

BOSTON COLLEGE

CENTER FOR WORK & FAMILY

EXECUTIVE BRIEFING SERIES

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The Future of Flexibility

2013: A Turning Point?

Despite a few high profile companies, including Yahoo, Best Buy, and Bank of America, who pulled back on their flexibility programs, flex is increasingly becoming the norm in many companies. In a 2013 study of 844 employees, 81% reported that their current organizations offer flexible work arrangements (Catalyst). According to WorldatWork, less than 4% of organizations have terminated flexible work options in the past two years (2013 Workplace Flexibility Survey).

Questions, however, remain as to whether flexible work policies are truly accessible to employees. A recent study by the Sloan Center on Aging & Work (2014) reported that workplace flexibility is still out of reach for most American workers. While many organizations tout the availability of workplace flexibility, the “implementation gap” between developing a policy and fully embedding it in organizational strategy and culture remains an issue (Overcoming the Implementation Gap, BCCWF, 2008).

The New Flex Landscape

Agile work	A transformational approach to working that re-envisioning time, place, and roles to enable employees to work anytime and anywhere
BYOD	Bring your own device policies allow employees to use personally owned mobile devices at work
Mobile offices	Employees accomplish their work tasks in a variety of different settings and work stations seamlessly
Hotelling, hot desking	Employees reserve desks and team spaces in the office instead of having permanently assigned workstations
Unlimited PTO	Unlimited paid vacation days
Career on and off ramps	Allowing employees to ramp up or reduce their schedules based on their life priorities, for example, when approaching retirement

Global and virtual teams are introducing new challenges, traditional office spaces are being transformed into open, collaborative spaces, and technology continues to make it easier to be connected 24/7. Employees are increasingly being encouraged to work anywhere and anytime with initiatives such as hoteling, where employees reserve desks and team spaces in the office instead of having a permanently assigned workstation. It is predicted that the mobile worker population will increase from about 1 billion in 2010 to more than 1.3 billion by 2015 (Deloitte).

BYOD (Bring Your Own Device) initiatives are also on the rise, in which employees choose and purchase their laptops and other mobile devices, and the organization partially or fully reimburses them (Citrix Workplace of the Future Report, 2012). Furthermore, the younger generations are vocally pushing for greater workplace flexibility. Over 75% of Millennials in China, over 80% of Millennials in India, and 90% of Millennials in the United States strongly/somewhat agree that an employer should provide flexible work schedules (Smith, 2010). Employers will need to take heed of these attitudes since by 2020, Millennials will make up 50% of the global workforce (PwC).

Why does Flexibility Matter?

Employees of all generations value flexibility. Baby Boomers may be caring for aging parents and Millennials may be young parents seeking flexibility to care for their children (Multi-Generational Workforce EBS). 95% of Millennial respondents said that work-life balance was important to them (PwC, Millennials at work). Both men and women value flexibility. In a 2013 study, 64% of both male and female respondents reported that they have used flexible start and

end times “frequently, very frequently, or always” during their careers (Catalyst). It is often a stereotype that individuals without children do not need or use flexibility. Findings from a 2013 Catalyst study counter this stereotype: 54% of high potentials with children living at home and 50% of those without children living at home stated that flexible work arrangements are “very or extremely important” to them.

Nine out of ten respondents to the “Workload in America 2010” survey report that managers’ and employees’ workloads have increased in the last twelve months (WFD Consulting, 2010). Work pressures, including expectations for speed of execution and the demands of managing globally, continue to increase. Flexibility is an important strategy to help employees manage their workloads. Flexibility has been correlated with better overall well-being. In a 2013 Gallup poll, employees with a high level of flexibility in their jobs had 44% higher wellbeing than employees who had very little or no flextime. Flexibility is also a key attraction, retention, and engagement tool. In a 2012 study, 46% of employees said that flexibility to balance their life and work issues is an important determinant of their job satisfaction (SHRM).

Common Myths about Flexibility	
Myth	Fact
Telecommuters are less productive than traditional employees.	At IBM, telecommuters are able to work longer hours (57 vs. 38 per week) before reporting work-life conflict (Hill et al, 2010) A Stanford Report (2013) reported “home working led to a 13% performance increase, of which about 9% was from working more minutes per shift (fewer breaks and sick-days) and 4% from more calls per minute (attributed to a quieter working environment).
It’s much easier for women to request and be approved for flexible work arrangements, including flextime.	Studies found that women were actually less likely to be granted a flextime request than men for both childcare and personal development reasons. Surprisingly, women who asked for flextime for childcare were the least likely to be approved (Brescoll, Glass & Sedlovskaya, 2013).
It’s impossible to complete the same amount of work in a compressed work week as in a standard work week.	Many companies have found that transitioning to a compressed work week has led to streamlining projects so that work gets done more efficiently than before without sacrificing the final result (Fried, 2012).
Job sharing is not realistic in some fields of work.	Job sharing can be successful in many roles including client-facing roles, leadership and team management roles, and fast-paced roles (<i>Job Sharing at Senior Level: Making it Work</i> , 2011). Job sharing increases retention of key talent, ensures continuity and coverage, and increases energy and productivity.
Parental leave costs companies too much money in temporary hires and there is too great of a risk that the employee will not return to work.	Both maternity and paternity leave increase company retention rates, which can save a company over 100% of an individual’s annual salary in turnover costs (Dalao, 2013).
Mothers who have recently given birth are not interested in returning to work.	Research indicates that the ideal situation for the majority of new mothers is part-time work (Wang, 2013). Only 20% of women said that they were not interested in working after the birth of a child.

Who offers flexibility, and who takes advantage of it?

A majority of organizations offer telework (88%), flex time (82%), part-time schedules (81%), and phased return from leave (60%) to their employees (WorldatWork, 2013). Fewer companies offer compressed workweeks (43%), phased retirement (31%), job share (24%), and career on/off ramps (22%) to their employees (WorldatWork, 2013). Research has shown that women and men are equally likely to use flexibility options such as reduced work hours, flexible scheduling, and telework (Konrad & Yang, 2012). Other reports have shown little difference in usage by gender: 77% of men and 79% of women use flextime, 17% of men and 15% of women work remotely (Working Mother 2013 Top 100 Executive Summary). According to a survey conducted by the Flex+Strategy Group, 3 out of 4 teleworkers are men (2014).

Usage of flexibility and telecommuting has increased over time, from 71% in 2009 to 78% in 2013 and from 46% to 52% in 2013 respectively (Working Mother 2013 Top 100 Executive Summary). The Flex+Strategy Group found that almost one-third (31%) of full-time workers in the U.S. do most of their work from a remote location (2014). Utilization of compressed work weeks has fluctuated over time, from 26% in 2009 to 31% in 2011, back down to 23% in 2013 (Working Mother 2013 Top 100 Executive Summary).

Why should companies invest in flexibility?

Flexibility is key to retaining talent. According to a 2013 Catalyst survey, at firms without access to flexible work arrangements, women (57%) were more than twice as likely as men (28%) to scale down their career aspirations. 39% of working adults have considered leaving or have left a job due to lack of flexibility (Mom Corps 2013 Survey).

Employees with flexibility have higher job satisfaction, stronger organizational commitment, and higher levels of engagement, which leads to greater innovation, quality, customer retention, and shareholder value (Corporate Voices, 2011). Flexible work arrangements help to recruit talent. Over 70% of working adults list flexibility as one of the most important factors when looking for a new job (Mom Corps, 2013) and 64% of employees would opt for a lower paying job if they could work away from the office (Deloitte).

Flexibility has also been correlated with increased revenue generation (Corporate Voices, 2011; Regus, 2012). In a

2012 Regus report, 72% of global businesses reported that increased productivity was a direct result of implementation of flexible work practices. Organizations that have adopted practices such as hoteling and shared office space have seen benefits including having a more agile workforce, incurring lower employee-related costs such as travel and real estate, and being able to attract and retain top talent (Citrix Workplace of the Future Report, 2012).

What are the barriers to implementation and usage of flexibility?

There are many individual and organizational barriers to the implementation and usage of workplace flexibility. The three most frequently reported obstacles, according to a SHRM study, are suitability of jobs for flexible work (41%), business needs (29%), and inconsistency in policy implementation (27%). Individual employees may fear career penalties. Almost half of working adults believe asking for flexible work options would hurt their chances of career advancement (Mom Corps, 2013). However, research has shown that using flexible work arrangements does not have to be a career-limiting move, and that actually those who use flexible work arrangements are more likely to be promoted than those who need them but do not use them (Konrad & Yang, 2012).

Manager concerns include that employees will view flexible work arrangements as an entitlement, that they will have trouble supervising their employees, and that there will be a decrease in employee productivity, quality of work, and customer satisfaction (FWI, 2012). Over half of managers say it is difficult to estimate the productivity of their teleworking employees (WorldatWork, 2013). While managers in traditional office spaces evaluate employees through face time and observing project developments, remote workers are best assessed through their final products and their behavior (Bloom, 2013). It is necessary to educate managers and team leaders on this type of evaluation before asking them to gauge the effectiveness of remote workers. Another barrier to teleworking has to do with the social nature of working. Employees enjoy being in an office space and getting to know their peers. This dynamic allows employees to form the bonds necessary for successful collaboration. For teleworkers, feelings of trust, affinity and organizational support are key factors in determining how successfully they can function in a team (Levit, 2010). Organizational barriers include the 24/7 work schedule due to global business demands, long hours cultures, information security concerns, and cultural resistance to major change.

What are the strategies to overcome the barriers?

To address individual employees' fears, organizations can provide examples of success stories, make it clear that flexibility is not "one-size-fits-all" and make the program reason-neutral. In response to manager's concerns, organizations can implement training programs for managers, which explain the business case and best practices, and instruct them how to develop employee performance goals based on results and how to manage virtual teams.

Barriers	Solutions
Fear of career penalties	Publicize success stories, provide incentives for teleworking, and offer training on how to be a successful flexible worker.
Confusion or lack of clarity about the policy	Effectively and regularly communicate the policy. Create online learning tools for individual employees.
Teleworkers are more difficult to manage than office workers.	Teleworkers require a different style of managing, and some new tools and techniques. Virtual employees should be assessed based on what they produce instead of focusing on hours or more subjective evaluations. Identify distinct performance metrics for remote workers.
IT concerns and costs, and concerns over security of information.	Provide employees with technical and policy training on the type of information they should or should not share in the digital workplace. Develop IT infrastructure for secure log-in and tools to foster collaboration in virtual teams.
Individual managers do not support flexible work, or do not know how to manage flexible workers.	Provide training and tools for managers on how to manage remote and flexible workers (NWFS, 2014). Present the business case for flexible work to managers, and provide them with strategies for helping their flexible and remote workers to be successful.
The needs of the business are not well suited for teleworking.	Teleworking is becoming increasingly common and a wide variety of businesses have successfully implemented it. Nearly 10% of all federal workers now telecommute, a number is expected to rise (Hicks, 2013). Outline what aspects of your business are and are not suited for teleworking. While not all positions lend themselves to teleworking, many workers can fulfill their responsibilities remotely.
Face-to-face contact is crucial for effective communication, teamwork and trust-building.	As teleworking increases, so do the number of technologies that aid in virtual communication and management. Teleworking does not have to mean the end of face-to-face conversations, which can be held using video conferencing technology.
The global demands of the business require that employees are available 24/7.	Teleworking is perfectly suited to the needs of a global company. Virtual meetings ensure that companies take advantage of a diverse workforce while still maintaining contact with partners around the world beyond a 9-5 office schedule. Teleworking is also an effective tool for business continuity in cases of weather or other emergencies.
Traditional organizational cultures are slow to change.	The reality of today's global competitive marketplace necessitates the development of innovative work practices. Organizations should encourage collaboration between the IT, real estate, talent management, and strategic planning divisions to help envision ways of working more efficiently and effectively.

Focusing on Non-Exempt Employees

Employee Attitudes	Flexibility is very important to non-exempt employees. 85% report that having flexibility to manage work and life would be “extremely” or “very” important if they were looking for a job (FWI, 2011). Non-exempt employees are just as likely as others (40%) to feel that they have to choose between job advancement and devoting attention to their personal lives (FWI, 2011).
Comparison: Exempt vs. Non-Exempt Employees	Non-exempt employees are less likely (38%) than other employees (46%) to be able to change their start and end times (FWI, 2011). Non-exempt employees are also less likely to be allowed to work a compressed workweek (29%) than other employees (37%) (FWI, 2011). Only 2% of non-exempt workers telecommute, compared to 27% of exempt workers (Lutz, 2012). Non-exempt workers report that they have fewer reduced-time options, only 24% believe they could choose part-time work, and only 13% believe they could work less than a full-year schedule (FWI, 2011).
A Unique Challenge for Employers and Employees	Due to coverage needs, scheduling demands, and manager concerns, flexibility for non-exempt workers poses a unique challenge to employers. Non-exempt employees struggle with schedule rigidity (lack of control over scheduling of work hours, overtime, and break times), unpredictability (schedule changes with little/no advance notice), and instability (fluctuations in work hours and involuntary part-time work) (Watson & Swanberg, 2011).
What Can Be Done?	- Provide schedules in advance - Minimize changes to schedules - Provide workers with a consistent number of weekly hours - Ask for employee input into work schedules - Promote cross-training - Implement a computerized self-scheduling system - Allow employees to use personal time in small increments - Create a relief pool - Rotate weekend hours - Offer downtime leave - Pay hourly workers normal wages during lactation breaks - Offer job skills training and advancement programs (Williams & Huang, 2011)

Marriott International

For Marriott International’s hourly population, creating a work schedule is critical since they don’t have the same level of control over their work hours as most management associates. Most important is the ability to obtain a schedule that accommodates their personal life needs and enables them to have time to plan ahead for life events. We encourage a wide range of associate and manager-driven workplace flexibility innovations to support hourly workers including:

- Cross training that enables associates to pick up shifts in other functional areas.
- Online scheduling that enables associates to maximize hours by searching for shifts at other hotels.
- Flex Coupons in our reservations centers; associates

log into an automated system and sign up for time off in various increments.

- Most locations allow associates to manage shift swapping with limited oversight.
- Downtime without pay offered during slower times in the form of extended breaks, shorter shifts, leaving early, or extra days off.
- Departmental flexibility such as compressed work weeks for front desk teams.
- At-Home Agents positions for associates who work full-time schedules from home to accommodate work-life needs.
- Fixed scheduling available for students and those with second jobs to help them manage competing demands.

Flexibility and Engagement

Flexibility is especially important in today's workforce in keeping employees with increasingly complex lives engaged and productive. According to a 2013 poll by Gallup, only 30% of Americans are engaged at work (State of the American Workplace Report). Generation X and the Baby Boomer Generation are the least engaged generations in the workplace (Gallup, 2013).

Employee engagement directly impacts individual and corporate performance. Engaged employees are more likely to have higher job satisfaction and better health. Engagement is correlated with retention, lower levels of absenteeism, higher productivity, increased customer satisfaction, and cost savings. Organizations with an average of 9.3% engaged employees for every actively disengaged employee experienced 147% higher earnings per share compared with their competition (Gallup, 2013). Flexibility increases engagement. Employees who work remotely one day a week are the most engaged (The State of the American Workplace Report, 2013).

Promising Organizational Practices

Many organizations have implemented flexible work arrangements. We have chosen to highlight several companies that have developed innovative flexible work practices, strategies, and cultures.

State Street Corporation – Manager Initiated Flexibility

Initially, State Street's Flex Work Program sought to provide a framework for the flexible work arrangements that had been growing organically across the organization for over a decade. As the program gained momentum, State Street determined it was necessary to integrate the Flex program more closely with business strategy. The objective was to transition from a disparate collection of employee-initiated arrangements into a proactive, manager-initiated program supported by an array of tools, technology and resources tailored to be relevant in all of State Street's global locations.

State Street's approach is to engage leadership teams in evaluating the feasibility of "Flex" for their organizations. Utilizing a management toolset, flexible work arrangements are proactively offered by managers to employees. In 2013, nearly half of all flexible work arrangements were created as a result of manager-initiated discussions, and turnover for all employees utilizing these arrangements was 41% less than the company-wide average.

Blue Cross Blue Shield of Massachusetts – e-Working

Blue Cross Blue Shield of MA fully supports an e-Working (work from home) Program that currently enables more than 20% of associates in specific roles to work seamlessly from home on a full-time basis. There are many benefits to e-Working for both the company and the associate. By participating in the program, associates can reduce commuting time and expenses and support a healthy work-life balance. For the company, e-Working helps reduce administrative expenses, supports disaster readiness efforts, and is environmentally responsible. e-Working is meeting both the needs of the company and associates.

After 8 years with a strong e-Working Program, Blue Cross Blue Shield of MA will now empower more associates to meet business needs in new and exciting flexible work environments efficiently, effectively and simply. Recognizing how and where associates perform their job functions has changed over the years, the creation of a mobile office environment is the next step in the evolution of flexible work arrangements. Providing mobile flexibility to the workforce will continue to support a healthy work-life balance while reducing the need for more corporate space and continue efforts to reduce administrative expenses.

“Flexibility and support for our diverse, multi-generational employees’ work/life priorities are important to an organization’s health and vitality. Flexibility challenges us to rethink how, when and where employees do their best work and are most effective”

— WENDY BREITERMAN, DIRECTOR, GLOBAL WORK/LIFE STRATEGIES,
JOHNSON & JOHNSON

Johnson & Johnson – Flexibility Ambassador Program

Understanding the alignment of Flexibility with Talent and Engagement Strategies, and recognizing an opportunity to expand utilization of Flexibility and Flexible Work Arrangements, the Finance Flexibility Sub- Team of the Women’s Leadership Initiative at Johnson & Johnson created the Flexibility Ambassador Program within Finance.

Flexibility Ambassadors are high-potential, high-performing managers/directors selected for their leadership, exceptional communication, influence and change management skills with a passion to help foster a flexible culture. They are tasked to strategically drive awareness and acceptance of flexibility to support attracting, retaining and engaging talent.

The Ambassadors champion flexibility through training sessions and networking events, encouraging open dialogue, sharing success stories and promoting fair and consistent use of flexibility within the enterprise. They help achieve annual Flexibility goals and objectives and share feedback on program effectiveness, best practices and new approaches. Key outcome: 90% of Finance employees surveyed in 2012 in the U.S. reported they have the flexibility they need.

Ryan LLC – myRyan

Ryan LLC, a global professional tax advisory firm, implemented a flexible work environment in 2008. Overnight, it shifted the measurement of work from hours to results and began allowing employees to work anywhere, anytime, as long as their work got done. All employees at Ryan can participate, and respectful of “role reality”, the look and feel of flexibility varies by position.

For almost twenty years, Ryan had been a traditional clock-watching firm where physical presence was required. The 180° shift they made resulted in an award-winning program called “myRyan,” which is founded on the following principles:

- Conversations are about results, not hours or work locations.
- Systems and measurements are aligned to support meaningful discussions about results and accountability.
- Individuals and teams respect and support each other through effective communication, collaboration, and consideration.

In the words of G. Brint Ryan, founder, Chairman and CEO, “In exchange for incredible flexibility and freedom comes the responsibility and accountability for producing results.” myRyan gives employees the opportunity to handle both personal and work priorities and enjoy work-life success.

The R.O.I. for Ryan has been profound. Because employees now thrive in a guilt-free work environment that allows them to succeed in all arenas of their lives, turnover has plummeted, employee morale is high, client satisfaction scores are higher than ever, and financials and growth have increased dramatically.

How do you sustain your commitment to flexibility?

In order to sustain commitment to flexibility, an organization must obtain buy-in from all levels of the organization, especially managers. Training and tools for managers are crucial since they are responsible for evaluating performance and setting team standards. Managers who sit down with their teams to discuss performance expectations, communication strategies, and work processes report that their team interaction and communication and even customer service and productivity improved (National Workplace Flexibility Study, 2014).

Several components of the implementation of workplace flexibility can help sustain commitment to this work strategy:

Communication: Organizations must communicate regularly to all employees about the benefits of flexible work arrangements. Communications can highlight available programs and success stories of employees using flexible work arrangements.

Metrics: Organizations must continue to measure and evaluate their existing flexibility programs, and to seek employee feedback regarding job satisfaction, ability to integrate work and life, and health and wellbeing. Organizations must create environments in which performance is measured based on results, instead of face-time or hours.

Culture Change: Organizations must build flexibility into their culture if they aim to ensure widespread usage of flexible work arrangements. The importance of flexibility should be stressed to new hires during the onboarding process and to new managers during leadership training.

Executive Champions: Organizations should find executives to champion the cause. Flexibility should be embedded into conversations about project development and strategic planning.

Organization Priorities and Strategic Initiatives: Whether organizational goals are to attract and retain the highest quality employees, to advance women, to decrease real estate costs, prioritize employee wellness, or develop more environmentally sustainable business models, flexibility should be on the table as a strategic solution.

Team Engagement: Business units and work teams should be encouraged to develop strategic goals and visions for projects, and talk about how they can achieve those within a flexible work environment.

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About this Series

Written for an executive level audience, the Boston College Center for Work & Family Executive Briefing Series addresses topical and strategic issues of particular relevance to the current business climate. The series highlights research findings, data trends and best practices in a concise format, aiming to foster action-oriented dialogue within organizations. Each issue features an accompanying PowerPoint presentation that captures key points and includes a section for practitioners to customize and add organization-specific data.

About the Center

Since its founding in 1990, the Boston College Center for Work & Family (BCCWF) has been a leader in helping organizations create successful workplaces that support and develop healthy and productive employees. We provide a bridge linking the academic community to leaders in employment settings who are committed to promoting workforce effectiveness. With 100 employers as our corporate partners, the Center for Work & Family positively impacts the lives of nearly 4 million employees through research, education and contributing a leading voice to conversations on contemporary issues around work and life.



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