

# Let's Get Flexible

Alternative work environments may help you with your bottom line and win the global war for talent.

## Vito Curalli values change.

He admits, though, to a previous comfort in being able to connect face-to-face with co-workers within minutes. But, as many salespeople will tell you, comfortableness is death.

"[A flexible work environment] has benefited me greatly because it forced me to change as a manager," said Curalli, Hilton Hotels Corp.'s managing director of sales for Canada. "This new work style has made me more flexible by having me plan my time better with each remote team member."

It has allowed Curalli to be a better manager, and it's allowed his team

members to offer better service to their customers.

"Everyone in the organization has bought into this program, and I know that, for our team in Canada, our productivity has increased and our salespeople are very pleased with their new work environments," Curalli said. "And of course if productivity increases, I'm happy as well!"

## ► Ease Burdens

Flexible work arrangements can be defined several different ways: telecommuting or teleworking, compressed workweeks, flex-time and job/work sharing, but telecommuting and compressed workweeks are seemingly the most popular with companies seeking to gain an edge on the competition, especially regarding the global war for talent.

BY JASON HENSEL



“When you realize that you can hire someone that may work geographically distant from where you might have previously hired them from—and allow them to stay and not have to relocate—the simple reality of a wider talent pool becomes your advantage,” said Rose Stanley, a professional development practice leader for WorldatWork, a global human resources association focused on compensation, benefits, work-life balance and integrated total rewards to attract, motivate and retain a talented workforce. “Technology gives us the capability, and cultural training for the dispersed employee and the manager can really make it gel. There are so many advances in how we can communicate and work together and not have to physically be together.”

Technological advances spurred Jack

Nilles to coin the words telecommuting and telework in 1973. During the early 1970s at the University of Southern California, he worked on projects that would ease the burden or vanquish rush-hour driving by allowing employees to work close to home—or actually in their homes—by using existing technology.

Almost 35 years later, a WorldatWork 2006 trends study found that approximately 45 million U.S. employees were telecommuting. Comparatively, a 2004 AT&T survey of 254 senior-level executives outside the U.S. showed that “staff in two-thirds of their global firms were involved in distributed work.” And the Families and Work Institute showed that 79 percent of U.S. employers allow “at least some employees to periodically change their arrival and departure time,

up from 68 percent in 1998” in its *2008 National Study of Employers* report.

On top of that, there’s an environmental benefit.

“From the corporate social responsibility aspect, some of the obvious [benefits] are the elimination of car emissions on the road from no longer driving to work five days a week, let alone the message it sends to the employee and the organization’s respect for that employee’s personal life no matter what is going on with that person,” Stanley said. “The loyalty that ensues when an employee feels that they are being viewed and valued as a ‘whole’ person and not just the person that works 40-plus hours a week for the organization can actually result in larger profits for the organization.”

# Making the Case

There are several considerations when making a case for flexible work arrangements. When Work Works—a project of the Families and Work Institute in partnership with the Institute for a Competitive Workforce—offers the following suggestions.

*For employees:*

## **Assess your situation.**

Determine flexibility needs, find out what arrangements your company already offers, think about your work style and be realistic about impacts these arrangements may have on you or your career.

**Create solutions.** Consider how arrangements will affect job responsibilities, talk with others about what has worked and what hasn't and develop a communication plan.

**Your proposal.** Find out from others with flexible work arrangement experience how they did their proposals, find a decision-maker at your company that supports you and state a business case showing how benefits outweigh costs.

*For employers:*

**Educate** yourself on company policies and guidelines.

**Customize** solutions with employees; use flexibility as a management tool instead of a perk.

**Be discreet** in selecting approaches for each arrangement.

**Be fair,** accepting and considerate of an employee's needs and attitudes.

**Be proactive** by working with employees to determine if flexible work arrangements will benefit the company.

**Be willing** to say no.

**Be flexible** and evaluate solutions.

For more information, visit [www.whenworkworks.org](http://www.whenworkworks.org).

## As Baby Boomers and Gen Xers retire, Gen Y and the following generations will be there, ready to define what work is and how it's measured.

### ► Family Time

Kate Cheney, CMP, starts her day at 8 a.m., putting her 6-year-old daughter on the bus across the street from her home. Then she reads e-mail for 30 minutes. After taking ownership three years ago of the company for which she had worked for seven years, she started working from home.

"I had worked at home for a brief period during my maternity leave and enjoyed it," Cheney said. "I have one full-time employee who comes to our home office every day. She has a key, and when I am away on business or holidays she comes in just like any other office."

When Cheney bought the business, she was aware of how many new business owners overextend the first year of business.

"Our clients do not usually visit our office, so it was not necessary to have a storefront for clients," Cheney said. "Our clients were open to this new setup because they understood that this meant lower overheads for our company and no cost increases for them."

For Cheney, the benefits of working at home are numerous.

"I can pass on the overhead cost savings to my one employee and myself in salary," Cheney said. "And I get to spend extra time with my daughter and let her experience taking the school bus with the other children. If my daughter is home sick, I am able to care for her and not take a full day off. When I do have work to do after normal business hours, I don't have to go to

the office and leave my family. I work at home and around meals and bedtime."

### ► Idea to Implementation

For supervisors seeking flexible work arrangements for employees (or even themselves), it can be a long road from idea to implementation. According to Workplace Flexibility 2010—a research organization at Georgetown University Law Center in Washington, D.C.—almost 80 percent of U.S. workers wish they had more flexible work arrangements and would use them if there were no negative perceptions attached to them. By 2004, however, only 27.5 percent of the workforce participated in a flexible arrangement.

In another survey, conducted by BDO Seidman and Work+Life Fit Inc., 75 percent of CFOs at U.S. companies with at least 5,000 employees say that flexible work arrangements are "very important" or "somewhat important" to their organizations' profitability. Sixty-two percent, though, see flexibility as a job perk. Stanley says that company decision makers know that flexible work arrangements should be must-haves and not options, but that it's hard to learn a new way of working.

"No matter how [often] you may read the success stories, you have to experience it to really believe it," Stanley said. "Piloting for a period of time is a great way to get these things off the ground. Or try it in an area where there is resistance, and if it's successful, that manager can be the

biggest champion you have in spreading the word. And once it's working, it can become seamless. That's when it's no longer viewed as a perk, but as a way of doing business."

One business model proving to be especially successful is the Results-Only Work Environment (ROWE), developed by Cali Ressler and Jody Thompson for Best Buy headquarters. In a ROWE, employees and employers focus only on results and not time spent doing a job or where work is conducted.

"During the ROWE process, managers also come to realize that they've been undermining efficiency by piling on more work when people finish what they have," said Ressler, co-author, with Thompson, of *Why Work Sucks and How to Fix It*. "When that's the practice, employees are smart enough to know that they should just milk the time so they don't get more work—there's no incentive to be efficient. But when managers start rewarding re-

sults, and owning your own time becomes the reward, everything changes. Employees want to come up with efficient ways to get the work done, and they team up in new ways to do just that. And, amazingly, employees actually start asking for more work because they want to contribute as much as they possibly can to the bottom line."

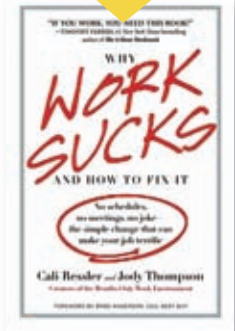
Simply, in a ROWE, companies can increase capacity and get more done with their current employee base, Ressler says.

"At Best Buy, productivity increased on average 41 percent on ROWE teams," Ressler said. "Right now, there are employees working in companies that are just putting in their time. In a ROWE, when they are given the trust and freedom to make the right decisions about how they spend their time, they start to care about the work, want to get clear about measurable goals and begin thinking of your company as if it were their own business. With that entrepreneurial mentality comes

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capacity that you never knew was there—same bodies, more drive.”

Ressler says this is something to think about in the current economic environment—getting more from your existing population and creating happier employees.

“We observed a sourcing team that saved its company US\$8 million in one year pre-ROWE,” Ressler said. “After ROWE was instituted, the same team saved the company \$13 million in one quarter alone. We observed another company increase its revenue per full-time employee by 18 percent post-ROWE and its profit per full-time employee by 250 percent.”

### ► Things to Consider

Depending on you or your company’s needs, flexible work arrangements may not be realistic due to distractions, supervisor-employee trust and bottom-line effectiveness. But with any change, it is important to keep an open mind for the potential for success that is there.

“My wife and I initially operated our business out of our home until three years ago when we starting hiring staff,” said Brent Taylor, director of event support for Timewise Event Management Inc. “Space restrictions forced us to move into leased office space. Working from home made it difficult to maintain defined hours due to the numerous distractions.”

For Timothy A. Bell, director of sales for Hyatt Hotels & Resorts, one major work-from-home distraction is a lack of respect by some for other people’s time.

“People tend to call you at any time of the day or night expecting that you are available,” Bell said. “Some people feel that because you are home working, you are available to stop if they happen to stop by

or that you are constantly doing personal errands.”

There is also the thought that employees working in the office produce better than those working from home.

“They are removed from distractions and have a greater sense of responsibility for what they are working on,” Taylor said. “There is more accountability to management, and they are able to better understand how the event planning process works.”

Different experiences are also reported, though, with a touch of caution.

“I find that I am more productive working from home,” Bell said. “However, I also work weekends and evenings, which I did not normally do in the past.”

Whether distractions can be mitigated or not, a major challenge for employers is managing productivity and being able to exhibit trust in home-based employees, Taylor says.

“As the employee is removed from the office environment, it is difficult for them to assess their own productivity,” Taylor said. “A micro-managing personality [in managers] will not work, as they will find themselves continually questioning the employee’s work ethic.”

Even though trust is a big issue brought forth by flexible work arrangement critics, according to a 2007 meta-analysis by Pennsylvania State University researchers Ravi S. Gajendran and David A. Harrison of 46 telecommuting studies involving 12,883 employees, telecommuting had a positive effect on the employee-supervisor relationship.

“Telecommuting is likely more good than bad for individuals,” wrote Gajendran and Harrison in the *Journal of Applied Psychology*. “[It] has a clear upside: small but favorable effects on perceived auton-

my, work-family conflict, job satisfaction, performance, turnover intent and stress. Contrary to expectations in both academic and practitioner literatures, telecommuting has no straightforward, damaging effects on the quality of workplace relationships or perceived career prospects.”

This is not to say that if it’s not working for you, you’re doing something wrong. It just may be that there could be a mismatch with employer and employee.

“For those thinking of giving flexibility to their staff, I recommend that they initially make sure that their staff wants more flexibility,” Taylor said. “Just because it is a growing trend doesn’t mean your staff wants it. They may be interested in other benefits. If you do provide flexibility, I recommend having a well-thought-out system of objectively measuring productivity and communicating that to the employee.”

### ► Communication is Key

As Taylor suggests, communication is the first step in implementing flexible work arrangements, and as Baby Boomers and Gen Xers retire, Gen Y and the following generations will be there ready to define what work is and how it’s measured. Ressler says that company decision makers need to understand that unless they move to flexible work arrangements, their businesses have little chance of competing, much less surviving, long term.

“Gen Y will not accept the current work environment,” Ressler said. “Business leaders should keep business benefits front of mind. Voluntary turnover rates in ROWE teams plummet by as much as 90 percent and involuntary turnover rates [can double]. For leaders, this means you’re weeding out people who are just marking time and not producing results.”

# A Selection of Flexible Work Arrangements

## **Compressed Workweek**—

compressing the standard five-day work week into fewer days. The most common is four 10-hour days.

**Flextime**—an arrangement that allows employees to choose their own times for starting and finishing work within a broad range of available hours.

**Job Sharing**—arrangements in which two people voluntarily share the duties and responsibilities of one full-time employee. Salary and benefits of the position are prorated between the two employees.

**Phased Retirement**—an employee and employer agree to a schedule in which the employee's full-time work duties are gradually reduced over a set amount of months or years.

**Telecommuting**—working at home by use of an electronic linkup.

—From *Answers.com* and *Merriam-Webster's Online Dictionary*

Managers must focus, though, on how to measure productivity. Cheney operates a task-oriented business.

“We keep timesheets to control the hours that we spend on each client and have planning calendars for each event and client,” Cheney said.

A one-on-one monthly goal meeting with each person involved in a flexible work arrangement is also recommended.

“Identify times when home-based team members may be in a slump, and react as quickly as possible to ensure that they are motivated,” Curalli said. “It is easy to be disconnected from others when working remotely, and I believe it is the manager's responsibility to ensure that they are focused and motivated. I've had to use various tools such as conference calls, in-person meetings and review meetings in a more efficient manner because team members are on the move, and I need to be flexible in how I fit into their schedules.”

For Taylor, productivity is fairly easy to measure, as he can reference the amount of work produced by at-home employees against what others are producing in the office.

“The hard part is communicating to low-producing employees working from home that they are low-producing,” Taylor said. “Because they are working from home they have nothing or no one to compare themselves to, thus they can feel they are top-producing even if they are not.”

Overall, though, an employee in a flexible work arrangement must have a high degree of self-motivation.

“Before deciding to or agreeing to work from home, look deep within yourself to make sure that you are a person that can remain self-motivating,” Bell said.

One of the main misconceptions that at-home employees face, according to Cheney, is when someone says, “Oh, you work from home.”

“I correct them, ‘No, we have a home office,’” Cheney said. “We run a professional, extremely well-respected and very busy event management business. I never come to work in my pajamas, I work a regular office day and I turn off the lights at the end of the day.”

## ► Pick Your Own

Another option—and one that many would say is extreme—is to let employees decide how many hours they want to work in order to mitigate stress, thus ensuring happier and more productive employees.

“When considering work hours, employers should not assume that all employees prefer the same schedule, always want [paid overtime] or even want a supposed ‘typical’ schedule,” wrote Lindsey A. Zahn and Michael C. Sturman, Ph.D., in their 2008 study “Forty Hours Doesn't Work for Everyone: Examining Employee Preferences for Work Hours.”

Funded by The Center for Hospitality Research at the Cornell University School of Hotel Administration, the study examines the effect of “hours misfit,” defined by the authors as “the mismatch between the number of hours the employee desires to work

and the actual number of hours worked.” Zahn and Sturman found that even though employers may be considering reducing employee hours due to economic situations, an understanding of the potential psychological impact on the workforce is needed.

“The hospitality industry has a variety of jobs, including those that require extensive physical exertion, those jobs with potentially long hours constantly on one's feet and jobs with ‘typical’ nine-to-five working hours during weekdays,” Zahn and Sturman wrote. “The amount of desired hours for these positions may vary greatly.”

Faced with the predicament of whether to save money by laying off workers or reducing hours, managers must consider the full consequences of those choices, according to Zahn and Sturman.

“While practices such as flex time and job sharing may be one means to soften the blow of receiving an unwanted schedule, the negative consequences to employees may be greater than initially expected, depending on the extent to which hours are cut,” Zahn and Sturman wrote.

The study authors suggest that an easy way to improve work conditions and employee quality of life, while at the same time addressing an organization's labor and financial needs, is to manage the fit between desired and assigned work hours.

“Managing reductions in work hours strategically can help maintain (or at least minimize the disadvantages in) employee attitudes and performance, and thus stimulate the business,” Zahn and Sturman wrote.

Faced with a downward economy and a lessening talent pool, finding ways to stimulate business is paramount for survival. And with so many economic options available, flexible work arrangements may just be the best answer—for both employee and employer. **one+**

JASON HENSEL is an associate editor of *One+*.