



LEAD CENTER

The Business Case for Workplace Flexibility

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TODAY'S SPEAKERS

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The National Center on Leadership for the Employment and Economic Advancement of People with Disabilities (LEAD) is a collaborative of disability, workforce and economic empowerment organizations led by **National Disability Institute** with funding from the **U.S. Department of Labor's Office of Disability Employment Policy**, Grant No. #OD-23863-12-75-4-11.



LEAD CENTER MISSION

- ▶ To advance sustainable individual and systems level change that results in improved, competitive integrated employment and economic self-sufficiency outcomes for individuals across the spectrum of disability.



AGENDA

- ▶ Review of Learning Objectives
- ▶ Review the Mismatch of Today's Workplace Demands
- ▶ Learn how Workplace Flexibility / Flexible Work Arrangements (FWA) is a Solution for Work-Life-Health Integration
- ▶ Acknowledge FWA as a Business Strategy
- ▶ Understand Benefits to Employers and Employees
- ▶ Identify Ways to Support Workplace Flexibility
- ▶ Question and Answer



SEMINAR OUTCOMES

- ▶ As a result of this workshop, attendees will have a better understanding of:
 - ▶ Work-Life-Health Integration
 - ▶ Common Myths and Faulty Assumptions about Flexible Work Arrangements
 - ▶ Considerations for Presenting Workplace Flexibility to Employers
 - ▶ Workplace Flexibility Tools and Resources



PRESSURES FACING EMPLOYERS, EMPLOYEES, FAMILIES, AND BUSINESS

- ▶ Competition of Global Economy
- ▶ Ever-Increasing Health Care Costs
- ▶ Absenteeism - Presenteeism
- ▶ Legislation
- ▶ Recruitment and Retention
- ▶ Benefit Designs – Gaps
- ▶ 24/7 World
- ▶ Generational Workplace (Veteran, Baby Boomers, Generation X, Generation Y, or Millennials)
- ▶ Disability costs employers between 8% and 15% of payroll. Disability costs are expected to increase in the United States by 37% over the next 10 years.



CHANGING WORKFORCE DEMOGRAPHICS

- ▶ 66% of families are dual family incomes
- ▶ Working hours for couples have increased: Today nearly 70% work > 80hrs/week compared to 1970's statistic of 52.5hrs/week.
- ▶ In 2015, 20% of the workforce will be over age 55
- ▶ Labor shortage as Baby Boomers retire is increasing to an estimated 10 million workers by the end of the decade.



CHANGING WORKFORCE DEMOGRAPHICS (CONT.)

- ▶ Recent studies in 2010 indicate that more than 20% of workers age 55-61 and more than 10% of workers age 62-63 left the labor force due to disability or poor health.
- ▶ Researchers predict 50% of Americans will have at least one chronic condition and 25% will have multiple chronic conditions by 2020.
- ▶ Elder Care and Dependent Care are on the rise:
 - ▶ 42% of low-wage employees have a child under age 18 at home and 17% have elder care responsibilities.
 - ▶ Due to family caregiving responsibilities, many workers depart from the workplace each year. Replacing these workers is estimated to cost US employers more than \$6.5 billion/year.



SHIFT IN THE NATURE OF THE WORKFORCE REFLECTED BY CHANGES OF HOW CHILDREN ARE RAISED

When Baby Boomers grew up

- One home address
- Single income 2/3
- One TV five channels
- Bank 9-5 weekdays
- Neighborhood park
- Home-cooked dinner
- Library
- One car
- One telephone with cord
- News at six and ten
- One bathroom

Today

- Multiple addresses
- Dual income 2/3
- Multiple TVs and channels
- ATMs multiple banks
- Many sport & paid lessons
- Fast foods, microwaves
- Internet
- Multiple cars, keys
- Multiple phones, mobile
- 24/7
- Many bathrooms



STRESS

- ▶ Stress Institute of America figures stress is costing US Employers about \$300 Billion a year.
- ▶ Chrysalis Performance Strategies a conducted study that identified stress as being responsible for:
 - ▶ 90% of absenteeism
 - ▶ 40% of turnover
 - ▶ 55% of EAP costs
 - ▶ 30% of short and long-term disability costs 10% of
 - ▶ psychotherapeutic drugs
 - ▶ 60% of total workplace accidents
 - ▶ 100% of workers compensation lawsuits due to stress
 - ▶ Major factor in production loss due to “presenteeism”
 - ▶ Leading cause of unscheduled absence



BENEFITS AND PROGRAMS TO PROTECT THE HEALTH, PRODUCTIVITY, AND EMPLOYABILITY OF THE WORKFORCE

- ▶ Health Care Plans, Value Base Designs
- ▶ Income Replacement, STD, LTD
- ▶ Employee Assistance Programs (EAP)
- ▶ Safety and Ergonomic Programs
- ▶ Dependent Care Assistance Plans
- ▶ Leave Programs
- ▶ Wellness Programs
- ▶ Return to Work or Transitional Work
- ▶ Work – Life Management Programs
- ▶ Disease Management
- ▶ Retirement Plans



WE NEED A BETTER SOLUTION

the answer is.....

WORK – LIFE – HEALTH INTEGRATION



CORNERSTONE

For Creating a Culture of Work-Life-Health Integration.....

WORKPLACE FLEXIBILITY



WHAT IS WORKPLACE FLEXIBILITY?

- ▶ Workplace Flexibility or Flexible Work Arrangement is a business strategy that allows workers to make choices about core aspects of their work, such as:
 - ▶ Time - when and how long work is performed,
 - ▶ Place - where work is performed, and/or
 - ▶ Task - the specific tasks that are performed at work.



FLEXIBLE WORK ARRANGEMENTS - TIME

- ▶ Compressed Work Week: A work schedule that condenses one or more standard workweeks into fewer, longer days
- ▶ Flextime: A work schedule with variable starting and ending times, within limits set by one's manager. Employees still work the same number of scheduled hours as they would under a traditional arrangement. (7am-3pm or 10am-6pm)



FLEXIBLE WORK ARRANGEMENTS - TIME (CONT.)

- ▶ Part-time Work: A work schedule that is less than full-time but is at least half of the regularly scheduled full-time workweek.
- ▶ Personal or Family Leave: A block of time off while retaining one's job. (Personal or Family Leave may be paid or unpaid)



FLEXIBLE WORK ARRANGEMENTS - PLACE

- ▶ Home based - Staff conduct business from their homes.
- ▶ Telecommuting/telework center - satellite offices - Two or more staff members share office operations and space for a single employer to reduce commute time, alleviate traffic/parking/congestion problems.



FLEXIBLE WORK ARRANGEMENTS - PLACE (CONT.)

- ▶ Virtual/mobile office - Staff have the skills, equipment, tools and technology to perform job duties from wherever the person needs to be: home, office, car, etc.



FLEXIBLE WORK ARRANGEMENTS – TASK

- ▶ Job Sharing - An arrangement in which two or more part-time (or occasional) employees share the responsibilities of one full-time job at a pro-rated salary.
- ▶ Job Carving – Customizing a position by keeping one or more, but not all, of the tasks from the original job description.



FLEXIBLE WORK ARRANGEMENTS – TASK (CONT.)

- ▶ Negotiated Job Description – An individualized job description created by picking from all the tasks performed at the workplace.
- ▶ Job Creation – The creation of a new position based on unmet workplace needs.



EMPLOYERS CAN BUILD A CULTURE OF FLEXIBILITY

Workplace flexibility is a
business strategy.



WHO WANTS A FLEXIBLE WORK ARRANGEMENT?

- ▶ Nearly 80% of workers report that they would like flexible work options and would use them
- ▶ 90% of Telecommuters report FWAs enable them to balance work and family better
- ▶ Older workers indicate that flexibility would assist them in remaining in the workforce
- ▶ Older workers also indicated that reduced working hours was the most attractive feature of phased retirement options
- ▶ FWA assists workers with disabilities and chronic illnesses to manage their health-related concerns



WHICH EMPLOYERS ARE FLEXIBLE?

- ▶ Currently, employers most likely to be moderately to highly flexible:
 - ▶ are non-profits;
 - ▶ are larger; >500 employees
 - ▶ have more women in their workforces;
 - ▶ have fewer union members;
 - ▶ have fewer hourly employees;
 - ▶ have more part-timer employees, and
 - ▶ have more women and racial or ethnic minorities in top/senior positions.



WHO CAN OFFER A FLEXIBLE WORKPLACE ARRANGEMENTS?

ANY Employer

- ▶ Large employers
- ▶ Small employers
- ▶ For profits
- ▶ Not for profits
- ▶ Public entities
- ▶ Private entities
- ▶ Small business
- ▶ Micro-enterprise



EMPLOYERS MAIN REASONS FOR IMPLEMENTING WORK LIFE INITIATIVES

Open-ended study of employers asked for the reasons why employers offered work-life programs:

1. Retention of employees in general (retention of high-skilled)
2. Help employees manage work and family life
3. Morale
4. Legal mandates
5. Recruiting employees
6. “It is the right thing to do”



WHAT ARE THE BARRIERS TO UNIVERSAL WORKPLACE FLEXIBILITY?

- ▶ One prominent barrier is the continuation of misunderstandings about flexible work arrangements, including which types of workers benefit, what size employers can participate, and which types of businesses benefit.



MYTH #1

Flexible workplace strategies are only for special interest groups such as individuals with disabilities or women with small children or favor for individuals.

TRUTH

Workplace flexibility is a universal strategy that is beneficial to all working parents, older workers, individuals with disabilities, and most others who seek a balance between their work and personal lives.



MYTH #2

Flexible strategies are too expensive to implement, especially for small employers.

TRUTH

Not so! Because workplace flexibility increases employee retention, job satisfaction and engagement, many employers save money by minimizing the time they spend recruiting, hiring and training new employees.



MYTH #3

Offering flexibility to low-wage employees isn't worth the investment.

TRUTH

Not so! When low-wage employees are treated with the consideration offered to higher-wage employees, we find employers get a workforce that is more satisfied and engaged with their work, has less home interference with work, and is more likely to stay with their current employer.



MYTH #4

Flexibility is wasted on employees in high-turnover industries such as retail, hospitality, restaurant, and tourism.

TRUTH

Companies in high turnover industries should look to the flexibility they offer to employees as one way they can encourage longer retention times and reduced turnover costs.



MYTH #5

One size does not fit all employees.

TRUTH

The belief that employers cannot change a job description to be aligned with the strengths of a job candidate is misguided. Employers need to be shown that job descriptions and the tasks associated with them can be changed.



WORKPLACE FLEXIBILITY IS A WIN - WIN

- ▶ Employer & Employee Benefits of Workplace Flexibility include:
 - ▶ Responsive to needs of workforce and workplace
 - ▶ Enhances recruitment and retention
 - ▶ Integrates Work-Life-Health
 - ▶ Increases job satisfaction, loyalty and engagement
 - ▶ Lowers stress and health care costs
 - ▶ Improves productivity and performance



THE BUSINESS CASE HAS BEEN MADE

- ▶ Costco, which notes flexibility as a key benefit, has achieved a rate of turnover that is one-third of the industry average of 65%.
- ▶ Workplace flexibility saves businesses money during emergencies and weather-related disruptions. The federal government's telecommuting policies resulted in savings of more than \$30 million a day during snow-related closures in 2009 and 2010.
- ▶ UPS launched a telecommuting program at its corporate headquarters, increasing productivity by 17%. More than 85% of telecommuters at UPS reported an increase in job satisfaction. Offering employees the option to telecommute reduces real estate and other overhead costs.



KRAFT

- ▶ Profile: A food and beverage manufacturing company. Employs 62,000 people in 100 plants; 59% of these employees are hourly workers.
- ▶ Challenge: Employee dissatisfaction particularly among hourly workers in plants.
- ▶ Solution: In 2002, instituted a Fast Adapts program that allows workers to use flexible arrangements - swap shifts, single days off, vacation requests, job sharing arrangements, and utilization of retirees to cover shifts for employees out on leave, vacation or extended illnesses - pending approval of the plant manager or supervisor.
- ▶ Outcome: Employee satisfaction survey revealed improved levels of satisfaction and work-life integration.



FIRST TENNESSEE BANK

- ▶ Profile: Financial services company with 8,000 employees, 259 banking sites in TN, MS, and AK, and 150 mortgage banking offices in 28 states.
- ▶ Challenge: Cost and customer complaints associated with employee turnover.
- ▶ Solution: Implementation of flexible work schedules and part-time work options with benefits. Employees were permitted to reduce their hours to as few as 20 while retaining benefits. Created a voluntary program allowing workers to bring their sick children to a local hospital where they receive care for up to 12 hours at a cost of \$15 to an employee (Bank subsidizes the program). Passes local control over decisions about attendance and scheduling to individual branches.
- ▶ Outcomes: Bank reports savings of \$3 million in turnover costs. Customer retention was 96% compared to industry average of 87%. 60% of employees use some sort of flexibility at the bank. The bank demonstrated that employee satisfaction increased, customer retention increased, and both improvements translated into \$6 million in profit over two years time.



OTHER EMPLOYER SUPPORTERS

- ▶ IBM Corporation
- ▶ Johnson & Johnson
- ▶ Merck
- ▶ Verizon
- ▶ Bloomberg LP
- ▶ Chevron Corporation
- ▶ Citi
- ▶ Deloitte & Touche
- ▶ Northrop Grumman Corporation
- ▶ United Technologies Corporation
- ▶ JPMorgan Chase & Co.
- ▶ LifeCare, Inc.
- ▶ Marriott International
- ▶ MetLife
- ▶ GlaxoSmithKline
- ▶ Eileen Fisher, Inc.
- ▶ Goldman, Sachs & Co.
- ▶ Eli Lilly and Company
- ▶ The McGraw-Hill Companies
- ▶ Ernest and Young
- ▶ Astra Zeneca
- ▶ PNC
- ▶ PricewaterhouseCoopers
- ▶ Prudential Financial
- ▶ Saks Incorporated
- ▶ Sara Lee Corporation
- ▶ Allstate Insurance Company
- ▶ Bright Horizons Family Solutions
- ▶ Bristol-Myers Squibb Company
- ▶ Campbell
- ▶ Credit Suisse
- ▶ Deutsche Bank AG
- ▶ DuPont
- ▶ Discovery Communications, Inc.



CONSIDERATIONS FOR NEGOTIATING FLEXIBLE WORK ARRANGEMENTS

- ▶ Understand the range of FWA options
- ▶ Encourage employees to ask about, know about, and request flexible options
- ▶ Identify questions for consideration in thinking about Flexible Work Arrangements



QUESTIONS TO CONSIDER – FLEXIBLE TIME

- ▶ When approaching an employer/supervisor consider the following:
 - ▶ How will the needs of the organization and customer/client be met?
 - ▶ Does the job contain tasks that can be done at non-traditional times?
 - ▶ Have support needs of the employee and the supervisor been carefully assessed?
 - ▶ In the absence of the supervisor, can the staff member function independently?
 - ▶ Can arrival and departure times be monitored?
 - ▶ What will the impact be on the other work functions of the unit/department/team?
 - ▶ Can "core hours" be established for managing peak periods, coordinating work among staff, scheduling meetings, office events, etc.?
 - ▶ Can accountability and clear performance expectations be provided?



QUESTIONS TO CONSIDER – FLEXIBLE PLACE

- ▶ When approaching an employer/supervisor consider the following:
 - ▶ Has the staff member demonstrated independence and good judgment?
 - ▶ Is the staff member trustworthy?
 - ▶ Is the staff member highly disciplined, requiring minimum supervision?
 - ▶ Can "core office hours" be established for managing peak periods, coordinating work among staff, scheduling meetings, etc.?
 - ▶ Can a point of contact, such as a secretary, to deal with incoming calls, visitors, or unforeseen situations be established?
 - ▶ Has the impact on the other work functions of the department been evaluated?
 - ▶ Has the effect on work flow and productivity been determined?
 - ▶ Have costs to provide equipment/support to work at an alternate location been determined?
 - ▶ Have guidelines for work assignments, work flow, communications, work space, objectives, time on-site, and a contact person been established?



QUESTIONS TO CONSIDER – FLEXIBLE TASK

- ▶ When approaching an employer/supervisor consider the following:
 - ▶ Does the negotiated employment relationship meet both the unique needs/strengths/interests of the employee and the needs of the employer?
 - ▶ Does the job fit the employee and leave flexibility for the potential for advancement?
 - ▶ Does the employee have a personalized job description and/or other employer expectations that did not exist prior to the negotiation process?
 - ▶ Will the individual make a tangible contribution to the organization?
 - ▶ Are the responsibilities of the position listed in the employee's job description?
 - ▶ Do the supervisor and employee both have a clear understanding of the tasks to be completed?



NEGOTIATING FWA

- ▶ Negotiating is a key component of securing flexible work arrangements.
- ▶ After considering all of the “questions to consider” develop an FWA proposal
 - ▶ Proposal may be a formal written document you will present to and negotiate with an employer.
 - ▶ Proposal may outline the conversation/negotiation you plan to have with an employer.



FWA PROPOSAL

- ▶ **Introduction** - Outline the purpose of the proposal
- ▶ **Flexible work plan** – The FWA you are asking for and how you imagine it would work.
 - ▶ **Work schedule** – New hours, days, weeks to be worked
 - ▶ **Position description and responsibilities** – Overview of your position that highlights how the new arrangement would meet the responsibilities of the position. Include responsibilities to be re-assigned, shared, or eliminated; advantages of this arrangement; how issues will be addressed.
 - ▶ **Workplace communication** – Plan for how and when you would tell people about the new arrangement and gain their commitment and support and how would you maintain communication with key people.



FWA PROPOSAL CONT.

- ▶ **Anticipated impact and solutions relative to performance** - Address issues that have or may arise with the supervisor to help the decision-maker understand how your situation fits with the context in which they are working.
- ▶ **Physical set up** – Equipment necessary to work from home; positive aspects of relinquishing office space.
- ▶ **Development and progression** – Restate commitment to the job, team, and goals. Identify ways FWA will support personal progression, productivity, and effectiveness.
- ▶ **Savings/benefits** - Outline the savings or benefits to the company that would result from the new work arrangement.



FWA PROPOSAL CONT.

- ▶ **Evaluation** – Identify how the success of the arrangement will be measured: performance review, a trial period, and/or specific measurable outcomes.
- ▶ **Start and finish time** - Document when the arrangement would begin and end.
- ▶ **Summary** - The proposal summary should provide an overview and might cover the following things:
 - ▶ **Advantages to the work area**
 - ▶ **Your achievements in line with your position description**
 - ▶ **Evidence that you can manage change**
- ▶ **Attachments** – Any relevant attachments (performance review, kudos, info on FWA)



RESOURCES - TOOLKITS

- ▶ ODEP Workplace Flexibility Toolkit -
<http://www.dol.gov/odep/workplaceflexibility/>
- ▶ Employer Alliance Work-Life Toolkit –
<http://www.employeralliance.sg/toolkit/>
- ▶ When Work Works Workplace Flexibility Toolkit -
<http://familiesandwork.org/3w/toolkit/webpage-toolkit.html>



RESOURCES - WEBSITES

- ▶ How to Ask for a Flexible Work Arrangement - <http://www.workoptions.com/fastest-way-to-get-flexible-work>
- ▶ Customized Employment and Flexible Work Arrangements - <http://www.dol.gov/odep/topics/CustomizedEmployment.htm>
- Negotiating with Employers - <http://www.dol.gov/odep/categories/workforce/CustomizedEmployment/practical/negotiate.htm>



RESOURCES - RESEARCH

- ▶ National Study of Employers 2012
http://familiesandwork.org/site/research/reports/NSE_2012.pdf
- ▶ Campaign to support WFA
<http://www.workplaceflexibility2010.org/>
- ▶ Work-life Balance and the Economics Of Workplace Flexibility
<http://www.whitehouse.gov/files/documents/100331-cea-economics-workplace-flexibility.pdf>
- ▶ Business Impacts of Flexibility
<http://www.cvworkingfamilies.org/system/files/Business%20Impacts%20of%20Flexibility.pdf>



QUESTIONS?



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