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NBTN ADVISORY NOTE 4

TRAVEL PLAN BENEFITS FOR EMPLOYERS: MAKING THE HUMAN RESOURCES LINKS

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This Advisory Note highlights the Human Resources benefits of implementing travel plans on staff recruitment, retention and turnover. It is a summary of a full research report available on the NBTN website <http://www.nbtn.org.uk/downloads/dftrecruitmentlatestsept2008.pdf> which, for the first time, brings together relevant case studies, good practice, a survey and literature review. The Advisory Note will directly assist Human Resources and Corporate Social Responsibility Managers and others involved in Business Plans or in making the business case for implementing travel plans. It will facilitate:

- Improved understanding of the benefits to employers of travel plans
- Bolstering of business cases through linking HR and CSR issues directly with travel plans
- Increased employee retention
- More productive workforce
- Improved business image

TRAVEL PLAN AWARENESS

Knowledge of travel plans by private sector HR Directors appears to be limited. A survey by the Energy Saving Trust (EST) found¹:

- 56% could not prepare a travel plan
- 29% admitted no knowledge of travel planning
- 59% described their knowledge as 'limited' or 'basic'

The EST believes that "HR managers and directors are ideally positioned to apply their knowledge and expertise to travel planning. Being close to the coalface of their organisations, HR personnel are well placed to help meet the transport requirements of the workforce".

In addition to the business benefits of travel plans, two major debates are hastening the need for a faster take-up of travel plans – obesity (the UK has the highest level in the European Union²) and climate change.

BENEFITS OF TRAVEL PLANS

The benefits of travel plans are well proven in terms of reducing 'drive alone' car use and increasing cycling, walking, public transport use and car sharing; there is considerable research³ and guidance⁴

¹ Online Recruitment, 2005, 'HR directors to call in experts as workers demand transport solutions', News Item, 30 September 2005, www.onrec.com/content2/news.asp?ID=9206

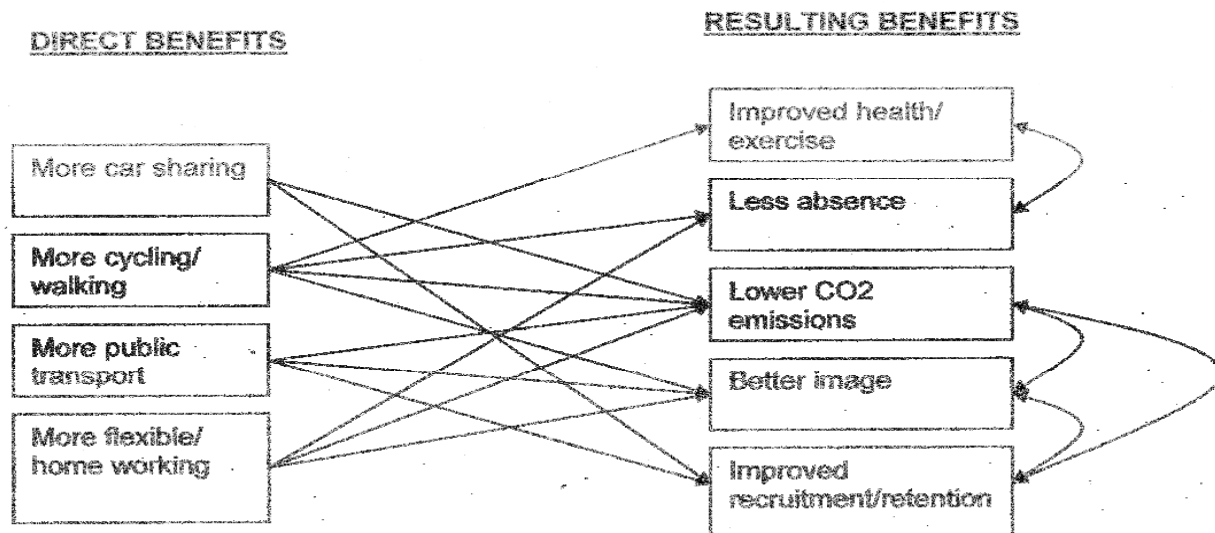
² Department of Health, 2006, Health profile of England.

³ Department for Transport, 2004, Smarter Choices – Changing the Way We Travel, www.dft.gov.uk/pgr/sustainable/smarterchoices/ctwwt/

Flexible hours and home working can reduce peak time travel and the overall amount of travel respectively.

Evidence that travel plans can improve staff retention, staff health and company image has been largely anecdotal although there is now increasing evidence that 'active travel' – cycling and walking – and flexible hours and home working can bring HR benefits

HR BENEFITS OF TRAVEL PLANS



This shows nine benefits of doing travel plans, and the relationships between them eg flexible working can reduce absence and carbon dioxide emissions

STAFF RECRUITMENT

1 in 5 UK employees left their jobs in 2006. The cost of recruitment and the effects of high turnover can be very high. See 4.11 of the main research report.

Travel plans can help to provide an attractive recruitment package by offering a wide choice of travel thereby making a site more accessible and increasing the labour pool.

Flexible working has been shown to reduce turnover as staff are more content and less likely to leave. See main research report.

Absence

- A travel plan that includes flexible hours, home working, encouragements to cycle and walk, workplace health promotion and exercise programmes improves employees' health, reduces absenteeism and benefits businesses financially
- Most sick leave is short term and studies show that 30 minutes of physical activity a day can reduce it significantly. See 4.41 of the main research report.
- One study (see 4.46 of the main research report) found that one-third of sickness absence was linked to domestic caring responsibilities. Flexible working can help to avoid this type of absence

⁴ Department for Transport, 2007, The essential guide to travel planning, www.dft.gov.uk/pgr/sustainable/travelplans/work/

Facts from 'active commuting' studies (see appendix c of the main research report)

- Active commuting – cycling and walking - can reduce cardiovascular risk by 11%
- Regular cycling can significantly reduce the risk of breast cancer
- An evidence review for Transport for London has found that an increase of physical activity of over one hour a week, easily achieved through cycling or walking to work, would be expected to lead to a measurable reduction in levels of absenteeism
- Each additional kilometre walked per day is associated with a 4.8% reduction in the incidence of obesity, whereas each additional hour spent in a car per day is linked to a 6% increase
- A car driver walks 8 minutes a day less than an adult in a car-free household. This has been shown to lead to a weight gain of nearly 3 lbs a year

PRODUCTIVITY

- Work-life balance policies, such as flexible and home working, can produce a happier, more motivated workforce (reference 4.27 of the main research report)
- Productivity is improved if employees are more physically active. Active employees take less sick leave and are more likely to be able to work more years as they grow older (reference 4.30 of the main research report)
- The cost to employers of inactive employees can be absenteeism, long term sick pay and temporary staff, lost production, high staff turnover and early retirements
- Flexible hours and home working reduce the stress of peak time commuting. So does cycling and walking which have been found to be more relaxing than car travel

LINKS WITH OTHER CORPORATE POLICIES

A travel plan affects several HR issues yet often sits separately from an organisation's other corporate policies. Making links with the following complementary policies will embed the travel plan in the organisation's corporate policies and business objectives and enhance the plan's status and commitment to it.

- Corporate Social Responsibility
- Work-life balance
- Environmental management
- Occupational Health
- Equal opportunities
- 'Investors in People'
- Health and Safety

COMPANY IMAGE

Company image is assuming greater importance as people increasingly question the social and environmental ethics of organisations.

- A travel plan demonstrates that a company cares about the effects of the travel it generates. With an ageing workforce and greater competition for labour, a travel plan, by widening travel choices and the catchment area for staff, is a good means of promoting 'good neighbour', 'employer of choice' and 'low carbon' messages
- For reducing the carbon footprint of a company and that of its employees, a new, free, carbon footprint tool for travel plans can be downloaded from www.smarterchoices.co.uk. Known as YETI – Yearly Emissions from Travel Information – it quantifies employees' carbon footprints for commuting or business journeys
- With cycling and walking being carbon-free, travel plans with appropriate encouragements will directly reduce a workplace's carbon footprint

- A study of graduates (*reference 4.49 of the main research report*) has found:
 - 99% were aware of Corporate Social Responsibility
 - Nearly 50% felt strongly enough to want a policy to be compulsory for all employers
 - More than a third claimed that working for a caring and responsible employer was more important to them than salary

CASE STUDY EXAMPLES

BT is at the forefront of flexible working and teleconferencing. Of its 98,000 employees, 63,000 are on some form of flexible working and over 12,000 work at home.

- Staff turnover is just 2.8% a year
- 98% of women return from maternity leave in comparison with a national average of 47%
- Sick leave is 20% below the national average
- Home-workers have achieved productivity gains of 15-31%
- The reduction in office space has saved over £220 million in ten years
- Each conference call that replaces a face-to-face meeting saves 88 pounds (lbs) of travel-related carbon dioxide and £178 in travel and subsistence costs

See <http://www.nbtn.org.uk/downloads/casestudies/nbtn-casestudy-bt.pdf> for the full BT case study

SCOTTISH LEGAL AID BOARD implemented work-life balance policies which contributed significantly to business savings and to a more diverse and stable workforce. Changes over two years were:

- Overtime costs down from £231,756 p.a. to £87,023
- Self-certified sickness absence down from 4.4 per whole time equivalent to 3.3
- Recruitment advertising and agency costs down from £124,970 to £28,727
- Staff turnover down from 16% to 10%
- Workforce diversity improved with ability to attract part timers up from 13% of workforce to 19%, and
- ability to attract over 40s up from 19% to 32%

COMPUTERSHARE in Bristol found that "*existing public transport services were inadequate and staff retention was a big issue because the expense of public transport was consuming a significant proportion of the wages of our call centre staff*". A free staff bus as part of their travel plan has helped staff retention. The buses are full every day and carry about 14% of employees.

KINGSTON COLLEGE adopted a policy of no parking permits for new staff and there was no noticeable effect on staff recruitment or retention. The college successfully reduced parking permits from 436 in 2001 to 153 in 2006, and parking spaces on their main site from 185 to 74. Instead of 75% of staff driving, only 40% do now, whilst public transport use has increased five-fold, and walking has more than doubled.

RESEARCH RECOMMENDATIONS

Travel plans should:

- Be comprehensive and cover all means of travel plus flexible working
- Address better health and carbon reduction
- Recognise links with other corporate policies and feature in Corporate Social Responsibility (CSR) policies

Employers should:

- Engage with local authorities in carbon reduction strategies, whether this is through a Local Strategic Partnership or consultation forums for progressing Local Transport Plans and Local Development Frameworks; and ensure that travel plans feature in such strategies
- Incorporate flexible and home-working into a comprehensive travel plan, rather than pursuing them independently, in order to maximise HR benefits and link with other corporate policies
- Adopt a low carbon strategy and encourage their employees to reduce their carbon footprints. Carbon reduction should be a theme of the travel plan and the CSR policy
- When monitoring the impact of a travel plan's implementation assess the HR benefits, measuring the effects on staff recruitment, retention, turnover, absenteeism, and company image. They should be included in the business case for doing the plan
- Engage with Primary Care Trusts in assisting the implementation of their public health promotion functions, again using travel plans to achieve healthier travel
- Use travel plans to support 'physical activity interventions', given the many benefits of active travel - reduced absenteeism, improved health and productivity, and the resultant cost savings and image enhancement
- , Implement, within the framework of a travel plan, the recommendations to employers in the National Institute for Health and Clinical Excellence's public health guidance, and in the Government's 'Healthy Weight, Healthy Lives' Strategy
- Ensure staff responsible for the travel plan and for HR issues work together

Further information

Department for Transport's 'Smartmoves', a quarterly newsletter downloadable from www.dft.gov.uk/pgr/sustainable/smarterchoices/smartmoves

NICE's 2008 guidance on 'Workplace health promotion: how to encourage employees to be physically active', www.nice.org.uk/guidance/index.jsp?action=download&o=40672

NICE's 2008 guidance on 'Promoting and creating built or natural environments that encourage and support physical activity', and what employers can do www.nice.org.uk/guidance/index.jsp?action=byID&o=11917

NICE's 2006 obesity guidance and what employers can do www.nice.org.uk/CG043

For 'Healthy Weight, Healthy Lives: A Cross-Government Strategy for England', 2008, from the Department of Health and Department for Children, Schools and Families, see www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_082378