

How 20 Leading Companies Are Making Flexibility Work

Introduction

The company representatives with whom we spoke generously provided us with their own thoughts about what made their programs both available and usable. Among the interviews, patterns emerged that were common across at least several companies. There were, for example, similar steps taken in several instances for getting started and seeing the program through. Always paramount in the minds of our respondents was making the program both useful to the employee and beneficial to the employer.

There were obstacles to unearth and overcome, such as managers' resistance and employee skepticism and fear. There were suggestions for constructing a compelling business case and getting support from leadership and other groups within the organization. There were suggestions for designing the program and carrying it out, for communication strategies that worked, and for monitoring and sustaining the program.

There was considerable overlap in the respondents' reports of the benefits gained from the various flexible work arrangements: improved employee satisfaction, engagement, retention, and recruitment; gains in productivity and competitiveness; and in some cases even improved customer satisfaction primarily due to reduced employee turnover.

From these patterns that we discerned from our interviews, we present in this section a summary of recommendations, suggestions, and tips from our respondents who believed that they had a program that really worked, that was both widely available and usable without penalty. While not meant to be a step-by-step guide, the recommendations do seem to represent ways to fill in the gap between setting up a program and making it effective. The suggestions, recommendations, and tips have been organized into the following five sections:

- 1. Conduct needed research**
- 2. Gain commitment for the program**
- 3. Design the program**
- 4. Implement the program**
- 5. Monitor and improve the program**

I. Conduct Needed Research

There are a number of research steps that need to be performed at the outset of implementing a new flexible work arrangement.

- Explore and understand the needs of the employees.
- Examine the organizational culture to determine the level of support for the effort and what practices will need to change.
- Identify potential obstacles and develop approaches for overcoming them.
- Anticipate downsides to the flexible work arrangements under consideration.

Understand Employees' Needs

The first step in this process is to understand what the employees really need. This is generally achieved through employee surveys, but can also be done using focus groups or meetings with various employee groups. Four different respondents had the following suggestions.

Don't be obsessed over what other companies are doing. It really has to be driven internally first, in terms of what are the right programs and guidelines.

Survey your employees to see exactly what their needs are and what they are looking for; and see whether the flexible work arrangements are meeting their needs.

Be open to new ideas, new ways of working. Genuinely listen to your employees' needs and do not dismiss ideas that challenge the status quo.

When designing your program's policies, definitely socialize the concept and get feedback from many teams and departments because that is very helpful in terms of advising and formulating something that will work well for the firm.

Analyze the Organizational Culture

The resistance of organizational cultures to change is surely a major factor in the implementation gap. Our respondents told us that their organizations, while progressive in many respects, were slow to embrace the new ways of working. Success required adjustments on the part of both the employee and the employer/manager.

For example, one human resource director said, "...we have a lot of history and legacy, things that are very difficult to change because they are so deeply entrenched in an 80-year-old culture." Another said it this way: "...[this change] is adaptive, meaning you are changing the way you see the work, your work, you know sort of how you operate; it's completely changing."

Managers are often resistant to these programs, particularly at first.

[One of the biggest obstacles we faced was] managers' initial hesitancy around how to implement the program. Did it mean that everyone had access to [the program] if they asked for it? How could they say no?

Employees have some concerns as well.

People were afraid. They asked: Does the boss know we are doing this? Is he really all right with it?

Thus, our respondents noted the importance of taking stock of the culture in which the flexible work arrangement will be embedded. Some questions to ask include: Is the shift to this new way of working a major change? How will it be received? What obstacles will there be? What can I tell my co-workers and leaders about FWAs that have been implemented by other companies? What changes need to be made to make FWAs not just available, but acceptable to use? These and other questions help to illuminate what might be involved in changing the company culture. One of our respondents said it this way:

Know your work force. Know your organizational culture and what it can tolerate so that you're not overselling various types of FWAs.

One manager who was persuaded to try one of these new approaches to management said, "I don't think I'll ever be the same. Because of [the cultural shift] I'll see the world differently whereas if I hadn't been a part of it, I'm not sure I would have...[at the very least] it would have taken a lot longer." One respondent referred to the very positive impact of making work-life issues front and center in the organization: "I think [the difference] is more broadly the culture. People have a very positive opinion of the culture, and much of that, or at least some of that, has to do with certainly the way that we treat people and the options that we provide to them."

Culture is indeed hard to change. In some cases, a reluctant manager resisted the change. One human resource manager with whom we spoke said that she had to work with management to make it acceptable to allow some employees to be more "flexible" than others. She said that this process is part of the responsibility of the leaders in HR—to make such arrangements part of the culture, "you know, a company culture can help them to be more comfortable with that."

A human resource representative from a different organization told us that she and her co-workers were trying to change the mind-set of the leadership of the organization—"and that what we are trying to address is—how do we get this whole mind-set, this culture change around; how does it get to be a win-win; how does it get to be a win for the business, a win for the employee? But until we get the managers to break that, we still have a lot of skeptics out there."

Some leaders seemed to represent a "stodgy culture," one that is reluctant to make a change when things seem to be working relatively well. In the words of one respondent, "It's an attitude of 'If it ain't broke, don't fix it' kind of thing." In this same culture, there is the expectation that it's easy to get someone within a moment's notice. They get concerned that if "you can't get someone right there at that particular moment it is actually an uneasy [feeling] for them." Similarly, one interviewee who

was helping to implement a very significant cultural change said that, “...when you think about what work is, all the beliefs we have about work and the way that it needs to happen, we are undoing all those beliefs that people have built over their whole lives to think about work in a certain way.” Getting over such beliefs constituted a significant obstacle.

As well as tacit cultural obstacles, a more concrete problem mentioned was the issue of how few people could afford to work less when it meant reduced pay. “There is a limited population who can do this and that’s not always driven by the firm....so there are some cultural boundaries there that I don’t know how much we’ll be able to impact, but we want to make sure that everyone who really wants to try this has an option or everyone who can afford to has the ability to.”

Many of the companies we interviewed have come a long way and worked through these and many other challenges. Most of them, however, recognized that changing the way they work is neither easy, nor fast—“...and because this change is... it’s adaptive and not technical; we needed people to want it bad [sic] enough to do the hard work.” Many of our respondents pointed out that there was much care and feeding associated with making such dramatic changes in the culture. For example, one HR director mentioned that, “Continuing to nurture our culture as we grow is really a key...definitely important.” Another mentioned that the organizational change continues: “...[there are] certainly more changes as [we deal with] a situation where [new employees] are highly sought-after talent, and they’re fewer and fewer. The big changes under way are in terms of how you fill some of these gaps....we are going to have to learn to do our work differently, and that is going to be painful [for some of us]. In short, the work is not done just because the organization has begun the process of making change.”

In many cases, the change occurred over many years, and was a slow evolution. In the words of one HR director, “...I think [the change to part-time schedules] has been a part of our cultural change over the past, I guess, 16 years because it was in the very early ’90s...that we rolled out a program, and...flexibility was a part of it.” In this same organization, the chairman made options for flexible work arrangements a program for a few years and enforced it. The HR director told us that the program then naturally evolved into a culture, and “it’s just the way it works now. But if you think about it, we’ve been working on it 15 formal years.” Another respondent said that change had occurred because of a program they implemented, but that it was more a “manifestation of a general change that happened over a number of years.” One respondent said that the Flexible Work Arrangement Database works a lot better today than it did five years ago when they first rolled it out. In her words—

It was a little bit of a rogue policy back then...so the challenge really over the past five years has been how do you close that gap between perception and reality? And you know how do you do that? Well, you have to make sure that the culture really enables people to take advantage of these programs.

Another representative said, “So, we are actually seeing that shift start to happen, which is really exciting from a change management perspective, because everybody says you can’t change culture. It is what it is.” Clearly, many of our respondents saw the difficulty, but stayed with it; many of them still struggle, but more are starting to see that the culture has actually changed, reflecting a new day of respect for employees and their needs outside of work. Some, of course, are in the early stages of making these kinds of changes.

In sum, on the basis of our conversation with human resource directors, managers, and employees, the successful implementation of flexibility is strongly driven by the company's culture. When the culture is supportive of these initiatives, they seem to be successful. When the culture is not supportive, they rarely succeed.

Identify Obstacles and How to Overcome Them

Our respondents described numerous obstacles to success in the implementation of these programs. The section below presents some of the common obstacles that members of this study encountered and the steps they took to overcome them. Many of these obstacles can be anticipated, and the steps to overcome or avoid them included in an overall implementation plan.

Obstacle: Management resistance.

As mentioned, one of the biggest obstacles to be overcome is often management resistance to the new program. The quotations below contain activities taken by our survey respondents to overcome this obstacle.

Training that includes the business case and best practices

And I think, once they saw— went through the training and saw the business case, and saw the best practices that other companies, that they really saw, hey, this might be exactly what we need because we could prove the link between keeping our employees, keeping our customers and our profitability, and who doesn't want to be profitable?

Use scenarios

They also explored scenarios with them—"How do you know if someone is really working?" As they thought about this, they realized that reviewing the data was more effective than watching them in person.

Find out what managers' fears are

Managers learned very quickly that their fears were unwarranted. Not all jobs are suited for this type of program and not all people are suited for this type of arrangement. Many employees cannot afford to take a job-sharing position because it changes their pay scale.

Encourage the use of objective performance goals

The "line-of-sight" management issue was harder to address, and is still present to some extent. Resulting from a separate initiative, the performance management process had already been revamped to make it much more outcome-based and less activity-based.

Give managers discretion

There were some leaders who simply refused to do it. The facilitators would tell them that they did not have to do it. That was one of the big benefits of the pull approach. Many of the managers who were initially resistant to the approach are gradually coming around as well... A few teams at the beginning were willing to make this change and the positive results they achieved were communicated, and that helped reduce the resistance. Workers who were not participating began to give clear indication to their leaders that they wanted to participate. Ultimately, those voices became

stronger and stronger, and the leaders had to listen. The resistance was used in a positive way to get more of the population going through the migration. The people created the management tension, not the facilitators.

Managers were also allowed to determine whether employees were qualified to work at home or not.

Empower employees

New managers who join the organization often have some initial misgivings about [our program]. The employees are so strong now in their convictions that even if a leader expresses some thoughts that go against the philosophy, the employees' first instinct is to educate him or her. They want to educate people who are entering this new culture and they want them to understand why this is so good for business.

It's a two-way street

It needs to work both ways. Managers and companies need to be flexible in allowing part-time work, and employees need to be flexible to meet whatever requirements that the company has. If this condition is met, then the arrangement should be beneficial for both the manager and the employee. Employees need to say to their managers, "If you get in a bind, I will be there for you." That will relax the manager and alleviate their nervousness that they may give you something to do and you will not be able to get it done.

Find a champion

But there was a lot of trepidation of these types of things and it really required a lot of education. And I don't know that we had a champion who remained behind it, but we did have overall support for doing it and in getting there it was a lot more painful than I would have thought. ... Our VP of HR was definitely committed to doing it.... She was really the one that kept it front and center.

Obstacle: Employee skepticism and fear.

Employees were skeptical about flexible work arrangements for two reasons: (1) that their career would suffer if they took the option, and (2) that they would be forced to use the program. In both cases these obstacles were overcome through communication and education showing examples of successful employees who had taken the option to work flexibly, and also making it clear that not only were the programs not mandatory, those running them knew they would not be a good fit for every employee.

Provide examples of promotions

We have had individuals promoted who are on a reduced workload. We've had individuals who made partner who were on a reduced workload.

Make it clear that flexibility is not one-size-fits-all

But what we try to do is really promote the idea that flexibility is a tool, working when it is best for everyone, where it is best for everyone. It is just another option that people have, and it is never going to be a one-size-fits-all.

Make the program reason-free, a choice for any personal goal

So really it's trying to strike a balance ...a kind of integration. We tried to provide some examples of ways that you might use the programs for those that I mentioned before... But we use those more as examples rather than saying these are the hard, fast ways that you have to use this program. So

we really just created a final category that says create your own. So if none of these examples work for you, here are some other ways that might help you do it.

Obstacle: Technology difficulties.

There were often some start-up difficulties in getting the needed technology to work properly, particularly for teleworking programs.

IT concerns were overcome by continued talking and working with the IT group, and also by presenting them with metrics showing the challenges that teleworkers faced as they worked to set up their home offices, particularly from a technical perspective, such as how long it takes to close a trouble report. Presentations were made to IT management who understood the challenges, recognized their shortcomings, and agreed to dedicate a resource.

Obstacle: Potential impact on customers.

Significant change in work arrangements, particularly changing the hours when employees are available, often raises the concern of potential impact on customers. Our respondents generally addressed this issue by talking to the customers directly, explaining the change, and presenting them with a workable solution.

Customers and other organizations were provided emergency contact information and informed about the schedule.

Obstacle: Cultural resistance to major change.

Not surprisingly, major changes in work arrangements also bring significant resistance from many fronts.

There have been many significant obstacles to implementing [our program]. People's core beliefs and behaviors need to change for it to be successful. They need to think in a very different way, and it is a very difficult change for many people to go through. It takes six to nine months to move a team from traditional methods to [a results-focused approach]. It is not simply putting another program on top of a current situation. Instead, it is getting to the core of the problem and changing things at a fundamental cultural level. The core problem is not just "trust," but at an even deeper level, the problem is the industrial work model.

Identify Potential Downsides

Although our respondents were largely positive about flexible work arrangements, they did identify a number of potential downsides. Some of these downsides are specific to particular types of FWA, while others are common for nearly all of the flexible arrangements. Understanding the various downsides is helpful in gaining commitment for the program and designing it in a way that downsides can be avoided or at least minimized. Our respondents pointed out some general downsides and some that were associated with a particular flexible work arrangement. These are presented below.

General downsides.

One of the common complaints we heard is that flexible work arrangements make managers' jobs more difficult. Managers find that their employees are not always available when they need them.

You know, all types of flexibility can make a supervisor's job harder because they can't walk over to somebody's desk ... between 7:30 and 4:15, and get to the people necessarily.

Moreover, the use of these flexible work arrangements can add another set of potentially difficult decisions and more work to their jobs as well.

Managing in the "gray area"

It's harder, yes. It is just one more thing where, you know, as a manager, you have to exercise your discretion and make a choice on something that is very gray because there aren't very stringent guidelines of when it can be used and when it can't be used.

Managing the added head count

There was a reason for that because as I mentioned earlier, when a manager allows a job-share, you're in essence— you'll have one more head count under you. That's another person that you have to manage, that you have to do performance reviews on. I mean it's just like another whole piece of work that you've added to your plate.

Concerns were often raised about perceived unfairness. Some employees wonder why others have this benefit but it may not be available to them. Often some jobs simply do not allow for the desired flexible work arrangements.

We've had new mothers—managers that have come up and said, you know what, I'd really like is to work one day in the office and four days at home. And we've had to go back and say—well, here's the deal. If you want to do that, then you can't be a manager of folks anymore. That's not going to cut it. Now, we can work around one day a week at home. We can make that happen. But this is getting a little bit excessive. You're going to miss out on too much now. You're very talented, and if you want to be an independent contributor and do this without any direct reports, we'll figure out a way to do it.

The fact that FWAs work for some positions and not others can be hard for employees to accept. One of the most difficult and important downsides is the perceived and sometimes real impact on career advancement.

I think the toughest part is the perception that by formalizing it, there might be a negative impact on somebody's career. We believe that it reduces that because it sets expectations up front. And then the individuals, they're going to meet those expectations as opposed to falling short of what was expected of a full-time employee. But there's still a perception that it could have [a negative career impact].

One employee mentioned the importance of taking responsibility for making her work visible to the organization and reintroducing herself upon return from an off-shore assignment.

I did find I had to reintroduce myself to my organization when I was on assignment to the U.S. So I was out of pocket, out of sight, out of mind. That cliché does apply and you have to make a conscious effort to re-establish or tell people that you are still there.

Downsides specific to particular arrangements.

Teleworking carries with it a number of additional potential downsides, primarily due to the reduced amount of face-to-face interactions. One respondent said, “I do miss the teamwork and the camaraderie of being there with my teammates.” Another raised an important difficulty associated with teleconferencing. “When you’re on a conference call with a lot of people, I can’t see their visual reactions.” Teleworking requires some initial adjustments from everyone, but particularly from the employee who is teleworking.

Learning to work alone

The first day is going to be really tough for you because you have nobody around you. So for the first two weeks prior to it, we actually sit them together in a team environment ... on a different floor of a different business, and we allow them to work together and use their tools, so they understand how it’s going to be.

Developing technical skill

You do have to have a degree of technical skills for a teleworker because you don’t have your IT guys.

Not everyone is suited to teleworking, particularly full-time teleworking. It requires discipline to stay focused on the work, and also discipline to leave the work behind when it is time to be away from work.

Acquiring discipline

You can’t be a teleworker if you’re not motivated and hardworking because if you can’t find self-motivation sitting here by yourself at your computer, your productivity is going to drop.

Dealing with distractions

When you have a young family, I think it’s difficult to work from home sometimes, because there are too many distractions.

Working too much

And it did get a little out of hand at the beginning that I was, you know, working from 8:00 in the morning till 7:00, and would have dinner, and then I’d go back to work.

Part-time and Reduced Workload arrangements bring an important and somewhat obvious potential downside. Employee benefits are often reduced along with the amount of pay. Some companies prorate the benefits while others do not. Often there are a minimum number of hours required to be eligible for benefits. If the employee wants to work fewer hours than the minimum, he or she may get no benefits at all. And employees who are working on a part-time schedule are subject to most of the general FWA downsides as well: reduced career advancement opportunities, perceived unfairness by other employees and managers who don’t want their lives to be more difficult.

Compressed workweek has a relatively unique set of potential downsides. The longer days require some adjustments by both the employees and the customers.

Long days

I think the real challenge is because they're really long days, you have less time during the week to do stuff or activities. I think ... people with children are challenged if their children are involved in sports activities and things.

Unavailability to clients

One of the other concerns when we first rolled it out was working with our customer. Because, you know, they call here on Fridays. And they had to get used to our 9-8o work schedule ... But generally, we've been able to work with all of our customers. They understand our schedule. They know when they can call and they can't get hold of anybody, there's always somebody they can get hold of—if it's an emergency.

Job-sharing brings with it a number of communications challenges. People who are sharing a particular job need to devote time together to exchange information. Others who work with them can easily be confused as to what to communicate and to whom.

So, okay, let's say you've got—Mary and Sue in a job-share, and you have John who shares the territory with them. Well, John is calling on a doctor, and he communicates to Mary about something happening in that office that needs to be taken care of later in the week. Well, later in the week, Sue is working. And you have to rely on the fact that Mary communicated to Sue what needed to be done. You couldn't communicate to her because she wasn't working that day.

There may also be some initial adjustments required and some work to ensure the relationship is fair to both parties and that neither feels they are doing more than their share.

Well, I think it was quite tough for me when I first started because I had been in the position for two years before I went to a job-share. So as far as responsibilities for work, I found myself still wanting to contribute at that full-time level because I had a lot vested into the position that I was in full-time. So, it was tough for me to sort of break away and let someone new step in.

There is also the risk that people may prefer to work with one member of the job-share partnership more than the other.

For some of the people that I worked with, they were like a little bit uncertain about the new person starting, and they wanted to work with me. So, that was a little bit tough for me more, I think. They were just used to working with me. And they didn't necessarily want to have to work with the new person.

2. Gain Commitment for the Program

Our respondents indicated that there are two important activities that need to be performed to gain commitment for the program.

- Construct a compelling business case
- Obtain the needed support from other people and groups

Construct a Compelling Business Case

Establish the business need. Our respondents were adamant that the most convincing factor involved in successful implementation is the business case. The proposal to develop a flexibility program must be based on some type of business need that leadership of the organization recognizes as a challenge.

Position the FWA as a solution

Look at it as a “solution to a business problem.”

Find out what the business needs, what leaders are striving toward

Listen to the way managers are thinking about work-life and which piece will be a hook for them. It must be taken back to the business, back to work effectiveness. It’s not that people don’t want to do the right thing and they don’t care about their people, but they’ve got to see how it’s going to make our business work better.

Connect the dots

Make the right connections for senior leaders to show that this is important for the business.

Try to calculate the cost of the lack of the FWA to the organization

When obstacles were encountered, the leaders of the program presented the business case. It was pointed out that the cost to the company of losing someone is twice their salary.

Be creative

People get very hung up on the term “work-life balance.” They get really stuck on it. It can’t be balanced. It isn’t balanced. For many, it’s not really possible to maintain balance. But if you can say, “Well what if we thought about it in terms of how effective we are in all parts of our life,” that makes more sense to people. Some of it really is semantics, but whatever it takes to get people there, that’s the thing. You have to not get your ego too involved with the word work-life.

Understand the drivers of the program. The most common business drivers mentioned by our respondents fall into the following broad categories:

- to improve competitiveness
- to address changing business conditions
- to improve productivity and
- to increase employee engagement, retention, and recruiting efforts.

Not surprisingly, these also align well with the benefits that representatives of our 20 companies have derived from their flexible work arrangements.

Improve competitiveness. Several of the most progressive company representatives that we interviewed view flexible work arrangements as a means to improve their competitive position. For example, the leader of one company asked his HR group to create a work environment that would be completely differentiated in the marketplace, something that other companies were not doing. Another company realized that meeting diverse customer needs in innovative ways required the organization to be more representative of the groups being served. In order to attract and retain the needed employees, they realized they needed to have an effective program of flexible work arrangements. And finally, one company made the link from employee retention to customer satisfaction to improved business results.

Back in the early '90s, we really looked at our most successful financial service centers or branches to determine what made them so successful, and one of the common links among all the high-performing branches were the customers stayed with us the longest and, of course, what kept the customers there is the employees were the ones who had been with our company the longest. So, we thought, we made that link, of course, that if we keep our employees, we keep our customers, and we create the profitability.

Address changing business conditions. In some cases, the flexibility programs were developed in response to business pressures to downsize and continue similar productivity with less staff. In other cases, new work arrangements such as the need to be open/available 24 hours a day drove the business need for new working arrangements.

Mergers

The initial program came at the time of the company merger in 1999. There were two campuses that were about 25 miles apart. It could take an hour to get from one to the other. The idea for the approach grew out of the need to pull the cultures of the two companies together. It also grew from the desire to have a total rewards approach to recruiting and retention.

Workplace redesigns

[The company is undergoing] a whole workplace transformation, revamping and redesigning offices in strategic facilities, and closing ... facilities, so ... if people are in the area of a facility that is being closed, and too far away to go to another one that is open, then they are going to be asked to telework, or relocate.

Requirements of the global economy

And additionally, you know, as the United States was ... clearly becoming more of a global economy and that this is a global organization. And we were beginning to ask employees to be able to support customers who were in very different time zones around the world.

Improve productivity. A few companies introduced new working arrangements as a means to improve productivity. A large majority of the interviewees indicated that the flexible working arrangements they were using did indeed improve their personal productivity. This is an important counter to the idea that work-life balance means doing less work.

Focus on continuous improvement

To me, the [program] is a continuous improvement in productivity approach, and flexibility is sort of a sideline or catalyst for these types of improvements, and I think some people think of this as a flexibility program, but I see it more as a business improvement program. So, it is the marriage between flexibility and continuous improvement to achieve increased productivity.

Collect stories of cost savings

About two years ago, some executives at [our company] read an article indicating that all of Jet Blue's reservation agents work virtually. They did a benchmarking project with AT&T, Boeing, IBM, Jet Blue, and other companies that reported productivity gains in the 20% range and savings on facility costs. These executives arranged for a pilot of a similar program at [our company] and it worked reasonably well. Productivity was enhanced and there were savings on facility costs.

Improve employee satisfaction, engagement, retention, and recruiting. The driver for new flexible work arrangements that was mentioned most often was the need to recruit and retain talented employees. Not surprisingly, the work arrangements that support recruitment and retention also align well with ones that increase employee engagement and improve employee satisfaction. Our respondents knew that if employees are happier, they generally are more engaged and more likely to continue working with a company. Our respondents also believed that a company culture that supports flexible work arrangements is also an environment more likely to attract new employees.

It was also clear from our respondents that the needs of employees are changing, and the companies need to adapt to those new needs. There was recognition that the success of the company was dependent on the happiness and success of its employees. The importance of employees is often included in company values statements, and in at least one company we talked with this was a foundation for its work-life principles and policies. Companies often do employee surveys, and these can lead to improvement initiatives as well.

Find out what would make employees want to stay

Company leaders then gathered information from employees throughout the company through focus groups and surveys to find out what it would take to make them want to stay with the company, to be successful. They learned two major things. What they found was that employees wanted more control over how they got their work done. They wanted to be empowered to make decisions and get their work done in a way that made sense to them. Employees also said that they needed help in taking care of their work and family responsibilities, balancing that out. Thus, making flexibility available became a big part of being able to put employees first, and enabling employees to be home with their families when they needed to be, and still able to take care of their work.

Understand the demographic makeup of the organization

An internal work-life needs study of [our company's] U.S. workforce practices conducted in the 1990s highlighted how really nontraditional the workforce was becoming. The CEO at the time, [named person], aggressively challenged the status quo and started cultural change initiatives, especially in the area of work-life. Although at the time there was a perception that the families of [our company's] employees were mostly traditional, the results of the study revealed that the company was not a company made up largely of men with stay-at-home wives, but in fact had a very diverse population with all kinds of family situations and needs.

Sometimes new programs are initiated as a way to attract a specific type of employees.

It was definitely, it was more in being able to recruit part-time people. At the time, there were a lot of women leaving the workforce to raise their families. It was a way to attract them into a job that would be a benefit for the company but a benefit to them also.

The flexible work arrangements business drivers can be quite clear when the connections are made from satisfied employees to improved business performance.

How do we become an employer of choice?

You know they want to be the employer of choice. Right? So they are looking at how to retain the best talent. They are looking at how to create an environment where people are highly engaged because we know engaged people affect the bottom line, right, in the customer experience. They want to reduce turnover. And they want to increase productivity. So there are all these things that companies are trying to optimize in their environments so that the business drives. What the particular leader did at the beginning when he was working with [named person] is he said, okay, when we did an employer-of-choice survey, the thing that came out loud and clear is people want to be trusted to do their work. What can we do there? What kind of things can we do to improve that for people or at least have people come back to us with a perception that they are being trusted. That's not an easy thing to do. It's not something you can really Band-Aid, because people, people know when you don't trust them.

Recoup investment in employees

The business drivers are that—they are two-fold. One is we've invested in people, and about the time—most of the people leave after they've been with us three or four years and up to six or seven years. We have an investment in them, which we would like to recoup, and I'm sure they would like to recoup. So there's that practical matter. It's a practical matter of demographics in that there are not enough people with this [younger] population after the baby boomers. We can't, as they say, weave them out of gold thread. These people are, you know, hard enough to recruit the first time. Why would we not want to find some way to re-recruit them? So those were the main things, to recoup the investment which they've made and we've made and also the plain demographic facts, which will only become more intense.

Obtain the Needed Support from Other People and Groups

In addition to constructing a compelling business case, our respondents pointed out the importance of building the infrastructure necessary for the flexible work arrangement to succeed. One element of this construction involves gaining support from influential people and groups. Our participants were thoughtful in how they accomplished this, being sure to include program champions, cross-functional teams, and other supporting organizations.

Identify and Recruit Champions. Senior managerial support is required at two levels: (1) identifying individuals or groups at a senior level to act as champions to drive the program forward and to design and implement the initiative actively; and (2) to support the program clearly and publicly through words and actions. As stated by one of the participants, “To ensure successful implementation, top management support is a must. It is crucial that they are part of the vision.”

A solid majority of our respondents indicated that the shift toward more flexibility in the workplace was the inspiration of a single “champion,” most often someone from the “top of the house.” One HR manager described the senior manager driving the program at his organization as an individual who passionately believed in work-life balance and who saw the implementation of the program as an opportunity to make this a more central part of the philosophy of the whole company. Another work-life advocate talked about strategies for finding your own champion when no one comes forth initially.

If there is no identified top-down champion for a program, it can open the doors for a work-life advocate to get into various levels of the organization that really do the work. It is very important to pick a leader and to help them have the vision.

When identifying who may be willing to act as a top-level champion, it seems clear that managers who already appreciate the benefits attached to flexible work arrangements will be likely to support the effort. Managers with young families were noted as key champions by several of our participants. For example, one of our respondents mentioned that the president of her company had a real feeling for what the company could be like if people felt that their personal priorities were respected and deemed important. Another respondent was more pointed about the matter and stated the CEO championed work-life policies because “...the fact that he was under 50 and had several young children...and a wife that worked...outside the home for quite a long time...” made him an active proponent of flexible work arrangements.

Some of our respondents talked about leaders who made use of the programs themselves, some by teleworking one day a week; another by refusing to hold meetings before 9:00, when s/he generally arrived, having spent time with the children before school.

Some actually began with a team approach. For one organization, the history was that the founders of the organization began with the idea that a positive work-life culture was a necessary ingredient of its success. For another, top leadership together provided support, including officers of the company and the executive leadership team.

Clearly, not all senior managers will be leading the effort to implement new work arrangements. However, a broad base of open, clear senior managerial support of the programs through the managers’ actions and willingness to adapt their own work styles to fit with the program is extremely helpful. When obtaining buy-in, it is critical to ensure that the program is going to receive more than lip service. For example, one participant explained it this way: “You really need to have a commitment to do it. If it is just a surface-level commitment, no philosophical emphasis on any of this, then you are better off not doing it at all.” Managers must be persuaded to agree to walk the walk of flexible work arrangements through active acceptance and participation in training, and showing that staff will be supported and not marginalized if they join the program; an issue clearly articulated in the following quote: “It’s not easy to get a program like this off the ground. You really need management buy-in, and the company needs to invest money in the effort.”

Because once you get leadership support, the line partners start to lead with them. The line partners need to know that our program has support from an organizational perspective before they start allowing it in their teams. And then they’ll—if they know it’s supported from the organiza-

tional perspective and they know why they manage and they know how to do it, then they're more apt to be able to make it available to their staff.

None of these champions, however, was able to forge the stream of change all alone. With help from various sources including work-life advocates, they built teams, recruited supporters, provided training and education, and found others who could make the implementation a reality.

Establish a Cross-Functional Team to Assist with Design and Implementation. While top managerial support and leadership is important for building support for a flexible work-life program, it is not usually sufficient. It is important to identify a core set of individuals across the organization who can help to develop and drive the program. This will support the strength of the design of the program, and ensure it is applicable and available to a wide range of employees.

When you are designing and implementing the program, make sure that you form a really good cross-functional team that touches all areas of the business.

Come up with a strong core group that can get issues resolved and build the processes and procedures that are needed for a work-from-home program.

Engage the Needed Support within the Organization. No new flexible working program is going to be successful if the staff does not take the initiative to join the program and persevere during the early stages before all of the kinks have been worked out. Many participants described the extra work and extra effort of the early adopters of the programs, and how this tenacity played a direct role in its success. As stated by one of the people we interviewed: "I think one thing is I would give a lot of credit to the people hanging in there and working through and getting to the other side." Another HR manager noted the need to identify staff members who will take part in the program in the early stages, and really stick with it even though it is not a requirement of their jobs, and also when they are going to be perhaps the only one of their peers who is using the program. The choice to buy in to a new initiative can be difficult for some staff, but without that commitment the program will fail.

Finally, implementing a new work arrangement may require the compliance of groups or divisions both within and outside the organization, either because they will be directly affected through changing work arrangements, or their expertise will be required to support some of the logistics of the change. It is important to identify these groups such as IT, customers, peer divisions, and labor unions. These groups must be identified early in the design and development of the program and then included to ensure their buy-in and support.

3. Design the Program

According to our respondents, designing the program has to be a careful, well thought out process that takes into account the needs of the staff, the culture, and current work processes in the organization. It is crucial that methods to monitor and validate any program are considered at this stage so that they can be incorporated into the program and are not an afterthought. Finally, no program design should be thought of as final. Our interviews have shown that flexibility must be built into each program to allow for any needed changes that are identified through ongoing monitoring.

Create a Program to Meet Employee Needs and Fit with the Culture

As we have mentioned, our respondents said that a key aspect of program design, regardless of the particular flexibility option being offered, is to ensure that the final product meets the employees' needs. Some used employee surveys, staff meetings, or staff feedback to HR or managers to inform the design process. Some utilized the information coming directly from staff regarding their actual problems and the aspects they need in any flexible work arrangement to determine what type of program is required. The actual design process is generally conducted by HR professionals or managers with input from employees.

The choice of how the program is designed, as well as what form the final program takes, must be undertaken in a manner that is compatible with the culture of the organization. If the culture is very open to new flexible work arrangements, the design of the program will vary significantly from one where a company is getting into this for the first time. The prior sections on culture and obstacles should be used to inform the design, as the culture, the needs of the company, and the needs of the employees need to drive the design.

Do not take a cookie-cutter approach

Make sure to meet the needs of your culture, and do not take a cookie-cutter approach.

Use “the-way-we-work” lens of the organization

Move away from the programmatic view and look at it with more of a cultural and “the way-we-work” lens. If an organization gets too focused on the programmatic side, the impact on the organization and its employees will not be as great.

Take Various Design Considerations into Account

Although specific flexible work arrangements affect work processes in different ways, there are a key set of conditions that must be taken into account when designing any program: fit with existing programs and reward systems; flexibility in terms of how employees will opt into or out of all or parts of the program; and the training and communication methods used to roll out the program.

New flexible work arrangements do not operate in isolation. One participant explained how the company's new flexible work program brought together three teams that had previously worked separately.

However, under the new conditions they had to coordinate their work, with the result being they created a cohesive and more strategic team overall. A clear issue faced by many of our participants was that the change in work practices sometimes made traditional measures of performance and/or productivity obsolete, leading to a need to rethink the reward systems. One HR manager used this example to describe the change in their organization:

...Say I am a change management expert. Okay? And I can take on five projects. That might be considered \$120,000. ...But if I decide I want only want to work on one or two projects, maybe that's worth \$50,000. I have the same skill level, but I am providing a certain service to the company that is not about again counting hours, but about what is the outcome or what is the value I am providing to the company and what is that worth.

Even though programs may be initiated and designed based on information about real staff needs, program designers must remember that no flexible work arrangement will be suitable for, or required for, all jobs at every level in the organization. In some cases this meant designing a program that enabled staff to opt in or out of if they wished, while for others the parameters of who could and could not take part had to be clear from the beginning. It is very important that no matter what the program is, and who it is made available to, it is clear that “[T]he program should be consistent and administered fairly.” Or as described by another manager, “[F]oster an environment of flexibility--informal and formal go hand in hand.” What is key from these statements, and others like them made by our participants, is that flexible work arrangements must be designed carefully and in detail, otherwise there is the opportunity for them to be misapplied or misused, resulting in very little chance of a successful implementation.

Examine your own biases

Regarding teleworking, do a careful, thoughtful analysis and interrogate your own bias about whether or not you are comfortable having employees out of your line of sight.

Develop guidelines

The program needs to have guidelines so it's not a free-for-all. There are some managers that are much tighter in the way they manage it, and others are much looser. It can take years to establish a successful program.

Communicate expectations

[Our company] has a contract that both job-share parties sign that outlines each of their responsibilities, the days they will be working, what accountabilities they have. Either party in a job-share or the organization can opt out based on what the business needs are for the organization or the circumstances are for the individuals. If they decide that they want to go back to full-time they can. Review these agreements on an ongoing basis to make sure that there is clear communication around expectations to employees, to managers, and to HR.

The flexible work arrangement must itself be flexible. Even with careful attention to detail in the design process, any new program will have some teething problems, and there is always some unforeseen circumstance or issue that will crop up. To be successful, the programs must be designed with built-in flexibility. Ongoing monitoring of the programs, followed by changes and adaptations as soon as any problems are identified, are key to long-term success.

One program we studied started out with oversight through regular bimonthly meetings where senior executives review data from staff surveys and focus groups to determine the continued success of the program. An HR representative from another organization noted how they began with monthly review meetings, moving to bimonthly, then extending to every three months as the program settled in and began to run smoothly. These review meetings are ongoing, but 90-day intervals are a time span they've found to be enough to ensure that "...we didn't let anything go, or fester too long, that may have been a problem."

Determining in advance how often to hold review meetings or to survey those using the flexible options is an open-ended process, so it would be a mistake to think that a new program need only be monitored for a few months. Designing a long-term monitoring process into the program can help to clarify to those involved that the program may not be perfect straightaway, and that it is a long-term process, as described by another HR manager: "And we worked out the kinks that entire year, because, there were definitely kinks in the database, just situations we hadn't anticipated..."

Many organizations use general training courses, internal communications, and websites to ensure continuing communication and education support of the program. Again, the design and target of the program will directly relate to the design and target of the education and training programs, therefore, these must be considered during the design process. This is clear from some of the comments we heard.

Educate the employee and the manager

You know I think everything that we talked about, I really think that it's certainly ongoing education, it's huge. And I think the organizational commitment is huge.

Provide good instructions

I think [the organization] runs it really well with the setup that they give you. You know, everything is there. Everything is really well explained. You get a binder when you join. You get the full program with all the instructions, and who to call, and how to do the forwarding on your phone. And they really seem really well coordinated about it. The people who run that program do really well with it.

Develop a plan for managing the program well

I think one thing has been the way we put a lot of thought into processes and programs around supporting this thing. So IT support, telecom support, IT infrastructure, management models—how do you manage this all? Training, getting involved, and making sure that they train the employees right before they go to "work-from-home." So I think there has been... just managing this program effectively has really made it [successful].

Design the Review System

As the above human resource representative noted, it is important during the design phase to consider how the program is going to be managed and reviewed. "[I]t is continuously sort of honing your practice, your work, your processes, your interactions, so—and the way we apply it here is, you re-contract for that every 90 days. So, you are measuring your results, validating the results." A great benefit of determining how success will be measured during the design stage is that the outcome measures can be directly linked to the business case that drove the flexible work initiative in the first place, in the words of one respondent:

Basically, first and foremost from my eyes, you're focusing on your outcomes. Are we delivering the outcomes that the business needs to move forward? And the first [answer] should always be "yes." And the follow-up to that is allowing individuals the flexibility to determine how they can achieve those outcomes. And that can be as tactical as how and when and who you engage to achieve those [outcomes]. ...So, it always starts with results. And then allow that creativity to allow employees to navigate their own way to maintain a work-life balance but still achieve those results that [are desired], that's what [we're here] for.

An added benefit of clear, codified outcome measures is that the success of the program is visible to all, and therefore choosing the correct metrics as outcome measures can act not only as a monitoring tool to support development of the program, but also as a motivational tool for the staff involved and employees who may see these results and wish to sign on to the project: "Make sure that you include productivity or metrics of some sort, with an expectation of continuous improvement with your flexible arrangements, and do it in a team fashion so that you have involvement and endorsement by people."

For additional information on review and measurement, see section 5. **Monitor and Improve the Program.**

4. Implement the Program

There was broad agreement across the organizations we studied about the importance of taking time with the implementation, to “[T]ake it one step at a time and recognize you’re not going to go from zero to a hundred miles an hour right off the bat.” However, in some cases, due to the nature of the program, the best approach may be to “[R]oll it out to the whole workforce at once.”

Establish Needed Implementation Infrastructure

No matter which approach was taken there were a number of recommendations made about formalizing the program, getting the needed policies in place, and setting up the needed infrastructure before rolling the program out. Not only can this preparation make rolling out the program much easier, but it can also help to prescreen for problems such as payroll or benefits issues that may cause a lot more work to sort out retroactively than they would have up front.

A key learning point is that all of the required facilities, policies, training sessions, and materials need to be available. As described by one participant, you need to think broadly about what may be required: “Formalize the program—insist that participants and their supervisors attend required training and provide the proper tools for teleworkers: ergonomically correct office furniture and fully supported computers, faxes, printers.” However, also use the materials as an opportunity not only to clarify what the program does, but to underscore what the program does not do, and who (if anyone) it is not suitable for:

Provide good program documentation that is readily accessible. Use this documentation to emphasize that teleworking is not right for everyone—i.e., not all jobs can be done remotely and not all employees are suited to work remotely.

Formalization of the program means more than laying the groundwork, but setting up the management structure to oversee and coordinate the effort. As explained by one participant: “You need to have one or more people whose formal job is managing these programs. There needs to be some organized, concerted effort if you really want it to take hold.”

Determine Rollout Approach

There was not a clear consensus on whether to do a pilot test of the program, although in general a pilot implementation was completed for most of the companies we studied. That determination seems to depend on the type of program being offered and how different it is from the work arrangements that currently exist in the company. However, there were many benefits related to piloting the program, including testing the design and the experience of actually running and managing the new program.

One HR representative explained how they piloted their program because flexible work arrangements were very new to the culture of the organization, but after they tried it out on a small scale for 90 days

and it proved successful, they officially rolled it out to the rest of the organization. In another organization, the pilot program was developed specifically to test for any necessary policy or program changes, and once they had dealt with any issues that arose they rolled it out to the whole organization. The benefits of piloting were succinctly described by one participant in this way:

Start it on a pilot basis so that you can see what issues are germane and particular to your organizations. What are the challenges? What are the things that you really haven't thought through that you would want to include?

A key issue with pilot programs is the selection of the pilot group. In our study, we found that many organizations used different rationales for determining which employees or departments would form the pilot groups. Some comprised those employees who had raised the issue of the need for the particular flexible option, while in other cases there was a more targeted design and rollout of the program.

Create and Implement a Communications Plan

A clear lesson illustrated in the participants' discussions of their communication plans is that the communication methods related to flexible work arrangements should be designed to educate and to support change at all levels of the organization. There were a wide range of different approaches to the initial communication of the programs, including top-down and bottom-up. A top-down process involves focusing on top and senior management first, and using them to cascade the information down to all other levels of staff. This process was clearly described by one of the HR representatives:

Phase one is all about educating the leadership of the team. Usually that is anyone director level or above. Talking with them about what the philosophy of a Results-Only Work Environment is and what the business benefits are that they can expect once their team becomes results only, and obviously there're a lot of questions and answers too. Because leadership tends to be fairly anxious and nervous about what is happening, although they know that in the end they will be experiencing business benefits that will be wonderful. So once that first phase is done, then we move into the second phase, which is bringing in the rest of the team and kicking off for them what the results only philosophy is all about. And bringing them into a couple different sessions that focus on getting rid of the language in the work environment that makes judgments about how other people spend their time.

Another reason top management may be used to communicate the process is that this is a way to underline high-level support, for example, by using an email from the president to introduce the program before proceeding with a wider campaign of posters and web postings.

On the other hand, some organizations used a "stepped-in" approach and targeted specific departments, areas, or divisions to use their expertise to communicate specific information about the project.

Finally, a bottom-up method of using staff to spread the word almost informally about the program can be successful, as explained by one HR manager: "[T]his is very much done on a grassroots kind

of letting it spread, word of mouth.” “Communicate very well up front. Start small and let it spread naturally.” Although one participant spoke strongly against this method, as there is no real control over whether staff hear the message or the content of the message they hear with a word-of-mouth rollout, and stated that: “If you want flexible work arrangements to be used in your company, make your people aware of them. When you make them aware, do it in a disciplined manner so that the message gets out to the people in the company much more frequently, and try not to do it on an ad hoc basis.”

In summary, our respondents told us that the rollout communication should be designed to match the specific program and the organization. There is no reason to communicate to the whole organization when only a few groups are involved, and if information is generally communicated through informal channels, this can also prove successful for new flexible working programs. However, involving top management in the rollout communication process provides another opportunity to signal to staff their support and belief in the program.

Develop and Provide Necessary Training

Training is believed by some of our respondents to be key to the successful implementation of flexible work arrangements. As noted by one participant, “Be sure to provide the necessary training.” Choice of how to design the training program again appears to be based on the program and the organization. The majority of the organizations in our study focused on a few key groups of managers or HR professionals initially, and after ensuring that these groups were fully trained, then rolled out training to the general workforce. Rolling out training to the employees in general can be done through formal training courses/information sessions, or as in the case of many of the organizations we studied, by providing information and leaving the training and education of the employees to their managers.

5. Monitor and Improve the Program

One of the key success factors mentioned by our participants was ensuring that the program stays in people's conscience long after it is first rolled out. This is not easy to do given all the various demands on employees' time. Keeping the program alive requires perseverance, measuring progress, reporting results, and taking action to improve the program where necessary. Ongoing communication about the program(s) is clearly useful as well.

Regularly Review Program Utilization and Other Measures

Nearly all of the companies in the study have methods for measuring utilization of the various programs. One company has a database for tracking all formal flexible work arrangements. However, most companies do not have complete tracking systems, and in many cases they simply do not trust the data. Utilization data can be difficult to collect for certain arrangements such as flexible work schedules, where there is no easy way to track individual employee work schedules. The companies often track full-time teleworkers, but have great difficulty tracking the number of workers who occasionally work from home. Part-time work arrangements can be tracked relatively easily in most HR systems, but job-sharing arrangements are often more difficult to track. Some companies rely on self-reporting from employee surveys to track utilization. Many of the companies believe that the utilization rates are actually higher than the rates they are able to calculate, due to employees' use of informal work arrangements and various difficulties with their tracking systems.

There is a designation in the company's SAP system that allows us to track teleworkers. There are currently 160 teleworkers. The number has doubled in the past five years.

There is a tracking system but it undercounts. It is more accurate for teleworking than other things like flextime. Flexible work arrangements are so much a part of the culture that people sometimes do not think about the fact that when they "flex" their schedule, it's a flex arrangement.

Because of all of these factors, utilization rates of various types of flexible work arrangements appear to be unreliable. Utilization rates collected for this study vary dramatically depending on the type of program and the company. Several companies reported overall utilization of formal flexible work arrangements to be in the 10-15% range. When informal arrangements are included the rates can be in the 50-100% range.

Self-reported utilization of formal alternative work arrangements is about 12-15%, and this is believed to be underreported. When you add informal flexible work arrangements, utilization is much higher.

On the Employee Value Survey, employees are asked if they have used any type of workplace flexibility over the past year. Last year over half of the employees said that they had, and 84% of them said they had at least adjusted their hours occasionally to help take care of their personal responsibilities.

The following chart shows “typical” program utilization for organizations where the program is offered.

	Utilization Rates	Flexible Work Arrangement
High Utilization	25–100%	Flexible start and end times Compressed work week (4 10-hour days or 9/80) Occasional teleworking Results-Only Work Environment
Moderate Utilization	2–24%	Full-time teleworking Job-sharing Reduced workload
Low Utilization	Less than 2%	Part-time work Phased retirement and other off-ramp programs

Most of the companies included in the study also regularly collect employee survey data. The questions related to work-life vary by company with most having at least one question related to work-life balance, such as “my company encourages work-life balance,” or “I am able to balance my work and personal obligations.” Several companies use employee surveys to track employee engagement and company loyalty.

Tracking questions on a survey

The company also collects employee survey feedback on its work-life programs. For the question “my company encourages work life balance,” we received a 90% favorable approval rating, 10% above the average of the other 99 companies that made the Fortune listing. In the Computer World listings for the question, “I am able to balance my work and personal obligations,” we had a 92% favorable approval, 22% above the average of the Computer World-listed companies.

There is a global employee survey every other year that has a set of questions around work-life, and a set of questions around diversity. Built into the survey is a fairly traditional section on employee engagement. In the U.S. there is an additional set of ten questions that correlate with high-performing teams in the field.

Several of the companies also use employee surveys to check on utilization rates of the various programs. One company found that utilization was actually higher in the survey than the tracking system showed.

Surveys indicate that the utilization is actually higher than the tracking system shows. Overall at headquarters, nine out of ten people use some kind of formal/informal flexibility of one kind or another.

There are a number of other data sources that companies use as well:

- anecdotal data, real-life examples, and testimonials
- feedback from employee forums and debriefing sessions
- time tracking systems
- performance metrics for organizations using flexible work arrangements
- percentage of jobs offered where alternative work arrangements are available
- cultural audit information before and after major change initiatives and
- voluntary turnover.

Collect Feedback and Make Needed Changes

As noted previously, programs should be designed with flexibility built in to allow the programs to be fine-tuned as they progress, particularly at the beginning. Employee satisfaction surveys may provide useful data, but informal feedback from those who are using the program is probably the best source for determining what needs to be improved. If there is a regular FWA review process between manager and employee, these reviews may be a good source of information.

It is essential to nourish the culture of flexibility, and management support is particularly critical for doing this. If the managers are not supporting it, it will be evident to the employees, and the program will not be utilized effectively.

Work to increase employee faith in organizational commitment to the program

We're now currently reassessing the best way to keep this top of mind, because we have so many things to offer, and so many competing demands on people's time, that we have to keep this at the top of our people's consciousness. The other thing is that we have to overcome the obstacle in some cases when people still don't believe that the organization is telling the truth when it says we really want people to stay in touch with us and come back to work with us. But we're winning that battle over time.

Find out why employees leave the organization

We found out the reason why [we were losing women] is that we weren't being flexible, and a lot of guys had just the wrong attitude about managing the workforce. So we changed that. We held people accountable, and as the next generation rolls in, we started to look for, based on the research, what people really wanted, and we've adapted to that.