

# Executive Summary

## Project Purpose and Overview

Since 1990, the Boston College Center for Work & Family has been working with human resource directors and other organizational leaders around a shared interest in creating effective workplaces where employees feel successful in their work and their nonwork lives. Over that time, numerous programs, policies, and initiatives for flexible work arrangements (FWAs) have been rolled out with much fanfare and optimism. Indeed, many benefits accrued for organizations at the forefront of this movement, such as improved recruiting and retention, and employee engagement and satisfaction. For a while, it looked as if the utilization rate of these policies was increasing year by year.

Recently, however, the use of these policies has stabilized or even declined (Golden, 2001). From academic and corporate research, as well as from the popular press, we have learned that these flexible work arrangement programs are available but not widely used, some would say, not *usable*. For these and other reasons, there is much unevenness in the extent to which these flexibility programs are meeting the needs of employees or businesses. **It has been suggested that there are missing links in the process between setting up a program for working flexibly and making it work, which Lewis and Haas (2005) have labeled the “implementation gap” (p. 350).**

This report represents what we hope will be the first of many efforts to fill that gap. Rather than focusing on why these programs are not working to the desired extent, our focus is on what makes some of these programs very successful. Here we present in detail an array of exemplary programs from leading companies along with insights, recommendations, and strategies believed to be responsible for their success.

## What Is New and Different about this Study?

There is little to no research available that describes what occurs between setting up a flexibility policy and making it work. Moreover, in a major review of the business case for the integration of employee assistance, work-life, and wellness services, Attridge (2005) concluded that *“the nature of how the program is implemented appears to be the most significant driver of getting results”* (p. 47). Thus, this project was designed to understand better the course of successful implementations in the words of the implementers themselves along with the reactions of both employees who found the programs useful and their managers who had to adjust to new ways of working.

Our overarching focus is: What makes a successful program work for the employee and the business? To answer the question, we provide in-depth information from implementers, employees, and managers in 20 leading companies in the United States, most of whom are members of the Boston College Center for Work & Family National Roundtable. We asked each company representative if he or she had one or more programs for working flexibly that was deemed to be highly successful, i.e., “worth bragging about,” a program that worked well for both employees and the business. In total, we conducted 58 interviews and gathered detailed information about the process of carrying out a variety of programs and approaches to making flexibility work.

In addition to the interviews, we conducted a review of both practitioner and academic research related to flexibility in the workplace and in the lives of workers.

## What Flexible Work Arrangements Did We Study?

Flexible work arrangements can take many forms and can be either formal or informal, but most involve giving employees greater control over when and where work gets done and over how much time they choose to work. In this report, the term “flexible work arrangement” refers to some fairly well-established approaches such as compressed workweek, part-time work, job-sharing, phased retirement, and telecommuting. The report also documents, however, newer approaches such as “Personal Pursuits Program,” “New-parent Re-Integration,” the “BOLD Initiative,” and the “Results-Only Work Environment,” along with some innovative approaches to implementing an array of programs.

## What Is the Business Case for Flexibility?

There have been many studies that have shown the benefits of flexible work arrangements. Families and Work Institute in 2002 found that **employees with more access to flexible work arrangements are more committed to their current employers**—more loyal and willing to work harder than required to help their employers succeed. Deloitte & Touche has estimated a **savings of \$41.5 million in turnover costs alone** by retaining employees who would have left if they did not have a flexible work arrangement (Corporate Voices, 2005). A study conducted by the Center for Work & Family in 2000 found that **70% of managers and 87% of employees reported that working a flexible work arrangement had a positive or very positive impact on productivity**. For men in their 20s and 30s and women in their 20s, 30s, and 40s, **the most important job characteristic is having a work schedule that allows them to spend time with their families** (Radcliffe Public Policy Center with Harris Interactive, 2000, p. 2). A survey of **senior Fortune 500 male executives** (Miller & Miller, 2005) had some surprising results.

- Fully 84% say they'd like job options that let them realize their professional aspirations while having more time for things outside of work.
- 55% say they're willing to sacrifice their income.
- Half say they wonder if the sacrifices they have made for their careers are worth it.
- In addition, 73% believe it's possible to restructure senior management jobs in ways that would both increase productivity and make more time available for life outside the office.
- 87% believe that companies that enable such changes will have a competitive advantage in attracting talent.
- Other interviews suggest that the younger a male executive is, the more likely he is to say he cares about all of this.

Companies need employees to be flexible in order to accommodate market and organization changes. But, perhaps the most compelling business case argument is a simple one. Younger workers (and many others) are demanding more flexibility, and some companies are doing a very good job of meeting their needs. In order to be competitive, and attract and retain the future workforce, having effective flexible work arrangements is not just an option, it's a necessity.

## What Did Our Representatives Say about the Implementation Gap?

Based on our analysis, 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. Cultural issues were evident in several of the obstacles that were commonly identified by our respondents: management resistance, employee skepticism and fear, and cultural resistance to major change. Our respondents had some useful insights and suggestions for overcoming these obstacles.

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### Management resistance

- Find a champion who is really committed to the initiative and will provide overall support.
- Understand managers' fears. Many will be unwarranted and easily addressed.
- Provide training that includes the business case and best practices.
- Use scenarios to explore how things will work and how issues can be addressed.
- Encourage the use of outcome-based performance goals rather than face time.
- Give managers discretion in the use of these programs and use techniques to convince them of their value.
- Empower employees to exert influence on their managers.
- Point out that it's a two-way street—managers and employees both need to be flexible—it needs to be a win-win.

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### Employee skepticism and fear

- Provide examples of success stories.
- Make it clear that flexibility is not “one-size-fits-all.” Provide guidance but allow the employees to work out their particular needs with their managers.
- Make the program “reason-free,” a choice for any personal goal.
- Champions can be helpful with this obstacle as well by showing visible high-level management support.

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### Cultural resistance to major change

- For major cultural changes such as ROWE, people's core beliefs and behaviors need to change. They need to think in a different way.
  - It can be a very difficult change for people that will take many months or even years.
  - The core problem is not just “trust,” but the industrial work model.
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One employee had a very good suggestion that was echoed by several others who we interviewed:

*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.*

In sum, on the basis of our conversations with human resource representatives, 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 are usually successful. When the culture is not supportive of these initiatives, they rarely succeed.

Changing a company’s culture generally takes a lot of time and patience. One manager explained that over time its program evolved into a new 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.”

## How 20 Leading Companies Are Making Flexibility Work

The company representatives with whom we spoke generously provided us with their own thoughts about what made their programs both available and usable. There were commonalities among these recommendations that we have summarized into five categories. They include:

- Recommendations for research to be conducted before implementing flexible work arrangements
- Strategies for gaining commitment for the program
- Tips for effective design processes
- Methods for implementation of the program
- Suggestions for monitoring the program, making necessary adjustments

**Conduct needed research.** There is some research that should be conducted before getting the program going. This information gathering should include the following:

- Conduct research to understand employees’ needs and what flexible work arrangements can best meet those needs.
- Analyze the organizational culture and the level of supportiveness for the desired FWA.
- Identify obstacles that may occur and determine how to overcome them.
- Identify potential downsides to the flexible work arrangements being considered and think about ways to mitigate them.

**Gain commitment for the program.** This step is probably the most critical and one where organizational culture needs to be well understood. Nearly all of the company representatives we studied indicated that support of top management was crucial to the success of the FWA program. They also told us that leadership support will only occur if the business case for the change is clear and compelling. Findings

indicate that leaders and managers can be successfully educated and even turned from resisters into supporters. In fact, managers who are initially resistant and are convinced of the merits of the program may well become the most ardent supporters. One of our respondents made the following suggestion:

*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.*

In constructing the business case our respondents had the following suggestions:

- Find out the business needs, what leaders are striving toward, what is driving the need for the program.
- Position the FWA as a solution to a business problem.
- Connect the dots from the business need to the FWA.
- Try to calculate the cost of not doing the FWA (e.g., turnover costs).
- Be creative. Use terminology that will work for the audience (e.g., how effective people will be as opposed to work-life balance).

**Design the program.** In designing the program, one of the most difficult issues identified by our respondents was the decision as to how prescriptive to be with the policies and procedures. A common inclination was to spell everything out, but in the end, what seemed to work best was to **adopt fairly flexible policies and guidelines that would meet a variety of situational needs**. In every case, the success of the program hinges on a manager and an employee coming to an agreement that will work for each of them. The flexible work arrangement itself must be flexible. Do not take a cookie-cutter approach.

Our respondents indicated that they had to find a way to make the new way of working the *expected way of working*. They said that this can be accomplished by **integrating the new work arrangements into existing systems in a way that encourages their use**.

Another element of success mentioned by several respondents is the importance of **revising performance management systems so that objective goals are rewarded instead of face time**. It was interesting to note that the employees we interviewed understood very well that the relationship needed to work both ways. They were happy to be flexible to meet their manager's needs if the manager was flexible about meeting their needs.

**Implement the Program.** According to our respondents, a key to successful program implementation is **establishing the needed infrastructure** to put the program in place and manage it once it has been implemented. Some companies found it helpful to convene a cross-organizational team to assist with final design and implementation.

In determining how to **roll out the program**, most companies also **piloted the effort** before implementing it more widely. That enabled them to understand better the issues and challenges, and what else needed to be included. Some respondents spoke of the value of using teams or work units within the organization to facilitate the implementation process by figuring out for themselves what will work effectively.

Our respondents all noted the amount of forethought, planning, and support secured from other units within the organizations required for successful implementation. They mentioned the importance of **getting support from Information Technology and other departments**, developing management models, **providing training for managers and employees**, and developing comprehensive and well-organized **communication strategies** with consistent messaging for effective programs.

**Monitor and Improve the Program.** Almost all of our respondents acknowledged the importance of monitoring the success of the program, but noted the **difficulty of measuring the impact**. Companies typically had means for measuring program utilization and employee satisfaction with overall work-life efforts, but had difficulty pointing to particular productivity, retention, or recruiting gains. A few of the companies were able to track results of particular work groups that had implemented flexible work arrangements, and the results were positive. Perhaps this element of successful implementation is the area where most improvement is needed.

## What Are Examples of Successful Implementations?

As mentioned above, we asked our respondents to provide detailed descriptions of the programs they felt have been successfully implemented. We also asked about the obstacles they needed to overcome and the factors that made the programs successful. The information in these detailed descriptions has been greatly compacted and included in the reference chart on the following pages. The programs in the chart are organized in the same order as the full report, by type of program. Additional information is provided in the section of the full report entitled *Exemplars of Successful Implementations: 20 Model Programs*. Especially interesting are the managers' and the employees' comments regarding their involvement with the new ways of working.

## Why Go to Such Lengths?

Flexibility is a new business imperative. Our 58 respondents told us that it is possible to offer excellent flexible work arrangements for employees and be more successful as a business. They said that it is especially important today to offer flexibility of all kinds and make these new ways of working stick. Most of our respondents recognized that this is the way forward for companies that want to retain top talent, including both older and younger workers.

Ann Bamsberger, vice president of the Open Work Solutions Group at Sun Microsystems, states in a June 2007 article from *HR Magazine* titled **Clocking Out**:

*This is the next-generation HR. I keep telling other HR professionals, "Stop fretting about comp and benefits; this is the future." This is the kind of stuff they have been wanting to do for years and years. The talk in HR has always been how to become more of a strategic partner. Well, this is how to do that. This is a terrific opportunity for HR to participate in creating a new work environment.*

## Conclusion

The enthusiasm conveyed by our 58 interviewees has confirmed our belief that flexible work arrangements are an integral tool for effective workforce management. The successful implementation of these programs requires a supportive organizational culture, human resource policies and programs, and individual employees to be aligned in their pursuit to promote a prosperous business while also enabling employees to have meaningful lives. The ***Work-Life Evolution Study***, published by the Boston College Center for Work & Family in 2007, asserts that these three forces working in synergy are the key to organizational effectiveness.

	Company	Program	Description	Benefits
PART-TIME AND REDUCED WORKLOAD	First Horizon National Corporation	Prime-Time Schedule	Employees in some situations can reduce hours to 20 or more and maintain benefits	Strengthened company culture, more loyal, productive employees, happier customers
	KPMG	Reduced Workload Model	Provides a model for reducing workload when typical week is >40 hours	Employee retention, teamwork, reduced resentment, client satisfaction from better continuity of service
	Alcatel-Lucent	Part-Time Work	Employees can reduce their hours to less than full-time when approved by manager	Improved productivity, reduced absenteeism, ability to adjust workloads
	GlaxoSmithKline	Part-Time Sales Force	Generally 25 hours/week calling on physicians	Effective sales force at lower cost than full-time sales force
JOB-SHARING	TAP Pharmaceutical Products, Inc.	Field Job Sharing	Two employees share one regular full-time sales rep. position	Recruiting and retention; built-in backup when one employee is out
	Hewlett-Packard Company	Job-sharing / Teleworking	Two employees share one position/employee works from home full-time	Attraction and retention; makes company more competitive; happier, more productive employees
TELEWORKING	Booz Allen Hamilton	Teleworking	Employees work at a location other than their official office— full-time, part-time, or part day	More productive staff; enables work across time zones; helps environment (reduces commuting)



Drivers	Obstacles	Success Factors	Recommendations
Company identified links from flexibility to employee retention to customer loyalty	Buy-in from the managers	Top-down support; continued communication of best practices	Start at the top and share with senior leaders the FWA success of other companies; talk to employees to understand their needs
Consulting environment where part-time as % of 40 hours was not fair to full-time workers	Confusion about how the program works	The programs fills the needs and is actively supported by many senior leaders	Make sure it fits with current culture and business needs; must be a “solution to a business problem”
Originally implemented at AT&T to help recruit telephone operators	Head count treats part-time same as full-time	Long history of having the part-time policy; decision and approval kept at supervisor level	Head count policy needs to support part-time work; arrangements need to benefit both company and employee
Attract qualified people to reach physician market effectively and cost-efficiently	Funding considerations as to which brands will fund the sales force	Program entirely driven by business needs; lots of positive momentum	Don't view these employees as part-timers but as salespeople who happen to work part-time
Wanted to retain a higher % of workers starting families	Managers were concerned that too many employees would take advantage of this	Senior manager support in both field and home office; gradual increase in use	Hard to get going– need guidelines, management buy-in, and investment
Help employees meet their lifestyle needs while still meeting business objectives	Business needs may change and no longer allow this for some positions	Positive results from the programs; employee initiation leads to strong motivation to make it work	Survey employees to understand their needs; always work at the top and get approval and a champion
Provide an additional flex option to employees and formalize the program	Gaining consensus on program design; initial manager hesitation on how to implement	Supportive culture; senior leaders support and communicate	Do your research; learn company culture; socialize the concept with many different groups

	Company	Program	Description	Benefits
TELEWORKING	Eli Lilly and Company	Teleworking	Employees work full-time at home	Retention, loyalty, productivity, recruitment, company branding
	Dell Inc.	Virtual Call Centers	Employees work from home on the same schedule as if they were at work	Productivity and cost improvement; culture changes; attraction; retention
ON- AND OFF-RAMP PROGRAMS	Deloitte & Touche USA LLP	Personal Pursuits Program	Maintains connection with people who leave the firm (for child or elder care)	Former employees keep their business contacts and have a facilitated way to get certifications
	Intel Corporation	New Parent Reintegration	Employees can work part-time or adjust hours after pregnancy or parental leave	Productivity, recruitment, retention, and company image
	MITRE Corporation	Phased Retirement	Employees aged 59½ can reduce hours and begin collecting retirement benefits	Retain capable employees and their knowledge for a longer period of time
ALTERNATIVE WORK SCHEDULES	Raytheon Company	9/80 Work Schedule	Employees work 80 hours in nine days and get Fridays off every other week	Retention, recruitment, employee satisfaction, reduces Friday traffic
LINKED BUSINESS RESULTS AND FLEXIBILITY	American Airlines	BOLD Initiative	Teams define both improvement goals and desired flexibility arrangements	Cost savings, productivity, retention, teamwork, morale

Drivers	Obstacles	Success Factors	Recommendations
Employee survey showed workforce was becoming nontraditional; CEO led initiative	Supervisors did not believe they could manage people remotely; IT not set up for this	CEO champion; perseverance; getting IT on board; training	Have data to show business case; need performance mgmt. system focused on results
Benchmarking by execs showed potential cost and productivity gains	Management resistance; getting right technology; culture acceptance	Thoughtful design of program; management buy-in	Set up a strong core group for implementation; get needed support at all levels
Recoup investment in people; will become harder to recruit people in next generation	Gaining access to the intranet for people who have left; keeping program visible	Sound program that meets a business need; program initiated by top management	Find a champion even if you need to recruit him/her yourself; focus on business needs
Retention surveys of women indicated difficulty in returning full-time after leave	Finding the right balance in how prescriptive to be in communicating the program	Persistence, consistent messaging, flexible approach, senior mgmt. involvement	Have a flexible approach driven by employee needs; make sure there is real commitment
Employees requested it and the company found it could be easily implemented	Very few obstacles other than doing the needed research on plans and regulations	Low program cost and ease of administration	Survey employees to see if there is a need; enable part-time work with retirement benefits
Company president initiated this to help recruitment and retention	Potential impact on customers; workers with scheduling issues; long work days	Rolling it out to everyone at once; making it the expected way to work	Management must be part of the vision; be aware of all labor laws; form a strong team for implementation
Company needed both improved productivity and a new way of functioning	Culture, current policies, resistance by managers and employees, equity	Combining improvement and flexibility; team approach	Start small and let it spread naturally; communicate very well up front; don't take a cookie-cutter approach

	Company	Program	Description	Benefits
LINKED BUSINESS RESULTS AND FLEXIBILITY	CultureRx & Best Buy	Results-Only Work Environment	Enables people to work whenever and wherever they want, as long as they get the work done	Improved business results, reduced turnover, talent magnet, culture more effective, company image
	Takeda Pharmaceuticals	Work Paths	Broad FWA program includes telecommuting, job-sharing, part-time	Employee satisfaction, improved morale and commitment, employee retention
IMPLEMENTATION OF FLEXIBLE WORK ARRANGEMENTS	Baxter Healthcare Corporation	Alternative Work Arrangements Proposal Kit	Tool that supports requests for flexible work arrangements plus broad FWA program	Attraction, retention, employee satisfaction, productivity gains
	Pricewaterhouse Coopers LLP	FWA Database	A standardized database and single process to administer a broad range of flexible work arrangements	Recruitment and retention; lower turnover improves company performance
	IBM Corporation	IBM Flexible Work Options – New Communications Strategy	Broad program includes compressed workweek, flex hours, telecommuting, part-time, leave of absence	Embeds a sense of trust, fairness, and equity into the employees
	AstraZeneca Pharmaceuticals	New Approach for Flexible Work Arrangements	Broad FWA program including flextime, part-time, job-share, telework, and flex Fridays/compressed workweek	Improves employee engagement; attract and retain diverse talent; provide advancement opportunities for women

Drivers	Obstacles	Success Factors	Recommendations
Research indicated that traditional flex programs were not being fully utilized; wanted to be differentiated	People's core behaviors/beliefs need to change for it to be successful; management resistance	Employee courage and persistence; strong support and facilitation; use of "pull" approach to gain support	Start from a foundation of trust; be open to new ideas; include everyone; change language
Relatively new company wanted to establish important company values	Management resistance, lack of trust, managing by face time, poor prior experience with flex work	Manager training, organizational commitment	Establish leadership commitment up front, provide needed training, be consistent, and administer fairly
Teleworking driven by Clean Air Act, global work needs, and technology progress	"Line-of-sight" management; shortage of resources for training and communication	CFO champion; including FWA in job posting system; high-level managers as role models	Know organization and what can be tolerated; take it one step at a time
Company merger led to inconsistencies and a consultant recommended this approach	Technical difficulties, learning curve, and overwork	Leadership support starting with the senior partner and U.S. chairman	Foster an environment of flexibility; show senior leaders this is important to the business
Changing work environment; happier employees are more productive; women's council needs	Competition for "air time" with employees and managers	Management buy-in; commitment to creating a supportive, flexible work environment	Provide education and regular communication that increases managers' comfort in using these programs
FWA seen as an important tool for facilitating a company merger; customer diversity requires more employee diversity	Many management jobs require long hours and lots of travel; managers worry that FWA will reduce productivity	Senior people are fairly strong advocates; FWA are an important part of the culture	Position work-life with other groups to gain strength; take a business and cultural view that is broader than a particular program