are able to conveniently meet family commitments, personal obligations, and general life responsibilities. These measures may be provided in various forms, especially with respect to flexible work schedules.

3.2 Flexible Work Schedules across Government

3.2.1 Applying flexible work schedules enhances the service offered to external and internal clients, whilst reducing to a minimum the need to adhere to rigid timetables, which as a rule helps employees to achieve a better work-life balance. The organisation and the

employees can jointly establish a best-fit model to achieve the set objectives, in the best interest of all stakeholders.

3.2.2 Although Government has been encouraging flexibility in work schedules, it does not specify how organisations within the Public Service and the wider public sector should go about offering this measure. Nevertheless, entities were urged to ensure that introduced work schedules were feasible and did not jeopardise the entity's established objectives. Hence, when considering flexible work schedules, the best-fit model for both employees and employers, should be developed. Whilst such a model is of undoubted benefit to the employees, focus should also be directed at the achievement of the particular entity's goals and targets.

3.2.3 Against this background, NAO undertook a study to determine the different kinds of flexible work schedules that were made available to public employees. The study also sought to gather data on good practices employed by the selected organisations.

3.2.4 Three of the 16 organisations which provided flexible work schedules indicated to NAO that the measure was not offered to all employees. This situation came about, either through the merging of two entities that employed different work schedules, or due to the fact that such a measure was only granted on ad hoc and personal bases. In the former case, the entity in question was considering the amalgamation of work schedules in order to eliminate the segregation of employees and harmonise work practices.

3.2.5 NAO noted that flexible work schedules across Government, although only present within a few entities, were introduced with the aim of providing employees with the opportunity to balance their personal commitments and those of the organisation. Hence, schedules were devised in line with the organisations' exigencies, whilst also attempting to address employee requirements. It was also observed that, in certain cases, employees requested a higher degree of flexibility in their respective work

schedule than the standard system in place. Such requests were dealt with on a case-by-case basis.

3.2.6 The earliest possible clock-in times registered by these different organisations were observed to range from 06:45 to 07:45, whilst the latest clock-in times ranged from 07:30 to 09:00. Furthermore, earliest clock-out times varied between 15:00 and 17:15 in winter and between 13:00 and 14:45 during the summer months. The studied organisations emphasised the importance of having all sections manned outside core hours.

3.2.7 On a related note, and within the wider understanding of flexibility at the workplace, NAO noted that the PSMC does not allow employees within the Public Service to avail themselves of vacation leave in time-frames lower than four hours.

3.2.8 Two case study organisations were subsequently selected for the conduct of an in-depth study on the flexible work schedules measure. NSO and MFEI were selected due to the high number of employees that were benefiting from flexible work schedules at their place of work, 149 and 197 respectively.

3.2.9 Through the execution of an in-depth cross-comparative exercise, NAO sought to elicit the challenges met by both case study organisations, as well as good practices and the respective lessons learned from their experiences.

3.3 Evaluating the Introduction of Flexible Work Schedules

3.3.1 Flexible work schedules were introduced across the board within NSO and MFEI in May 2009 and February 2010, respectively. However, MFEI had already established a system of flexible work schedules for five employees, through formal individual agreements, which served as a pilot project for the Ministry. Increased staff interest and requests led MFEI management to consider the introduction of Ministry-wide flexible work schedules.

3.3.2 NSO indicated that in order to gather information on the best-fit model for employees and the Organisation, it collected feedback from employees through discussions. This prompted a number of proposals, which facilitated the process of determining the actual flexible work schedules. MFEI used a similar method for eliciting employees' feedback on the measure. However, the Ministry made use of a less formal approach and, in essence, employees were aware that management was considering the introduction of flexible work schedules and hence proposed potentially suitable arrangements. The Ministry took the suggestions in consideration when formulating the new flexible work schedules.

3.3.3 NSO also held talks with its regulatory body, the Malta Statistics Authority, and with its employees' respective Union over the final proposal for flexible work schedules. The acceptance of the proposal led to the introduction of a policy on this flexible work arrangement, included in the Collective Agreement, which was distributed to all staff.

3.4 Determining Hours of Work

3.4.1 Both case study organisations indicated that their respective core hours were decided upon after careful consideration of the organisations' operational exigencies. In the case of MFEI, particular deliberation was accorded to the hours when management personnel were mostly at the Office and therefore required subordinates' assistance. On the other hand, NSO indicated that the established core hours were the result of attention targeted at peaks in customer activity. Table 9 presents the flexible work schedules at NSO and MFEI.

3.4.2 It has been noted that NSO had two different flexible work schedules in place. As at March 2011, the Office had 121 employees who opted for Schedule 1, and 13 who opted for Schedule 2. NSO management reserves the right not to implement a particular work schedule if opted for by less than 30% of the workforce, and was in fact considering the elimination of the second work schedule in the next Collective Agreement 2011-2013.

Table 9: Flexible Work Schedules at NSO and MFEI

NSO			
	Earliest Start Time	Core Hours	Latest Finish Time
Winter Schedule 1	07:00	08:30 – 15:45	17:15
Winter Schedule 2	07:00	08:00 – 16:30	17:30
Summer Schedule 1	07:00	08:30 – 14:15	15:45
Summer Schedule 2	07:00	08:00 – 13:00	14:00
MFEI			
	Earliest Start Time	Core Hours	Latest Finish Time
Winter Schedule	07:00	09:00 – 16:30	18:15
Summer Schedule	07:00	09:00 – 13:30	15:00

3.4.3 Nevertheless, NSO and MFEI found the measure to be successful. NSO stated that following the implementation of a palm reader in 2000, the Office noted that a number of employees were consistently reporting late to work. This observation, as well as requests from employees for increased flexibility, led to the introduction of flexible work schedules. NSO indicated to NAO that late attendances to work decreased substantially when flexible work schedules were introduced, since employees were better able to manage their working time and compensate for daily variances in work commencement times.

3.5 Required Resources

Financial Resources

3.5.1 Both case study organisations indicated to NAO that the financial costs associated with the implementation of flexible work schedules were minimal. An attendance verification system was already in place at NSO and MFEI when the measure was introduced, and hence constituted a sunk cost. The organisations had invested in a biometric palm reader for this purpose.

3.5.2 Current costs of biometric and non-biometric readers typically vary between €500 and €1,500. Furthermore, monitoring of a flexible work schedule necessitates a software programme. The cost of such a programme varies, depending on the size of the organisation, the number of business groups, types of work shifts and schedules employed by the organisation in question. The most straight-forward system would cost around €1,000, whilst the cost of a more complicated system may amount to €4,000. When introducing a Time and Attendance (TA) system, an organisation may also require the compilation of a tailor-made database for its employees. The cost of such a database may vary from €400 to €3,000, depending on the type of database and licenses required.

Human Resources

3.5.3 Having a flexible work schedule in place requires an allowance for administration and monitoring time to be made. Such duties were usually carried out by an HR official. The case study organisations both reported that they found electronic TA systems to be the most efficient and effective methods of control. Daily reports that detail all employees' movements to and from the office can be extracted from such a system.

3.5.4 MFEI reported that, on average, 308 hours were annually expended on administering and monitoring the system, which translates into approximately six hours per week. On the other hand, NSO stated that, up to December 2010, around 520 hours were annually utilised on such activities by an HR official, implying a weekly input of ten

hours. During the course of NAO's study, NSO indicated that it had addressed this time-consuming administrative task by investing in a new server during the first quarter of 2011. The annual average number of hours that were being spent on the administration and monitoring of the flexible work schedules system as at April 2011 stood at 318, which was a notable improvement on the number of hours that were previously spent on such tasks during 2010.

3.5.5 NAO noted that MFEI employees who made use of flexible work schedules had, at times, requested an HR official to provide them with their clock-in times. Such requests may risk distracting HR officials from their respective core duties. On the other hand, NSO indicated that employees were able to access their clock-in and clock-out times from their work computer. NSO acknowledged that this system has resulted in better efficiency and effectiveness.

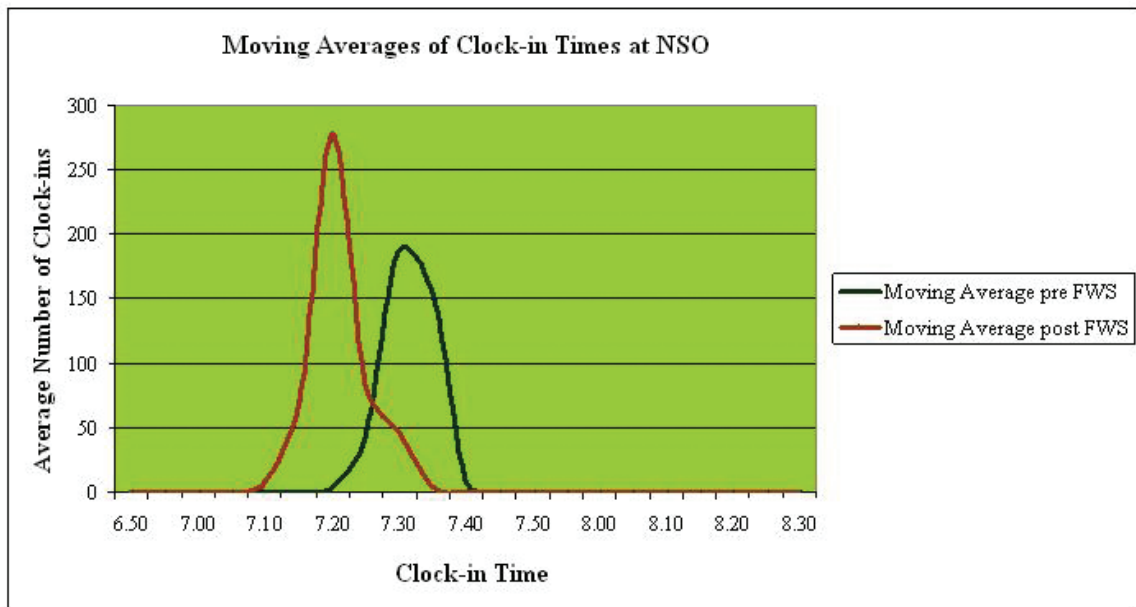
3.6 Policies and Procedures

3.6.1 The establishment of policies and procedures within both case study organisations was accorded significant importance before the measure started to be offered to employees. Both organisations deemed it necessary to have a documented policy on flexible work schedules in order to provide guidance to employees as well as to set new specific standards on working hours.

3.6.2 Whilst NSO detailed the policy in its Collective Agreement, MFEI communicated the policy to its employees through office circulars sent out via e-mail. Although both policies provided a comprehensive account of work schedules and responsibilities, the one drawn up by MFEI did not specify that employees were to electronically record their attendance when leaving the office to perform duties outside. The policy does however state that "*Heads are to monitor attendance and report any disruptions to normal business.*" MFEI indicated that it was standard practice for employees to inform HR via e-mail on temporary absences, whilst also signing the Temporary Absence Book held by their Section Head. On the other hand, NSO employees were expected to clock in and out whenever they entered or left the work premises and to provide justification for the movement, irrespective of whether such movement related to official or private business, as stipulated in the Collective Agreement.

Extent of Usage of the Policy

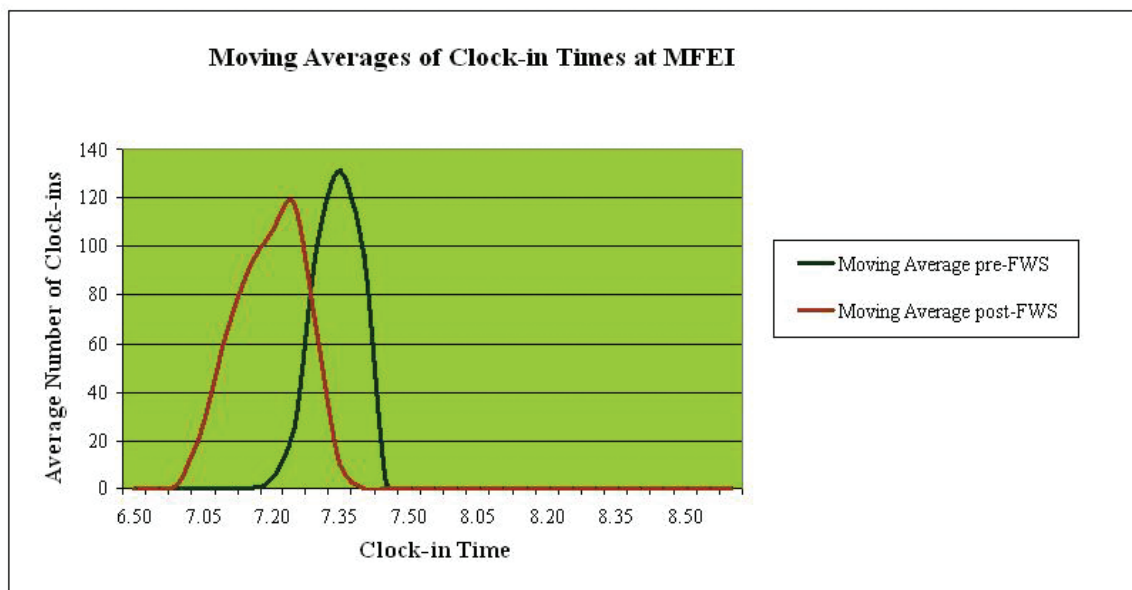
3.6.3 NAO undertook an analysis of the clock-in times of employees before and after the flexible work schedules measure was in place. NAO sought to determine the extent of usage of the measure, as well as general patterns adopted by employees. The analysis was limited to clock-in times since this time series inherently reflects the assumed clock-out times.

Figure 3: Clock-in Frequencies at NSO (Based on the Moving Average Model)

3.6.4 The model used for analysing time and attendance patterns was the moving average model, which enabled NAO to effectively compare the average clock-in times of employees before and after the introduction of flexible work schedules. A more detailed explanation of this scientific model can be found in paragraphs C.13 and C.14 of Appendix C. Figure 3 shows that the highest moving average of clock-in times at NSO shifted from 7:30am to 7:20am. Similarly, Figure 4 shows that the highest moving average at MFEI shifted from 7:35am to 7:25am. NAO considers these results as indicative of the overall success of the measure within both case study organisations and that most employees were at their post well before the

official starting time that was set when under fixed work schedules.

3.6.5 The moving average model, although effective, inherently excludes outliers. Nevertheless, NAO noted that during the selected sample timeframe under analysis (where flexible work schedules were in place), MFEI and NSO recorded post-8:00am clock-in times at 64 (out of 506) and 53 (out of 535) instances, respectively. This analysis continued to confirm that the flexible work schedules measure was being utilised to the full by employees of both case study organisations.

Figure 4: Clock-in Frequencies at MFEI (Based on the Moving Average Model)

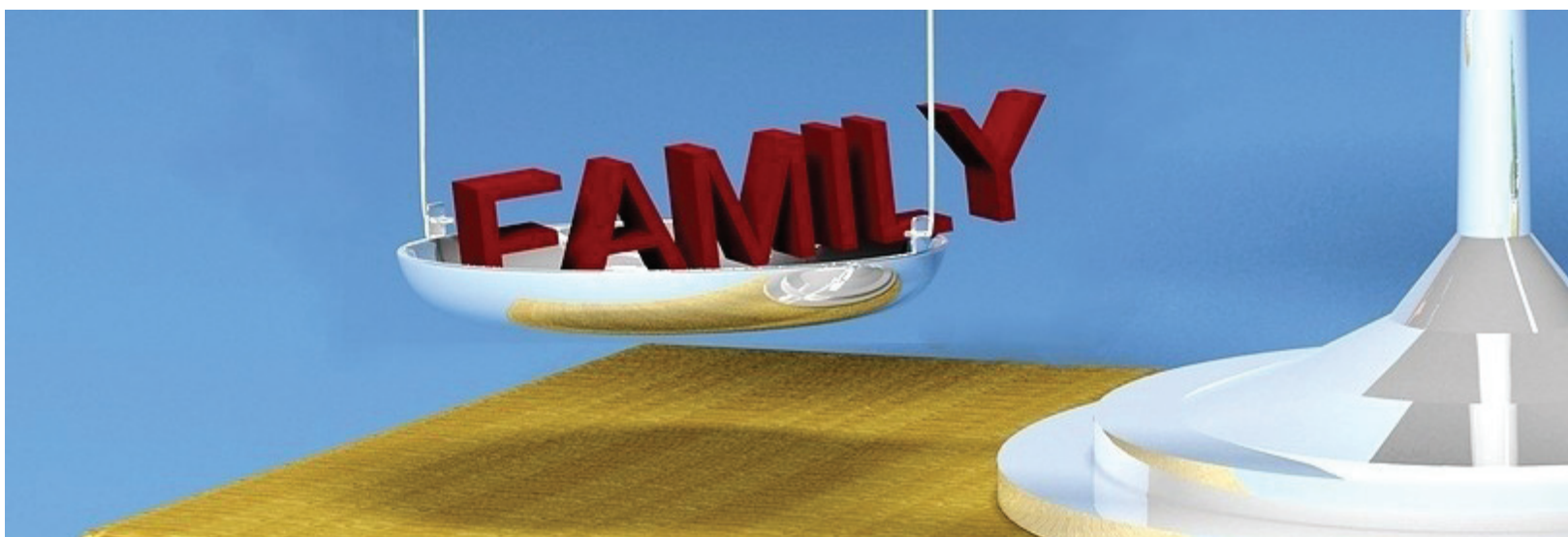


Table 10: Flexible Work Schedules (FWS) at NSO and MFEI

	NSO (pre FWS)	NSO (post FWS)	MFEI (pre FWS)	MFEI (post FWS)
Mean	7:29am	7:16am	7:32am	7:18am
Standard Deviation (SD)	26 minutes	34 minutes	27 minutes	31 minutes
Most popular clock-in ranges (+ / - 1SD)	7:03am	6:48am	7:05am	6:42am
	7:55am	7:49am	7:59am	7:50am

3.6.6 NAO conducted a further exercise to test the utilisation of the measure. Through the computation of the standard deviation from the mean, it was deduced that, following the introduction of flexible work schedules, the majority of employees were clocking in between 6:48am and 7:49am at NSO, and between 6:42am and 7:50am at MFEI. On the other hand, the most popular clock-in range for NSO before the measure was introduced was between 7:03am and 7:55am, and between 7:05am and 7:59am for MFEI (Table 10 refers). Hence, this data corroborates with the fact that flexible work schedules were being used extensively, especially during early work hours. In addition, ‘late comers’ were no longer considered as such following the introduction of flexible work schedules, whilst employees who habitually arrived early were having the ‘extra time’ recognised.

3.6.7 It should be noted that official start time and actual clock-in time are distinct from one another and are presented in Table 9 and 10, respectively.

3.7 Monitoring Mechanisms

3.7.1 Attendance within government departments has normally been recorded and monitored through the use of manual attendance sheets. Furthermore, the contemporaneous use of electronic systems is becoming

increasingly more prevalent across numerous government departments. Employing flexible work schedules heightens the need for an accurate and abuse-free system. Biometric and non-biometric readers, also mentioned in paragraph 3.5.2, are computerised and therefore ensure a high level of accuracy. Such systems generated a TA report detailing employees’ movements to and from the employer’s offices.

3.7.2 The TA report was typically analysed by an employee within the HR department. NSO and MFEI reported that lateness was easily determined through these reports and pay deductions affected accordingly. The procedures applied for pay deductions varied slightly among the two case study organisations.

3.7.3 MFEI deducted an employee’s salary after s/he was (at least) fifteen minutes late on three separate occasions. The amount deducted was computed to the nearest half-hour. On the other hand, pay deductions at NSO were made at the discretion of the Director of Resources and Support Services, in line with the Collective Agreement, following analysis of the TA report. In addition, it was noted that there were instances where pay deductions were waived for a particular month.

3.7.4 NAO noted that MFEI was employing a more standardised and defined monitoring mechanism with

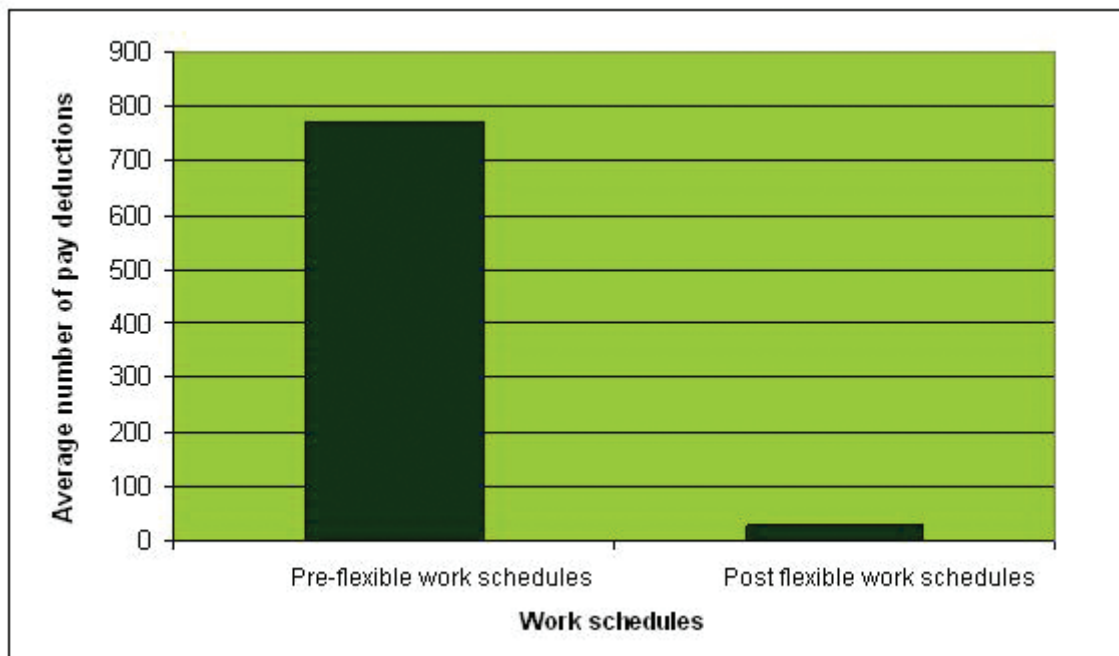


regards to pay deductions. A standardised monitoring system leaves little or no room for human error and promotes consistency.

3.7.5 Following an analysis on pay deduction trends, NAO noted that the number of pay deductions effected in connection with this disciplinary issue decreased following the introduction of flexible work schedules (post May 2009 for NSO and since February 2010 for MFEI). However, the decrease experienced by NSO was far more significant than that experienced by MFEI.

3.7.6 On an annual average, NSO registered a deduction of 745 (from 773 to 28) pay deductions, whilst MFEI’s average decreased by 5 (from 16 to 11). Figure 5 provides a graphical representation of the situation experienced by NSO with respect to pay deductions effected prior to and post flexible work schedule implementation. This drastic decrease in pay deductions has been attributed to the introduction of flexible work schedules. Hence, this measure accorded employees with the required flexibility.

Figure 5: Pay Deductions due to Late Attendances at NSO



3.8 Reduced Hours across Government

3.8.1 As indicated in Chapter 1, the reduced hours measure allows employees to regularly work less hours than the given organisation's established full-time schedule. Table 11 presents relevant extracts from the statistical reports on family-friendly measures issued by MPO. This table illustrates that the uptake of reduced hours has grown considerably, from 940 in 2006 up to 1,414 in 2010, representing an increase of 50.4%.

3.8.2 The increase in the number of employees on reduced hours was complemented by a parallel and exponential growth in the uptake of telework. This was in fact evident in the percentage of employees on telework relative to employees on reduced hours, which proliferated from 1.49% in 2006 to 35.51% in 2010. The ratio of employees on telework to employees on reduced hours presents the same trend from a different perspective, highlighting the fact that whereas in 2006 the ratio stood at 1:67, this subsequently changed to 1:3 in 2010. The complementary increase in uptake of reduced hours and telework indicates that when employees are provided with an array of flexible work arrangements they are effectively afforded the opportunity to choose the measure/s which best fit/s their needs and exigencies.

3.8.3 According to the PSMC, Public Service organisations should refer to the Family-Friendly Measures Handbook when offering and managing reduced hours. Similarly, organisations within the wider public sector were also encouraged to make use of the said Handbook.

3.8.4 The Family-Friendly Measures Handbook constitutes a manual aimed at providing employees and their superiors with the required guidance on different family-friendly measures. The ensuing sections set out the main terms and conditions highlighted in the reduced hours measure section of the manual, which reflect the various OPM and MPO Circulars issued on the measure.

3.8.5 Worth noting is the fact that the CBU administers a template of provisions with respect to family-friendly

measures when bargaining collectively with public sector organisations. Appendix F presents an abridgement of the salient aspects of this template.

Eligibility Criteria

3.8.6 The reduced hours policy that is currently in place allows employees to avail themselves of a reduced timetable of between 20 and 35 hours, or between 50% and 87.5% of their usual working hours. The policy presents the criteria under which this measure may be approved. "Approval is normally given to employees who:

- (a) Are in the course of a period of unpaid parental leave or employees who would, had they applied, have been entitled to parental leave. Reduced hours are allowed until the child is 12 years old; or
- (b) Are in the course of a period of responsibility leave or would, had they applied, have been entitled to responsibility leave; or
- (c) Produce a medical specialist's certificate stating that for medical or serious humanitarian and family reasons, they may not attend their duties on a full-time basis."

Pay and Benefits

3.8.7 According to the policy, employees working on a reduced time-table are entitled to their current salary, allowances, and vacation leave on a pro-rata basis. Additionally, "...when officers on reduced hours are required to work beyond their usual weekly hours, they are paid at the hourly rate for the extra hours worked." Such an hourly rate applies up to the standard 40 hour schedule, and any time worked beyond this limit is paid as overtime.

3.9 Uptake of Reduced Hours within Case Study Organisations

3.9.1 NAO conducted a case-study exercise that involved the analysis of two public sector organisations, namely ETC and MEPA. Both organisations registered

Table 11: Uptake of the Telework and Reduced Hours Measures across Government

Year	Employees on Telework	Employees on Reduced Hours	Employees on Telework relative to Employees on Reduced Hours (%)	Ratio of Employees on Telework to Employees on Reduced Hours
2010	548	1,543	35.51	1:3
2009	306	1,461	20.94	1:5
2008	167	1,157	14.43	1:7
2007	18	1,140	1.58	1:63
2006	14	940	1.49	1:67

a relatively high number of employees on reduced hours and were hence considered adequate for the purpose of the study that was undergone.

3.9.2 The uptake of the reduced hours measure by both case study organisations increased throughout the years. However, ETC registered a significantly lower number of employees on reduced hours in 2011, as compared to the 2010 figure (a 38.5% decrease). NAO also noted that, in the case of ETC, the number of employees who opted for telework increased by 44% from 2010 to 2011. Such trends are reflected in Table 12. It should be kept in mind that the statistics provided for 2011 may increase throughout the said year.

3.9.3 NAO also noted that the annual aggregate uptake of these two flexible work arrangements increased significantly between 2007 and 2011 for both case study organisations. In this regard, ETC and MEPA registered an increase of 52.63% and 67.65%, respectively.

3.9.4 The above observations reinforce the argument that affording employees with the opportunity to choose from a number of flexible work arrangements yields positive results. Specifically, employees who would have opted to work on reduced hours, had actually opted to telework on a full-time basis, provided that the tasks in concern may be teleworked. This situation has resulted in an increase in man-hours for ETC and MEPA. Worth noting is the fact that such man-hours were being worked by employees who were familiar and experienced with respect to the tasks carried out.

3.10 Managing Reduced Hours

Difficulties related to Reduced Hours

3.10.1 Both ETC and MEPA indicated to NAO that the reduced hours measure accorded no major difficulties to the organisations' operational systems. Nevertheless, ETC had to mitigate a decrease in man-hours in the Labour Market

Information Unit by requesting two employees on reduced hours to make use of another flexible work arrangement, namely job sharing (an arrangement through which two persons assume joint responsibility for one full-time job and divide the time they spend on it according to specific arrangements made with the employer). Both employees were predisposed to comply with Management's request and, as a result, this work arrangement took effect during October 2010. ETC pointed out that, through this work measure, the Labour Market Information Unit was being manned during all official work hours. The determination and coordination of the work schedules of these two employees was established by the same job sharing officers. In this regard, a system was established, whereby each of their work schedules rotated and hence ensured fairness. ETC stated that this arrangement was a success, essentially addressing the necessity to find a suitable workable solution appropriately fitting for such a situation.

3.10.2 On the other hand, MEPA stated that the Authority had not faced significant problems relating to the manning of work sections. This was mainly attributable to the fact that the vast majority of employees on reduced hours were employees returning from parental leave or career breaks. Specifically, out of the 44 employees on reduced hours as at February 2011, 40 of them (91%) were returnees. Hence, most employees who started to work on reduced hours were actually augmenting MEPA's pool of man-hours. Despite these returnees, MEPA contended that the reduced hours measure limited the number of hours rendered by such employees, thereby creating the need for external recruitment.

Monitoring Mechanisms

3.10.3 Both case study organisations stated that the monitoring of the time spent at the office by employees on reduced hours was carried out through TA reports. ETC explained that such monitoring tasks were carried out by an employee within the HR Unit; whilst MEPA indicated that TA reports were made available to supervisors for

Table 12: Uptake of Telework and Reduced Hours Measures at ETC and MEPA

Year	ETC		MEPA	
	Employees on Telework	Employees on Reduced Hours	Employees on Telework	Employees on Reduced Hours
2007	N/A	19	N/A	N/A
2008	N/A	26	8	26
2009	2	25	11	31
2010	9	26	14	43
2011*	13	16	13	44

* Data correct as at January, 2011.

their verification. Moreover, in the latter case, it was the respective supervisor's direct responsibility to ensure that employees working on a reduced hours schedule were achieving assigned objectives. Both ETC and MEPA asserted that they found their respective monitoring arrangements to be efficient and effective.

3.10.4 ETC indicated that the Corporation was considering the introduction of flexible work schedules for its employees. NAO noted that monitoring mechanisms of employees' time and attendance would not need to be significantly altered, since the system in place already provided for the accurate verification of employees' presence at the place of work.

Policies and Procedures on Reduced Hours

3.10.5 A policy and its respective procedures, specific to the organisation in question, are essential for the alignment of the measure itself with the organisation's needs and exigencies.

3.10.6 Worth noting is the fact that the Family-Friendly Measures Handbook proposes the procedures to be adopted by Directors / Superiors when considering the granting of reduced hours to an employee/s. Although it specifies that applications for permission to work on reduced hours "... have to be made at least 1 month in advance," it leaves it up to the Directors' / Superiors' discretion "...to draw up a written policy they intend to follow in evaluating requests received from employees in their Department." Such a policy would include:

- (a) *"Staff ratios;*
- (b) *The hours during which it is mandatory for staff to attend for duty, especially if the nature of the work involves a service to the public;*
- (c) *Particular arrangements for employees working on a shift/roster basis; and*
- (d) *Any particular requirements necessitated by the operational demands of the organisation in question."*

3.10.7 Both case study organisations have drawn up a policy and corresponding procedures for the reduced hours measure, in line with the Family-Friendly Measures Handbook. These policies and procedures were supported by the respective Collective Agreements.

3.10.8 The policy adopted by ETC proposed an array of work schedules that could be availed of by employees on reduced hours. On the other hand, MEPA stated that the working hours which best suited the employee in question were usually detailed in the letter of application. Senior management subsequently notified employees of the granted working hours upon approval of the measure. Such

reduced work schedules were classified under four levels, namely, 20, 25, 30 and 35 hours per week.

3.10.9 At both ETC and MEPA, the respective Collective Agreements were drawn up with the input of the CBU, through the aforementioned template (refer to Appendix F). MEPA had two effective Collective Agreements – one targeted at professional staff, and the other one targeted at clerical and technical employees. Both agreements were arrived at following discussions with the respective unions.

3.10.10 Whilst the Collective Agreement for clerical and technical staff details the eligibility criteria, as well as the procedures to be adopted by employees when applying for the measure, the Collective Agreement for professional staff does not delve into such detail. Specifically, the only reference made to the reduced hours measure in the latter agreement focused on the reckoning of service of employees who availed themselves of this facility. Hence, this agreement lacked detail on the technicalities of the reduced hours measure. MEPA indicated that, in the latter case, administration of the reduced hours measure was effected by making reference to the Family-Friendly Measures Handbook.

3.10.11 The Collective Agreement in force at ETC came about after the Corporation held discussions with the involved Union and CBU. The Agreement laid out the eligibility criteria, as well as the procedures to be followed when applying for the measure.

Assessing the Measure

3.10.12 ETC and MEPA both indicated that tabs were kept on the measure in order to assess whether it was being used appropriately and to identify fluctuations in uptake from year to year. Such assessments were carried out in a relatively informal manner and on the HR Managers' initiative.

3.10.13 MEPA carried out periodic studies at undefined intervals on the reduced hours measure. Such studies involved a review of the number of hours that each employee on a reduced schedule worked, so as to determine whether there were employees who actually clocked more hours than was initially agreed-upon. These studies were carried out so as to determine whether certain employees should formally extend their working hours. If an observation of a particular increase in a certain employee's working hours was made, the HR Manager discussed possible revisions to the reduced hours measure with the respective employee's superior. Such disparities in actual hours worked may be the consequence of a peak in the respective section's workload, hence explaining the departure from the agreed working hours.

3.10.14 On the other hand, ETC reviewed statistics relating to the annual uptake of reduced hours so as to identify trends. ETC indicated that through these analyses it had noted that, following the introduction of telework, the demand for the reduced hours measure decreased, whilst the uptake of telework increased progressively. NAO notes that data for 2011 was correct up to January 2011, and is therefore subject to change. The Corporation envisaged that if flexible work schedules were to be introduced, the demand for reduced hours and telework would decrease significantly.

3.11 Conclusions and Recommendations

3.11.1 It has been evidenced that, over the past few years, the uptake of flexible work arrangements experienced an upward trend. Furthermore, when employees were afforded with various options in this regard, the uptake of such arrangements was spread over a number of different measures. NAO considers this to be significant, as it may provide organisations with greater workforce flexibility.

3.11.2 NAO noted that the implementation of the flexible work schedules measure required thoughtful consideration from the part of the major stakeholders. The latter includes employees, management, and unions. NAO encourages this practice, since it promotes the adoption of the best-fit model for all parties involved.

3.11.3 An examination of the extent of usage of the flexible work schedules measure confirmed that it was being widely used in both case study organisations. In fact, the average clock-in time of employees shifted to an earlier time following the introduction of the measure. This analysis confirmed that the measure was a success at MFEI and NSO alike, and that employees found it to be practical and useful.

3.11.4 The introduction of flexible work schedules led to a drastic decrease in the number of pay deductions associated with lateness, especially in the case of NSO, where this number decreased from an annual average of 773 to that of 28 (for comparative periods).

3.11.5 The experiences of the case study organisations selected for the examination of the reduced hours measure have shown that minimal difficulties are associated with the management of the measure. Nevertheless, ETC implemented a system of job sharing so as to mitigate difficulties encountered in the manning of the Labour Market Information Unit.

3.11.6 All four case study organisations have gained a comprehensive understanding of the management aspects of the measures. Organisations that have introduced such measures, or are planning to introduce them, would benefit from the application of the following recommendations:

- (a) Prior to introducing flexible work schedules, employees should be involved in the establishment of technicalities governing the said measure. Such technicalities would include, mainly, the desired core hours which suit the employees and adequately fit the organisation's operational framework.
- (b) Ensure that the core hours selected for flexible work schedules do not in any way jeopardise the organisation's strategic, as well as operational objectives, and that the flow of work is not undermined.
- (c) Where possible, apply the same flexible work schedule across the whole organisation. The alignment of policies and procedures would increase efficiency, whilst maintaining the required effectiveness of the measure. In addition, this change would continue to foster a work environment which encourages equality.
- (d) Document the policy (on flexible work schedules and/or reduced hours) and include it, where possible, in the organisation's collective agreement. This would provide employees with ease-of-access to the policy.
- (e) Monitor employees' attendance and movements through an electronic attendance-verification system, rather than through a manual one. The sporadic arrival times of employees can be monitored more efficiently and effectively through such systems. This aspect was corroborated by all four case study organisations.
- (f) Develop a standardised system of pay deductions so as to foster an environment of equality and fairness. This would eliminate the risk of human error or preferences brought about by discretion.
- (g) Evaluate all costs. Relevant financial considerations may be minimal if the organisation in question already has an electronic attendance-verification system in place and monitors staff movement accordingly. Apart from the electronic system, costs include time expended on monitoring attendances.
- (h) Consider introducing new work methods, such as job sharing, when encountering difficulties with manning certain departments or units within the organisation. The determination of rosters may be left up to the staff benefiting from such measures.
- (i) Introduce a system whereby employee movement to and from the office building is duly recorded and justified. This practice would reduce the risk and curtail any abuse related to deliberate absenteeism.

- (j) The collective agreement/s addressing the reduced hours facility should be comprehensively documented and should include similar clauses to those presented in Appendix F.
- (k) Set up an electronic system that enables employees to view their clock-in and clock-out times, possibly through e-mail or by accessing their respective home folder.
- (l) Assess the uptake of the measures through statistical analysis and the subsequent impact on all employees through relevant discussions. Concerns voiced by employees should be addressed and followed up by management.

3.11.7 NAO encourages the diversification of flexible work arrangements across organisations, as long as their implementation does not hamper, or in any way undermine the flow of work. Such arrangements are to be ideally designed with inter-ministerial business and operability

needs in mind, where such alignment would contribute to the overall efficiency and effectiveness of these measures.

3.11.8 The introduction of an automated TA system provides organisations with a more reliable method of controlling and verifying employee attendance and movement to and from the office. Moreover, such a system is critically important in implementing flexible work arrangements. NAO recommends that Public Service and public sector organisations adopt such systems, especially when one considers how the anticipated gains outweigh the nominal costs involved.

3.11.9 NAO also encourages organisations to consider an extension of flexible work schedules, where hours worked outside the stipulated core hours could be compensated-for over a pre-determined period. In this context, these hours form part of the standard working hours and reference is not being made to instances of extra hours or overtime. Such arrangements afford employees with greater flexibility whilst also ensuring that the organisation's core hours are being adhered to.



Appendices

Appendix A – Performance Audit Report Published by the National Audit Office (July, 2010) – Child Care Arrangements for Public Employees

NAO published, in July 2010, a Performance Audit Report on child care arrangements offered to public employees. Using various research and analytical techniques, this study evaluated how child care support at the workplace was introduced, developed and managed over the years across the Maltese public administration. This included an examination of the resources required to set up and operate such an initiative, as well as an evaluation of the challenges and risks involved with each different measure. Six Public Service and public sector organisations that offered three different types of child care arrangements to their employees were used as case studies for the purpose of this audit. Table 13 presents the recommendations and conclusions that emanated from this report.

**Table 13: Child Care Arrangements for Public Employees:
Conclusions and Recommendations**

Conclusions	Child care arrangements do not necessarily have to be in the form of an in-house service. Alternative arrangements that may be potentially more cost-effective can be adopted. These include the complete outsourcing of the service to an external provider near the workplace, or the reimbursement of child care costs incurred by employees during work hours at a centre of their choice.
	The alternative solutions were found to be better, on several fronts, than the provision of an in-house service. The common advantages of both alternative solutions were: (a) Significantly less investment and operational costs were required; (b) Employers were allowed the flexibility to adjust, within a short period, the arrangements in place in order to respond to new developments and circumstances; (c) Employers faced less risks overall; (d) Less management time was required to administer the arrangement; and (e) Employees were satisfied with the offered benefit.
	A child care centre at the place of work can ultimately prove to be too expensive to maintain. Uptake can also be low and, as a consequence, the provision of child care would be unjustifiable in terms of costs incurred for every employee/child.
	The provision of an in-house child care centre requires, first of all, a suitable and permanent site within an organisation's premises or in a nearby location. Four of the six case studies found difficulties in securing an appropriate area or the necessary funding. In addition, considerable time had to pass before each of the centres obtained the required development permits from MEPA and holistically complied with the criteria established by the Department for Social Welfare Standards (DSWS) and other regulations.
	The experiences of the case studies have shown that substantial work and effort, involving different levels within each organisation, were needed to prepare, develop and operate the in-house facilities. Moreover, by offering such services at the workplace, the organisations entered into considerable responsibility and all case studies had to ensure that policies and procedures were clear and well-documented, accessible and diligently implemented.
	In line with the Standards set out by DSWS, the process of developing in-house services also required the engagement of a sufficient number of specialised front-line and supervisory staff from outside the reviewed organisations. Child care centre employees also had to be suitably qualified and trained.
	Only a proportion of the total child care costs were recovered by the case study organisations. The employers, nevertheless, considered these expenses as necessary to fulfil their overall strategic and human resource objectives and priorities.
Recommendations	It may be more feasible for Public Service and public sector employers to first consider making arrangements for employees to use the services of the increasing number of child care centres across the Maltese Islands, instead of embarking on projects to develop in-house facilities that require considerable investment and resources. NAO, therefore, encourages Government to continue to provide incentives to the private sector and other interested parties to develop and operate child care facilities in localities, especially those with several Public Service and public sector organisations.
	There is the need for Government to expedite the introduction of the envisaged regulatory legislation that defines the role, functions and responsibilities of DSWS as a national regulatory body for child care services. This is essential for the Department to have the required legal backing to effectively enforce the Standards for Child Day Care Facilities established in 2006.
	MPO should also issue a policy outline and guidelines similar to those released for other family-friendly measures. In addition, guidelines can be developed to direct employers on the various requirements and issues to be taken into consideration when developing their own child care arrangements for their employees.
	Public Service and public sector organisations should take into consideration the various factors and issues highlighted in this report when developing their own child care arrangements. The experience of the six case studies used as a basis for this evaluation has shown that before embarking on a child care initiative, it is highly critical that a careful step-by-step assessment is undertaken.

Source: Child Care Arrangements for Public Employees, National Audit Office (2010)

Appendix B – Family-Friendly Measures Supporting Public Service Employees

Details relating to the following family-friendly measures presented in Table 14 were extracted from the Family-Friendly Measures Handbook. Such information is also documented in the PSMC.

Table 14: Extracts from the Family-Friendly Measures Handbook

Family-Friendly Measure	Description	
Maternity Leave	Purpose	To allow maternity leave on full pay to employees, during pregnancy and confinement. A confinement will be taken to mean the birth of a living child or the birth of a child whether living or stillborn after seven months of pregnancy.
	Policy	Female employees, including employees engaged on contract, part-timers and temporary workers are entitled to maternity leave for absence from work because of pregnancy and confinement. Maternity leave must be utilised at a stretch, in the following manner: a) a period of six weeks immediately after the date of confinement; b) the remaining eight weeks may be availed of immediately before or after confinement; and c) during pregnancy and during the 3 months starting from the date of confinement, female officers may be given alternative duties where there is an occupational risk to their Health and Safety.
	Duration	Fourteen weeks continuous paid leave.
Paternity Leave	Purpose	To allow male employees time off on the birth of a child/children.
	Policy	Male employees are entitled to paid leave on the birth of each of their children.
	Duration	Two working days.
Adoption Leave	Purpose	To give adoptive parents and adopted children, the same rights and benefits as other parents and children.
	Policy	Adoption leave with pay may be availed of by adoptive parents in new adoption cases.
	Duration	Five weeks.
Parental Leave / Career Break	Purpose	To allow employees unpaid leave of absence to look after their young children.
	Policy	Employees are allowed to avail themselves of 1 year unpaid parental leave to take care of their own children who are under 6 years of age. They may choose to utilise 3, 6 or 9 months instead of 12 months. The parental leave chosen must be taken in one period and may be shared by both parents. The parents must declare their option up front when they apply for parental leave. Any outstanding parental leave that is not utilised (from the 1 year entitlement) is lost and may not be availed of at a later date. This leave may be availed of in respect of each child. In addition, parents are allowed a total of 5 years unpaid career break to be utilised for the care of a child/children under 6 years of age. The 5 years must be utilised as a whole period, and may be reduced by multiples of three months. If the 5 years are not availed of in one whole period, the outstanding period of leave may only be taken for the care of another child. Unpaid leave from the entitlement of 5 years may be shared once by both parents, in respect of each child. Three months of the total parental leave entitlement may be availed of in periods of one month at a time. Three months from either the one year parental leave or the five-year career break, may be reserved and utilized by employees until the child reaches eight years of age, always subject to an overall maximum of eight years unpaid leave.
	Duration	<ul style="list-style-type: none"> • A maximum of one year parental leave, for each child. • A maximum of a once-only, five years career break. These are subject to a maximum of eight years unpaid leave in total.
	Duration	

Family-Friendly Measure	Description	
Leave to Foster Children	Purpose	To allow unpaid leave to officers who opt to foster a child.
	Policy	A maximum of one year unpaid leave may be utilised by officers who foster a child.
	Duration	One year. In the case of further foster placements additional unpaid leave may be granted, provided that a maximum of one year is not exceeded in a period of four years.
Responsibility Leave	Purpose	To grant responsibility leave to employees who need to care for dependent relatives.
	Policy	<p>Responsibility leave may be availed of by officers to take care of dependent elderly parents, sons and daughters, or spouses. The elderly parent or spouse must have no other responsible persons living with him during the day.</p> <p>The elderly parent, child or spouse must be certified by a medical specialist to require care. If both elderly parents are alive they must be certified as being dependent on care.</p> <p>Responsibility Leave is without pay. If the reason for which the leave is approved is no longer applicable, the employee is allowed to resume duties before the expiration of unpaid leave, provided an advance notice of one month is given. Officers who resume duties will not normally be allowed to avail themselves of responsibility leave again for the same specific reason, before a lapse of 12 months. Exceptions may be made in special circumstances.</p>
	Duration	Responsibility leave is approved for periods of not less and not more than one year every time. Unpaid leave entitlements are subject to an overall maximum of eight years unpaid leave, whether the unpaid leave is taken at a stretch or broken up by periods of resumption of duty.
Urgent Family Leave	Purpose	To allow time off from work to officers, for urgent family reasons, in cases of sickness and accident, which require the immediate presence of the employee.
	Policy	<p>Urgent Family Leave is granted in the circumstances mentioned below, when the immediate family of the employee is involved:</p> <p>a) accidents;</p> <p>b) sudden illness or sickness requiring assistance or presence of the employee; and</p> <p>c) presence during births and deaths.</p>
	Duration	16 hours to be taken in not more than 4 sessions, are allowed to all employees, each calendar year.
Thirty days Unpaid Leave for Special Reasons	Purpose	To allow unpaid leave for any good reason.
	Policy	This measure is for officers who need to absent themselves from work beyond their vacation leave entitlement. This will help officers to manage their work and family commitments better.
	Duration	Thirty days unpaid leave in a period of twelve months.
Unpaid Leave – General Conditions	Purpose	To summarise the general provisions currently in force, covering applications for and the grant of unpaid leave, outlined in this manual.
	Policy	Employees are allowed to utilise unpaid leave for various reasons, many of which have been dealt with in this manual.
	Duration	Unpaid leave entitlements may be followed by each other, subject to an overall maximum of eight years unpaid leave, whether the unpaid leave is taken at a stretch or broken up by periods of resumption of duty. This provision also applies to paid or unpaid leave for development work abroad.

Source: Family-Friendly Measures Handbook, MPO (2009)

Appendix C – Methodology

C.1 A range of information sources and analytical techniques were used to evaluate the development and management of flexible work arrangements for public employees.

C.2 Prior to the launch of the audit, informative discussions were held with MPO and CBU on Government's priorities and policies related to flexible work arrangements for public employees. The telework and reduced hours policies were discussed during these meetings, as was Government's inclination to promote flexible work schedules within Government.

C.3 In parallel, desk research on flexible work arrangements was undertaken in order to:

- (a) Better understand the benefit of such arrangements at the workplace;
- (b) Identify the applicable policies and legislation;
- (c) Determine the investment and management processes required for the introduction of flexible work arrangements;
- (d) Obtain insights on critical underlying issues and concerns; and
- (e) Collate good practices in this field.

C.4 This also included referring to earlier studies on the provision of flexible work arrangements that were compiled by national public entities, as well as reviewing the extensive international literature on the topic available in the public domain. The bibliography used to inform this study is listed in Appendix G.

C.5 During the issue identification stage of the study, learning visits were also organised to organisations within the Public Service and the wider public sector in order to discuss the overall organisation and management of flexible work arrangements.

C.6 In addition, NAO attended locally-organised seminars that discussed the management challenges of telework and other flexible work arrangements.

C.7 Once sufficient preliminary information was collected, the rigorous Issue Analysis technique was used to:

- (a) Determine the objectives and scope of the study;
- (b) Develop a comprehensive framework of relevant issues and sub-issues; and
- (c) Define the most appropriate key audit questions and fieldwork methodology.

C.8 Fieldwork was carried out between October 2010 and February 2011 and involved in-depth meetings with selected case studies, as well as the conduct of a questionnaire on flexible work schedules.

C.9 With respect to in-depth meetings, the participation of six organisations from across Government was solicited. The organisations were selected by NAO on the basis of the prevalence of the three different flexible work arrangements under study (telework, flexible work schedules, and reduced hours). Statistics acquired from OPM were used as a basis for selection. The case studies comprised of:

- (a) Two organisations that had telework arrangements in place (namely DSS and MITA).
- (b) Two organisations which had established flexible work schedule arrangements for employees (namely NSO and MFEI)

- (c) Two organisations which were offering the reduced hours measure to employees (namely MEPA and ETC).

C.10 Structured interviews were used to collect the required information from each case study. This was followed up by requests for supplementary documentary evidence to corroborate the collected feedback.

C.11 In line with the established study objectives, interviews with each of the six case studies focused on the following management and value-for-money issues:

- (a) The factors that led to the introduction of flexible work arrangements;
- (b) The assessment of different costs and benefits involved with each measure;
- (c) The structures, procedures, processes and subcontracted arrangements established by the respective employers to operate and manage such initiatives;
- (d) The challenges faced in managing and controlling the initiatives whilst keeping the entities' objectives in view; and
- (e) The level of monitoring and review that is carried out to detect any shortcomings related to the measures.

C.12 The questionnaire was purposely designed for the collection of data on the different kinds of flexible work schedules that have been provided to public employees. Through statistics collated by MPO, NAO identified six Ministries and seven entities within the wider public sector that offered flexible work schedules to employees. Two Ministries opted to delegate the questionnaire to the different organisations within the Ministry. This resulted in an increase of ten answered questionnaires.

C.13 During the course of the performance audit, NAO embarked on a study with respect to actual clock-in times prior to and following the introduction of flexible work schedules. For the purpose of this study, a time series analysis method, known as the Moving Average Model, was used. Time series analysis makes use of a form of mathematical or statistical analysis on past data arranged in a time series.

C.14 In this case, NAO used clock-in times as the basis of its study and for the determination of shifts in changing patterns of employee arrival times. For the purposes of this study, NAO collected clock-in times pertaining to the case study organisations corresponding to four distinct one-week periods. In total, the respective clock-in times for MFEI and NSO stood at 506 and 535.

C.15 NAO also conducted a small-scale study on current biometric and non-biometric readers' pricing schedules. A Maltese private sector organisation that supplies time and attendance equipment and systems to interested parties was contacted for the purpose of collecting and collating overall costs related to time and attendance systems.

Appendix D – Questionnaires related to the Telework Measure at DSS

Questionnaires Directed at Teleworkers

This questionnaire consisted of four sections, which tackled the different aspects of telework. The first part of the questionnaire requests participants to provide DSS with details on the type of caring responsibilities that motivated their interest in telework, the time dedicated to such responsibilities, as well as the type of infrastructure that could be found at their telework station. The second part of the questionnaire required teleworkers to rate different aspects of their job as compared to when they were not teleworking. These include – job performance levels, job autonomy, conditions of work, job satisfaction, and non-teleworker cooperation. Furthermore, part two of the questionnaire asked for information on the teleworkers' career opportunities derived by the measure, as well as the situation with regards to associated financial expenses following the take-up of telework. Part three deals with the overall conditions of work in which the teleworkers carry out their jobs. These include whether there was an increase or decrease in the hours of work and how telework affected their personal life. Teleworkers were asked to indicate whether they felt that levels of stress had increased or decreased after they started to telework. Finally, part four is concerned with the impact that this work measure has had on the teleworkers' family and personal life.

Questionnaires Directed at Non-teleworkers

This questionnaire was more straightforward and set out to identify how non-teleworkers felt about the telework arrangement. Through this questionnaire, DSS showed the importance it was giving to employees' satisfaction at the place of work. Aspects, such as the level of work performance and possibly new work pressures featured in the questions. The non-teleworkers were also asked to disclose their views on the telework measure. In light of this, questions explored whether participants believed that teleworkers were exposed to lower work-related stress levels, and whether they thought that through telework they would be able to take more breaks, amongst other issues. The questionnaire concluded with requests for information regarding whether the respondents agreed to the telework arrangement and what interventions they suggest should be enacted in order to improve customer care (with respect to telework).

EVALUATION OF TELEWORK AT THE SOCIAL SECURITY DIVISION

Dear Teleworker,

The Strategic Development Unit of the Social Security Division is currently evaluating the impact of telework on the operations of the Division and equally importantly on your life. We would like to learn more on how telework is affecting your life at work and at home and on whether it is being useful for you to balance your work and home responsibilities. We are also interested to learn how the whole telework system can be improved for your benefit and the Division's benefit.

For this purpose, we would like to take a few minutes of your time to help us in our evaluation by completing this questionnaire. We wish that you remain anonymous and therefore you are kindly requested to print the questionnaire, complete it and send it in a non-electronic format to Executive Officer (Strategic Development Unit) by Friday 5th June 2009.

Your feedback is invaluable to us and therefore it is very important that you complete this questionnaire and send it on time.

Thank you in advance for your cooperation.

Director (Strategic Development & International Relations)

Part I

Personal information

Female

Male

Your age

20 - 30

31 - 40

41 - 50

51 - 60

Section you work in (you can leave blank if you want)

Do you have caring responsibilities at home?

Yes No

How would you describe these caring responsibilities?

Kids – under 2yrs	
Kids – between 2 and 5 years	
Kids – between 5 and 16 years	
Others	

How would you describe other caring responsibilities?

Parents /others – independent	
Parents/others – dependent (immobile or with disability)	
Others	

How much time do you spend in domestic work/caring responsibilities on average (daily)

< 1hr	
1 -3hrs	
3 -5hrs	
5 -7hrs	
7 -9hrs	
> 9hrs	
Don't know/no answer	

	Month Starting	Year Starting
How long have you been working at the Social Security Department?		
How long have you been in your present job?		
How long have you been working in this telework position?		

Which of the following do you have available solely for your own use for work?

	At Main Office	At Home
Desk		
Filing Cabinet		
Desktop Computer		
Laptop Computer		
Telephone		

If you do not have a laptop, would you prefer to work with a one laptop from both work and home?

Yes No

Part II**Impact of telework on your life**

Consider your life and work before telework and after that you started working in such arrangements.
How true are the following statements in your case?

	Not True at All			Very True Indeed		No Answer/ Not Applicable
	1	2	3	4	5	
Telework made my work performance improve	1	2	3	4	5	
With telework, my output increased in total	1	2	3	4	5	
I spend less time to produce the same output of work than I did before adopting telework	1	2	3	4	5	
With telework I provide better quality work overall	1	2	3	4	5	
I am creative at work thanks to telework	1	2	3	4	5	
I output less work now than I used to before adopting telework	1	2	3	4	5	
I can better control my tasks now than I used to before entering in a telework arrangement	1	2	3	4	5	
I perform better in telework – there is more pressure to perform	1	2	3	4	5	
Telework provides me with better levels of autonomy	1	2	3	4	5	
I work longer hours now than I used before I teleworked	1	2	3	4	5	
All in all, telework provides me with better work conditions	1	2	3	4	5	
Telework enables me to concentrate better on my work	1	2	3	4	5	
Overall, I travel less now than I used before adopting telework	1	2	3	4	5	
Overall, I find telework less stressful	1	2	3	4	5	
Telework provides me with better career prospects	1	2	3	4	5	
I often work at home when I am sick and cannot travel to my office	1	2	3	4	5	
I am more satisfied about work now than I used to be before teleworking	1	2	3	4	5	
I feel secure in my telework job	1	2	3	4	5	
I feel frustrated in my telework job	1	2	3	4	5	
My section head does not provide me with adequate support	1	2	3	4	5	
My work colleagues (non-teleworkers) do not help me enough	1	2	3	4	5	
My work colleagues are generally not sympathetic with me	1	2	3	4	5	
My work colleagues are generally not sympathetic with other teleworkers	1	2	3	4	5	
Deadlines to which I have to work are tighter than those imposed on regular workers in roles like mine	1	2	3	4	5	
Full-time, regular workers in roles like mine get a better deal than I do	1	2	3	4	5	
Full-time, regular workers in jobs like mine command more respect than I do	1	2	3	4	5	

During the past 90 days, how often were you sick, could not go to your work/office yet you worked at home?

Specify number of days	
------------------------	--

How did telework influence your career?

(please state level of agreement with each of the following statements)

	Completely Disagree			Completely Agree		Not Applicable
	1	2	3	4	5	
Thanks to telework I joined the Social Security Division	1	2	3	4	5	
Thanks to telework I can stay with the Social Security Division	1	2	3	4	5	
Thanks to telework I moved to this position	1	2	3	4	5	
Thanks to telework I can stay in this position	1	2	3	4	5	
Thanks to telework I can stay in work	1	2	3	4	5	
Thanks to telework I can increase my working hours	1	2	3	4	5	

What was the impact of telework on your personal finances?

(please choose ONE answer per line)

	Strong Decrease			Strong Increase		Not Applicable
	-2	-1	0	1	2	
Cash in hand	-2	-1	0	1	2	
Travelling costs (fuel, public transport)	-2	-1	0	1	2	
Costs related to care of children	-2	-1	0	1	2	
Costs related to care of adults	-2	-1	0	1	2	
Residence costs (upkeep & maintenance)	-2	-1	0	1	2	
Utility costs (water & electricity)	-2	-1	0	1	2	
Service costs (telephone & internet)	-2	-1	0	1	2	

Transport & Environment

How is your average work week distributed?

Indicate the number of days in a typical week you spend:

Working at home the whole day?		Days
Working at main office all day?		Days
Working home for part of the day, and main office for the remainder?		Days
Other		Days
Specify other		

Since starting telework, did the requirements of printing documents from home change?

Yes No

How did such printing requirements change?

- Increased considerably
- Increased slightly
- Decreased slightly
- Decreased considerably
- No Answer/Don't know

Would you prefer to print such documents at home or at work?

- Home Work

**Since starting telework, you had to start taking and bringing case papers to/from home/work.
Do you think that this is:**

- | | | | | |
|-------------|-----|--------------------------|----|--------------------------|
| Appropriate | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Healthy | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Acceptable | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Secure | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Inevitable | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

How can the current file distribution system be improved?

Part III

Social Aspect of telework

Comparing your current telework with your previous ‘traditional’ work, can you indicate how your life changed?

(please choose ONE answer per line)

	Less Happening			More Happening		Not Applicable
	-2	-1	0	1	2	
Starting work earlier	-2	-1	0	1	2	
Starting work later	-2	-1	0	1	2	
Finishing work earlier	-2	-1	0	1	2	
Finishing work later	-2	-1	0	1	2	
Taking breaks	-2	-1	0	1	2	
Take longer breaks	-2	-1	0	1	2	
Long breaks (30minutes +)	-2	-1	0	1	2	
Having control of when and how to work (autonomy)	-2	-1	0	1	2	
Feeling of job satisfaction	-2	-1	0	1	2	
Work related stress	-2	-1	0	1	2	
Feeling of job security	-2	-1	0	1	2	
Frustration about technical support	-2	-1	0	1	2	
Frustration about other forms of organizational support	-2	-1	0	1	2	

Overall do you think the hours you are working on telework are different from what you worked in your previous, non-telework job?

Yes No Unchanged

By how many hours (weekly)? Select one answer

Less than 5 hours weekly 11 – 15 hours weekly
 5 – 10 hours weekly 16 hours +
 No Answer/ Don't know

If it were not for telework, would it have been possible to remain in work?

Yes No Yes, but working on reduced hours

How did telework affect your work life?

(please state level of agreement with each of the following items)

Completely isolated from work colleagues	-2	-1	0	1	2	Completely integrated with work colleagues
Completely isolated from my social world	-2	-1	0	1	2	Completely in touch with my social world
Negative about my social life	-2	-1	0	1	2	Positive about my social life
More isolated owing to telework	-2	-1	0	1	2	Less isolated owing to telework
Deteriorated quality of life	-2	-1	0	1	2	Improved quality of life
Deteriorated balance between life & work	-2	-1	0	1	2	Improved balance between life and work
More conflict at home	-2	-1	0	1	2	Less conflict at home
Deteriorated health	-2	-1	0	1	2	Improved health

What are the key reasons behind the experienced changes in your health?

(please choose ONE answer per line)

	No Effect at All			Strong Effect		Not Applicable
	0	1	2	3	4	
Changes in levels of work stress	0	1	2	3	4	
Changes in levels of personal stress	0	1	2	3	4	
Changes in domestic harmony	0	1	2	3	4	
Changes in driving requirements	0	1	2	3	4	
Changes in physical exercise	0	1	2	3	4	
Changes in diet	0	1	2	3	4	
Other reasons	0	1	2	3	4	
Specify other						

At home do you have a permanent area of your telework activities that is separate from your other domestic areas?

Yes No

If the answer to the previous question is 'no', why is it that you have no separate permanent area for work?

(please choose ONE answer per line)

	Strongly Disagree			Strongly Agree		Not Applicable
	1	2	3	4	5	
I prefer to work in different locations	1	2	3	4	5	
I do not have enough space at home to allocate one area for work	1	2	3	4	5	
My telework does not permit me to stay in one place	1	2	3	4	5	
Duties at home do not allow me to stay in one place working	1	2	3	4	5	

As a result of telework, how did your usage of different services outside work change?
(please choose ONE answer per line)

	Less Happening			More Happening		Not Applicable
	-2	-1	0	1	2	
Cafeteria/Pub/Restaurants	-2	-1	0	1	2	
Sports facilities	-2	-1	0	1	2	
Childcare facilities	-2	-1	0	1	2	
Beauty services (Hair salon, barber, beautician)	-2	-1	0	1	2	
Shops (clothing, accessories)	-2	-1	0	1	2	
Meeting friends (non-work)	-2	-1	0	1	2	
Meeting relatives	-2	-1	0	1	2	

Part IV

Family & Personal Aspects

As a result of telework, how did your time devoted to the following home chores change?
(please choose ONE answer per line)

	Greatly Decreased		No Change	Greatly Increased		Not Applicable
	-2	-1	0	1	2	
Caring for children	-2	-1	0	1	2	
Caring for elderly/people with disability at home	-2	-1	0	1	2	
Helping children with homework	-2	-1	0	1	2	
Shopping groceries	-2	-1	0	1	2	
Cooking	-2	-1	0	1	2	
Washing up after meals	-2	-1	0	1	2	
Washing clothes/ironing	-2	-1	0	1	2	
Cleaning house	-2	-1	0	1	2	
Home maintenance (whitewashing, painting)	-2	-1	0	1	2	
Car care (washing, cleaning, maintenance)	-2	-1	0	1	2	
Taking care of yourself	-2	-1	0	1	2	
Other	-2	-1	0	1	2	
Specify other						

What are the key reasons behind the change in conflict between your household and yourself due to telework?
(please choose ONE answer per line)

More interruptions to work	-2	-1	0	1	2	Less interruptions to work
More time working	-2	-1	0	1	2	Less time working
More responsibility for child care	-2	-1	0	1	2	Less responsibility for child care
More responsibility for domestic tasks	-2	-1	0	1	2	Less responsibility for domestic tasks
Less around the house	-2	-1	0	1	2	Around the house more
More problems over access to ICT equipment	-2	-1	0	1	2	Less problems over access of ICT equipment
More problems related to use of car	-2	-1	0	1	2	Less problems related to use of car
More financial issues	-2	-1	0	1	2	Less financial issues

Can you rate the overall effect of your telework on other household members?
(please choose ONE answer per line)

	Very Negative	No Change	Very Positive	Not Applicable
Partner	-2	-1	0	1 2
Dependant children	-2	-1	0	1 2
Older children	-2	-1	0	1 2
Other adults at home (independent)	-2	-1	0	1 2
Dependent adults	-2	-1	0	1 2

How can Management make it easier for you to work from home and balance your work-life duties?

Please write down any other additional comments you want to make:

EVALUATION OF TELEWORK AT THE SOCIAL SECURITY DIVISION

Dear office worker,

The Strategic Development Unit of the Social Security Division is currently evaluating the impact of telework on the operations of the Division. We would like to learn more on how telework is affecting you at work. We are also interested to learn how the whole telework system can be improved for your benefit and the Division's benefit.

For this purpose, we would like to take a few minutes of your time to help us in our evaluation by completing this questionnaire. We wish that you remain anonymous and therefore you are kindly requested to print the questionnaire, complete it and send it in a non-electronic format to the Principal Officer (Strategic Development Unit) by Friday 16th January 2010.

Your feedback is invaluable to us and therefore it is very important that you complete this questionnaire and send it on time.

Thank you in advance for your cooperation.

Director (Strategic Development & International Relations)

Female

Male

Your age

20 - 30

31 - 40

41 - 50

51 - 60

Section you work in *(you can leave blank if you want)*

	Month Starting	Year Starting
How long have you been working at the Social Security Department?		
How long have you been in your present job?		

Consider your work before telework and after your colleagues started teleworking. How true are the following statements in your case?

After telework started.....

	Not True at All		Very True Indeed			No Answer/ Not Applicable
My work performance improved	1	2	3	4	5	
My output increased in total	1	2	3	4	5	
I spend less time to produce the same output of work	1	2	3	4	5	
I provide better quality work overall	1	2	3	4	5	
I am more creative at work now	1	2	3	4	5	
I can control better my tasks now	1	2	3	4	5	
There is more pressure to perform	1	2	3	4	5	
I work for longer hours now	1	2	3	4	5	
I have better career prospects than teleworkers	1	2	3	4	5	
I am more satisfied about work now	1	2	3	4	5	
I feel more secure now	1	2	3	4	5	
I feel more frustrated now	1	2	3	4	5	
My section head does not provide me with adequate support	1	2	3	4	5	
My work colleagues who telework do not help me enough	1	2	3	4	5	
Deadlines to which I have to work are tighter than those imposed on teleworkers in roles like mine	1	2	3	4	5	
Full-time teleworkers in roles like mine get a better deal than I do	1	2	3	4	5	
Full-time teleworkers in jobs like mine command more respect than I do	1	2	3	4	5	

Comparing your current work with what you think would it be like if you do the same work from home, can you indicate how you think your life would change?

(please circle ONE answer per line)

	Less Happening		More Happening			Not Applicable
Start work earlier	1	2	3	4	5	
Start work later	1	2	3	4	5	
Finish work earlier	1	2	3	4	5	
Finish work later	1	2	3	4	5	
Take more breaks	1	2	3	4	5	
Take longer breaks	1	2	3	4	5	
Have more control on when and how I work	1	2	3	4	5	
Feel more job satisfaction	1	2	3	4	5	
Have less work related stress	1	2	3	4	5	
Feel more job security	1	2	3	4	5	
Feel less frustrated about technical support (IT, Management)	1	2	3	4	5	
Feel less frustrated about other forms of organizational support	1	2	3	4	5	

Overall do you think the hours you are working at the office are different from what your teleworking colleagues are working at home?

More Less Same

If you think you work 'more' or 'less', by how many hours (weekly)? Select one answer

Less than 5 hours weekly 11 – 15 hours weekly
5 – 10 hours weekly 16 hours +
No Answer/ Don't know

All in all, do you agree with telework?

Yes No Yes, but..... No, but.....

Explain why:

Would you personally ever consider teleworking?

Yes No

Are you happy with the current teleworking arrangements?

Yes No

Explain why:

What measures should management take, with respect to telework, to make it easier for both office workers and teleworkers to work better together?

What measures should management take, with respect to telework, to improve our customer care?

Please write down any other additional comments you want to make:

Appendix E – Data Protection Policy Regarding Processors Engaged by Ministries or Government Departments

Extracts from the Data Protection Unit's Policy on Processors engaged by Ministries/Government Departments of 29 April 2005

Scope

This policy is aimed at providing guidelines and directions to ministries and government departments when personal data is processed by third party entities on their behalf. Normally, agreements are drawn up to describe the services requested, and the service levels expected, without making any reference to data protection requirements.

Background

The Data Protection Act (DPA), 2008, stipulates that the processor may only process personal data in accordance with instructions from the controller unless required to do so by law, and the controller must ensure that the processor implements appropriate security measures, both organisational as well as technical. Such processing is to be governed by a contract or any legally binding instrument.

Contractual Clauses

Directors / Superiors are therefore hereby being reminded that no personal data is to be processed by any third party unless such processing service is governed by a contract or written agreement, containing data protection clauses. Such clause may:

- (a) Form an integral part of the contract/agreement itself, or
- (b) Be included as an appendix or schedule to be attached to the binding legal instrument being used.

In cases where such processing by third party entities is already governed by an agreement, and is therefore already in progress, it is advised that such agreements be revised to include data protection clauses. This may be effected by either amending the contract/agreement itself, or else by exchanging written communications with the processor, agreeing to include the data protection clauses to the primary agreement.

Specimen Data Protection Contractual Clauses

The following are specimen data protection clauses set out in the above-captioned policy:

- *XYZ Ltd.* hereby declares that it is fully aware of the provisions of the Data Protection Act Cap. 440, hereinafter referred to as “the DPA”, and any subsequent legislation and regulations issued thereafter both under the DPA and under any other Act.
- *XYZ Ltd.* shall fulfil the role of the “Processor” as defined in the DPA, and shall undertake to act only in accordance with this contract, or on instructions from the *Director / Superior*, or from an officer assigned the duty to administer this contract on *his/her* behalf, the details of whom will be communicated if appropriate.
- *XYZ Ltd.* shall undertake to implement appropriate technical and organisational measures to protect personal data that is being processed against accidental or unlawful destruction, loss, unauthorised alteration, disclosure or access. In this regard, *XYZ Ltd.* shall provide an adequate level of security as required under the DPA.
- *XYZ Ltd.* is aware that all personal data being processed on behalf of the *Department/Ministry* is confidential and therefore shall process such data disclosed to it exclusively for the purpose of honouring its obligations under this contract, and for no other purpose.
- *XYZ Ltd.* shall ensure that personal data acquired by virtue of this contract, shall only be accessed and used by authorised personnel, and such data shall not be disclosed to any third party. In this respect, *XYZ Ltd.* shall procure that each of the authorised personnel be informed of the purpose and confidential nature of such data.

- All data arising from this contract shall remain the property of the *Department/ Ministry* and *XYZ Ltd.* shall:
 - (a) Make available to the Department/Ministry upon request all information relating to the processing of such data carried out in terms of this contract; and
 - (b) Hand over such data to the Department/Ministry upon request, or termination or expiry of this contract, unless such contract is renewed.
- The *Ministry/Department* reserves the right to terminate this contract should *XYZ Ltd.* be in breach of the DPA in any manner.
- *XYZ Ltd.* shall indemnify the *Ministry/Department* against all costs, claims, damages and expenses arising directly or indirectly out of any breach of the DPA attributable to *XYZ Ltd.* in relation to this contract.

Appendix F – Summary of Extract from CBU Family-Friendly Measures Template

Reduced Working Hours

Employees may request to benefit from the reduced hours measure following a 12-month employment period with XYZ given that they satisfy one or more of the following conditions.

- The care of his/her children (of up to 12 years of age); and/or
- The care of dependent elderly parents, children or spouses who have medical and serious humanitarian reasons.

Employees over 50 years of age may also apply to work on reduced hours when they have medical or serious humanitarian and family reasons.

In all the above cases, the employee is expected to produce a medical specialist's certificate, enclosed with a written request for the measure. It is to be ensured that such requests are submitted to Management at least four weeks prior to the date when the employee in question intends to start making use of the measure. The request must include an indication of the number of hours the employee in question would be prepared to work on a weekly basis. Consideration will only be given to requests of a minimum of 20 working hours every week.

Approved requests have to include a written agreement wherein the following is included: (i) number of hours to be worked; (ii) the period for which approval is being granted; and (iii) other conditions that Management may consider applying when granting such concessions.

Employees working on a reduced time-table are entitled to their current salary, allowances, and vacation leave on a pro-rata basis. Additionally, they will be paid at overtime rates only if attendance for work exceeds the normal average of 40 hours per week.

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