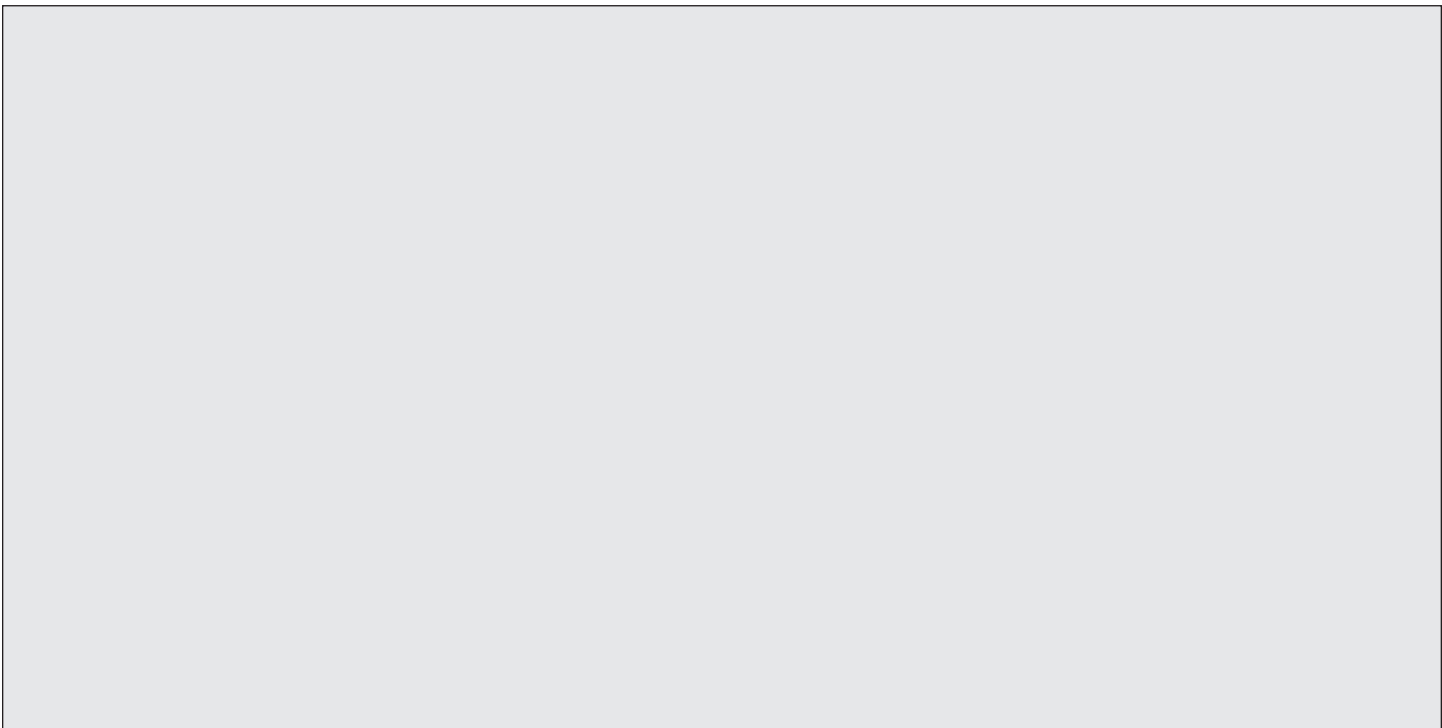


- Standard flexibility: programs that allow employees to vary when and where they do their work
- Strategic flexibility:
 - Includes variations in what, when, where and/or how work is done, toward what goals and for what compensation
 - Focuses on overall business goals, rather than case-by-case accommodations to individuals
 - Emphasizes the long-term, rather than the short-term
 - Is proactive, not reactive
 - Intervenes at the systems level (Olmsted, 1997; Campbell & Koblenz, 1997; Bailyn, Rapoport, Kolb, Fletcher, et al., 1996)
- There are three dimensions of flexibility – time, place and work processes:
 - Flexibility of time includes:
 1. variations in scheduled work hours including daily and traditional flex-time, compressed work weeks and arrangements such as 9/80
 2. adjustments in the number of hours worked per week or per year (i.e., summers off or reduced hours during off-season)
 3. flexibility during one's career path that allows for sabbaticals or leave time
 - Flexibility of place includes telecommuting at home, at satellite sites or offsite such as customer sites
 - Flexibility of work processes refers to work redesign or job restructuring to reduce inefficiencies and low value work (Pitt-Catsouphes, 2003; Sloan Foundation, 2003)
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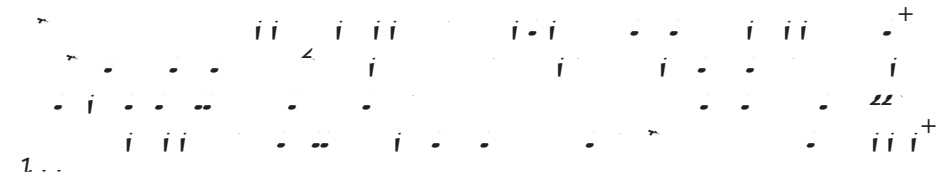


WHY ARE ORGANIZATIONS PROMOTING FLEXIBILITY?

- Cost savings: Cost efficient means to retain employees, a way to reduce real estate costs and employee commuting time
- Shareholder value: Organizations with higher employee satisfaction report larger than average annual returns to investors
- Productivity: Reduces absenteeism by giving employees more control over their work time and improving morale
- Heavy workloads: Employees are required to “do more with less” and report increased levels of stress with higher health care costs

“One of the reasons people come to work for IBM is because we take workplace flexibility seriously. On any given day, worldwide, one third of our people are not at an IBM location - they are working onsite with customers, are telecommuting or are mobile. Today, we must reconsider our traditional concept of work and how it gets done, because Flexible Work Options allow our workforce to serve customers as never before.”

– Samuel J. Palmisano
Chairman of the Board
and Chief Executive Officer
IBM



- Globalization: Need for a global workforce that is responsive to worldwide customer demands on a 24/7 schedule
- Technological Advances: Technology enables an anytime, anywhere workplace
- Popular demand: All types of employees, in many different life situations, are requesting flexibility
- Public Image: Attracts employees and enhances business reputation as an “Employer of Choice”

HOW WIDESPREAD IS FLEXIBILITY?

- 74% of all businesses offer flexible work options (Hewlett Associates Work/Life survey, 2003-2004).
- Employees have more control over their work hours in 2002 compared to 1992. They were more likely (43%) to use traditional flextime than employees were in 1992 (29%). Daily flextime usage also increased from 18 to 23% in the past decade (Families and Work Institute, 2003).
- 100% of the 2003 Best Companies for Working Mothers have flexible work arrangements.
- SHRM 2003 Benefits Survey reports that flextime is the second most prevalent work/life benefit, right behind dependent care flexible spending accounts.
- 51% of employees are working at least some of the time from somewhere other than “the office” (WFD, 2002).
- The most commonly used flexible work arrangements are flextime and telecommuting. Fewer employees work part-time schedules or job share (Center for Work & Family, 2000).

- The landmark study about implementing workplace flexibility instituted by First Tennessee Bank, as part of the Family Matters initiative, resulted in employee satisfaction that led to a 7% increase in customer retention and a \$106 million profit gain over 2 years (IOMA Report on Reducing Benefits Costs, April 1995).
- 86% of Deloitte's client service professionals cited workplace flexibility as a strong reason for the attractiveness of staying with the firm according to the bi-annual Flexible Work Arrangements Survey conducted in the summer of 2003. Having flexibility enabled Deloitte & Touche to avoid an estimated \$41.5 million in turnover-related costs during fiscal 2003.
- Watson Wyatt's Third Human Capital Index Study (2001/2002) reported a 9% increase in shareholder value stemming from a "flexible, collegial workplace," with flexible work arrangements, high employee satisfaction, trust in leadership, and managers demonstrating company values.
- 63% of employees from more than 700 companies report high levels of stress with extreme fatigue and feeling out of control. More than half the workforce misses three days or more of work because of stress, and nearly a third come to work at least five days per year when they are too distracted to be effective (Compsych Corporation Press Release, 2003). Flexibility is a stress reducer.
- 60% of high level executives (both men and women) without flexibility in their schedules indicated that they planned to leave their organizations in five years, compared to 49% of executives with opportunities for flexibility

ROADBLOCKS

Managers do not understand that workplace flexibility is a strategic business tool.

Managers are not accountable for creating a work environment where employees and work teams can thrive.

Employees and managers have not received information and training on how to develop, implement and sustain flexible work environments.

STRATEGIES

Engage managers in a discussion of how flexibility can address their business concerns and is a key driver of profitability and shareholder value.

Tie manager performance evaluations to their ability to create a supportive work environment that retains valued employees.

Develop a system for tracking flexibility usage; assessing employee and manager satisfaction; and measuring impact on key business factors.

If a manager denies a request for flexibility, require that a business-based reason for the decision is documented.

Assemble a company-wide task force that includes all employees at all levels of the organization to initiate and monitor a flexibility effort.

Create guidelines clarifying responsibilities for all employees - managers, employee requesting flexibility and co-workers – and communicate them in venues such as brochures, web sites and newsletters.

Develop a decision-making process for requesting, approving and monitoring flexible work options with a focus on meeting business objectives.

Teach employees and managers how to negotiate and maintain successful flexibility arrangements with co-workers and work teams.

Deliver mandated training programs that teach managers: 1) how to develop measurable employee performance goals that align with the organization's strategic objectives and 2) how to communicate the guidelines clearly.

WHAT ARE EFFECTIVE STRATEGIES TO OVERCOME THE BARRIERS?

The work/life team at KPMG LLP meets with intact engagement teams to provide tools and resources about flexibility. When employees are developing their team's work plans, they are encouraged to come forward with their personal needs (i.e., I need to be off on Monday to attend a school function, take an elderly parent to the doctor or study for a test). Work teams incorporate employees' personal priorities into the team's work plan and send a message that it's OK for "life" needs to be a part of the agenda.

Flexibility at Eli Lilly and Company is key to enabling productivity in the workplace. Flexible work arrangements are part of a set of tools that employees and supervisors can use to increase productivity and to give employees more control over work gets done. A recent employee survey showed that flexibility is alive and well in the organization but that supervisors need more to further boost the effectiveness of flexible work arrangements.

Deloitte & Touche is currently creating a vision statement, which includes expectations and descriptions of the culture of flexibility, to ensure that there is widespread understanding throughout the firm of what they are trying to create and how they expect to be working in the future. In addition, they are finalizing guidelines and operational tips for working and managing in a virtual environment, to help increase the effectiveness of working in this new way.

IBM is at the cutting-edge of reinventing how, where, and when employees work. In an effort to shape IBM's workforce, they have created a Flexible Work Option Screensaver that will educate all employees on IBM's six Flexible Work

HOW CAN ORGANIZATIONS SUSTAIN THE COMMITMENT TO FLEXIBILITY?

- Create a performance-based culture with less emphasis on hours worked and more attention to important work accomplished
- Consider work redesign to eliminate low value work and more efficient work processes
- Empower work teams to develop flexible work schedules that meet business goals and personal needs
- Communicate how valued employees who work flexibly are successful, not only in their own lives, but also positively contribute to their work teams, satisfy manager expectations and surpass customer needs

SUMMARY AND CONCLUSION

The advantages of a flexible work culture are tremendous. Since organizations must be adaptable in this knowledge economy, flexibility is a tool that allows employees to be responsive to business needs. Flexibility is a low cost or no cost proposition with a high return on investment. It is a way to retain key talent and can reduce stress in a heavy workload environment. Flexibility supports diversity initiatives in embracing differences and maximizing individual contributions. It can provide greater coverage, especially in a global economy, and allows employers to attract a wider pool of workers. The evidence is clear – flexible work arrangements provide significant benefits to both employees and employers. Workers who have more access to flexible work arrangements report greater job satisfaction, significantly better mental health than other employees, are more likely to be committed to their employers and plan to stay at their current company (Families and Work Institute, 2003). Organizations with higher levels of employee satisfaction describe more satisfied customers, higher profits and better return for shareholders.

For a complete bibliography, email cwf@bc.edu.

About this Series

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

About the Center

Since its founding in 1990, The Boston College Center for Work & Family has been a national leader in helping organizations create effective workplaces that support and develop healthy and productive employees. The Center provides a bridge linking the academic community to the applied world of the work/life practitioner and has three main focus areas: research, membership, and education. The Center is committed to enhancing the quality of life of today's workforce by providing leadership for the integration of work and life, an essential for business and community success.

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