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SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

Workplace Flexibility in the 21st Century

Meeting the Needs of the Changing Workforce

Executive Summary:
Control Over Where and When Work Gets Done

According to this research, reasons that prompted organizations to offer flexible work arrangements (FWAs) range from requests from employees to organizational reasons and technological advances in teleworking. Employers tend to offer both formal and informal flexible work arrangements, such as part-time work schedules, telecommuting and flextime. Part-time schedules are the most prevalent FWA, with six out of 10 (58%) organizations offering this arrangement to their employees. Large-staff-sized organizations were more likely than small-staff-sized organizations to formally offer part-time schedules.

Although organizations in the United States are not required to offer FWAs, findings from this research show that formal FWAs have a positive impact on both employees and employers.

♦ The quality of employees' personal/family life is positively affected as a result of implementing flexible work arrangements, according to two-thirds of HR professionals (68%).

♦ Ninety-one percent of HR professionals believe implementation of formal FWAs had a positive impact on employee morale (job satisfaction and engagement).

♦ Retention of employees (89%) was also reported to have been affected positively by the implementation of flexible work arrangements.

The most common obstacle organizations experienced with formal FWAs is suitability of the job for flexible work (i.e., the type of work performed by an employee). One in three (36%) HR professionals cited business needs as a constraint to FWAs. Publicly owned for-profit organizations were more likely to experience this obstacle than nonprofit organizations.

Compared with previous years, 37% of organizations indicated an increase in the requests for FWAs by employees. Majority of HR professionals (85%) reported that in the next five years, telecommuting would likely (somewhat likely and very likely) be more commonplace for organizations in general than it is today. And 43% of HR professionals believed that in the next five years, a larger proportion of the workforce at *their* organization will be telecommuting. Companies with formal FWAs have seen increased productivity rates of telecommuters at their organizations and a drop in absenteeism.

Flexible work arrangements
Flexible work arrangements (FWAs) for the purpose of this research mean greater flexibility in the place of work, the scheduling of hours worked and the amount of hours worked. Such arrangements give employees greater control over where and when work gets done and over how much time they choose to work, leading to greater opportunities for employees to be able to enjoy an optimal balance between work and life responsibilities.

What Do These Findings Mean for Businesses?

♦ **Understand Your Business Needs:** Have your organization's needs changed? Are your customers demanding services 24/7? If so, your organization could benefit by implementing FWAs that best meet your business needs. Organizations can use FWAs to achieve their business goals and at the same time meet employees' need to do their work outside of traditional work hours. Employee requests (68%) were the top reason that prompted organizations to offer formal FWAs. Organizations reported that their ability to attract and retain employees and employee productivity were among factors positively affected by flexible work arrangements. During economically challenging times, when many organizations are searching for ways to cut costs, FWAs—for example, job-sharing or part-time positions—may be an alternative to downsizing through layoffs.

♦ **Open Communication:** Do employees understand how your FWA program works? Are FWAs appropriate for all of your business units? Are line managers involved in the design and implementation of FWAs? Including line managers in the design of FWAs program creates buy-in. Line managers who do not understand their organization's FWA policy or program may have a negative impact on how FWAs are administered within the organization. One-third of organizations saw inconsistency in policy and program implementation as one of the obstacles to FWA programs. Communication between line managers and their direct reports is vital to the success of an organization's FWAs. Open communication helps line managers understand their direct reports' needs. This will assist the managers in suggesting and supporting FWA that best meet both the employer's and employees' needs. Creating a flexible work culture where employees know that management wants them to succeed at work and in their personal lives will help employers design and implement effective FWAs that are mutually beneficial.

♦ **Gauge the Success of FWAs:** Does your organization have a way of measuring the success of its FWAs? It is important to be able to assess the success of such programs, especially during economically challenging times when budgets are receiving greater scrutiny. Overall, only 13% of organizations that formally offered FWAs reported measuring the success of these programs. If adequate information is not available to demonstrate the value of a program to the organization, that program may not get the support of top management. Organizations can use easy-to-administer tools such as employee surveys to measure their program participation rate and employee satisfaction with the program.

Retention of employees **(89%) was reported to have been affected positively** by the implementation of flexible work arrangements.

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The complete findings of the Workplace Flexibility Survey will be published in a survey report titled Workplace Flexibility in the 21st Century: Meeting the Needs of the Changing Workforce *in July 2009.*