



Rules of Engagement for a Flexible Work Environment—Finding Common Ground

By Cathy Healy

Workplace flexibility once thought of as an unconventional perk solely for top-performing employees in large companies is finding new life. Managers across diverse industries are discovering the business benefits of implementing flexible work practices. In fact, one type of workplace flexibility—working from home through telecommuting—is growing in popularity. A recent *Wall Street Journal* article points to research conducted by Gartner Inc., a technology research firm which maintains that “more than 23% of the country’s workforce worked at least one day a month at home in 2005, up from 12% in 2000. Gartner predicts that this figure will grow to more than 100 million workers by 2008.”¹

Telecommuting is just one of the myriad ways employers are incorporating workplace flexibility as a strategic management tool. Many more employers are getting on board with the concept and defining how flexibility works for their companies and their employees. In the 2005 *National Study of Employers*² conducted by Families and Work Institute, a large number of employers indicated that they utilize flexibility as a business strategy, with 47% reporting that a main reason for implementing flexibility is to recruit new talent *and* to retain current employees. Additionally, 25% of the same study report putting flexible practices into place to enhance the productivity and commitment of employees. Yet, some employers are still unaware of the returns on investment that flexible practices provide or are largely unable to envision how flexibility could work in their organizations.

This business brief is the first of two produced by the U.S. Chamber of Commerce’s Center for Workforce Preparation (CWP). It draws from the 2004–2005 findings of the ongoing *When Work Works* initiative, where employers in eight chamber of commerce-sponsored community forums across the United States presented their experiences in providing flexibility. During 2004–2005, 34 prestigious Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility were presented to outstanding companies in these communities, following a rigorous process that surveyed both employers and employees. These distinguished companies ranged in size and type of industry and were honored for their commitment to making work work for themselves and their employees. **The Rules of Engagement—Finding Common Ground** documents how successful employers shape and define workplace flexibility.

When Work Works is a project of Families and Work Institute sponsored by the Alfred P. Sloan Foundation in partnership with The Center for Workforce Preparation an affiliate of the U.S. Chamber of Commerce and The Center for Emerging Futures. For more information, go to www.whenworkworks.org.

Finding Common Ground

Despite differences in size and industry, companies adopting effective workplace flexibility practices have broken common ground. Those at the vanguard have engendered a workplace culture in support of it. This culture hinges upon the ability of employers and employees to partner in developing solutions for how customers will be served, co-workers supported, and the company's profitability realized. When people can take responsibility for how and when their jobs are completed, the organization benefits. Value is placed on personal and professional growth encouraging employees to take advantage of learning opportunities. In short, the supportive flexible work culture does not assume that it knows what is best for employees' optimum productivity nor does it suggest that workplace policies be developed in secret without employees' knowledge. Ongoing feedback is not only encouraged; but it is sought after.

Flexibility when proffered in the context of an "effective workplace"³ finds employees who are more loyal, more productive, more engaged, and exhibit better mental health.⁴ This type of workplace has also traded traditional management rules that center on a manager's command and control over employees in favor of "newer" rules of engagement. The new management rules incorporate a shared responsibility between the employer and the employee. When in place, they can be powerful indicators of success and the most strategic business practices an employer can institute in managing a 21st century workforce.

Employers considering introducing workplace flexibility can learn from the lessons of others—finding the common ground they need to make work work for their employees and their companies. What follows are the stories of three recipients of the 2005 Alfred P. Sloan Award for Business Excellence in Workplace Flexibility. Though each industry has its own challenges and solutions, the common elements of an effective workplace supporting flexibility are ever present.

Co-worker Support Guarantees Seamless Customer Service

Long Beach, California, is the home to Ward's Furniture. A 60-year-old family business with 17 employees, Ward's has had unparalleled employee longevity with a number of staff working 10 to 20 years for the company. Brad Ward, vice president, knows the realities of the furniture retail business. While he sees other furniture retailers closing their doors, Ward's Furniture is experiencing a 5 to 10% growth in annual sales.

Though Ward never thought of flexible scheduling as a retention tool, he stumbled upon it when one of his longtime employees requested it. The diagnosis of a medical problem for one of the children of his bookkeeper meant a need for more intense hands-on parenting. Not wanting to lose this valuable employee, Ward and the bookkeeper examined her work activities and found that only 20% of the work needed to be done in the office. There was no reason why the other 80% could not be done from home. As a result of careful planning, the bookkeeper works in the office two half days each week and the rest of her work responsibilities are completed at home.

The sales force also benefits from the flexible scheduling. One employee, a PTA president, and another, a local Boy Scout leader, needed to be off every other Saturday to fulfill their responsibilities. To help maintain equity among the workers, everyone is involved in staffing

and scheduling decisions so that there is adequate coverage and employees can meet their outside obligations. Additionally, Ward's Furniture has had a commitment to employ married college students with families. At the start of the academic year, two students are recruited to work alternate shifts accommodating both their schedules in order to meet the needs of the job and their academic requirements.

Education Is Highly Prized

Achieving business goals by encouraging employees to maintain skills and acquire new ones is a key strategy for Brogan and Partners Convergence Marketing. A successful firm with offices in three regions, Brogan and Partners provides communication strategies and vehicles to help clients build brands and build business. The company has earned numerous awards and honors, and boasts an average 6.5-year tenure for employees in an industry known for rapid turnover. Founded by a former creative director in a large advertising firm, Marcie Brogan desired a work environment that would stimulate her professional growth and support her personal spirit. She found that this kind of work environment not only benefits her and her employees, but is also good for business.

Weekly schedules are decided at the weekly staff meetings, and employee needs and business needs are openly discussed. Staff are encouraged to speak freely, and no one is prohibited from requesting a flexible schedule if it is necessary. Depending on the nature of the work, employees can stagger starting and ending times as long as the customer is not impacted and co-workers have been informed.

Staff members were interested in continuing their education at the local community college. Some of the required classes were only offered during business hours. To ensure coverage, those attending class worked out schedules with co-workers and made up for missed time by starting the day earlier or ending later.

Employees Have Input into Management Decision-Making

The Associated Regional and University Pathologists, Inc. (ARUP Laboratories), a nationally acclaimed medical testing reference laboratory, is owned and operated by the University of Utah. Founded in 1984, it has developed a set of innovative recruiting and retaining strategies to secure a qualified workforce. Based on employee surveys, focus groups, employee suggestion boxes, and CEO-led town hall meetings prompted by high turnover, innovative flexible schedules have been created. These strategies have proven to be so successful that the company's workforce has more than doubled from 700 employees in 1992 to 1,700 employees in 2004. Today, the average turnover rate is 11%, down from 19%–22% in the past, and employee satisfaction surveys show consistently high ratings.

Because the company requires skilled talent 24 hours a day, 7 days a week, flexibility is defined in a unique way. Many laboratory testing personnel work a seven-day on and seven-day off schedule during a two-week period. This type of schedule consists of 10-hour shifts for 7 days straight, with the next 7 days off. It provides sufficient staffing and is the most popular arrangement among employees. Workers are paid for an 80-hour work period though they only work 70 hours.

Another high demand occupation, processing technicians has required ARUP Laboratories to offer other flexible options as well. In addition to the 7-day on, 7-day off schedule, there are 4-day, 10-hour shifts; 5-day, 8-hour shifts; graveyard shifts, and weekend shifts. The company also credits several defined incentive programs, cash bonuses, employee health and wellness programs, and generous benefit packages to reducing turnover.

Conclusion

The overarching principles of an effective workplace make certain the fulfillment and growth of individuals over time. The new rules of engagement in managing a 21st century workforce will ensure a competitive workforce advantage—employees who are involved and loyal are more likely to stay on the job longer and become top producers.

For more information about workplace flexibility and effective workplaces please visit www.whenworkworks.org or www.uschamber.com/cwp/strategies.

The Center for Workforce Preparation (CWP) is a nonprofit affiliate of the U.S. Chamber of Commerce that focuses on workforce development and quality education issues. It develops workforce strategies for businesses, chambers of commerce, and communities to hire, train, retain, and advance skilled workers in the 21st century.

CWP's partnerships with local chambers, other workforce development organizations, and funders have been instrumental in defining and demonstrating the important role of local chambers in workforce development and education. Together, CWP and local chambers excel at reaching small and medium-size businesses, where the majority of job growth occurs.

Workforce development is about more than hiring and training the right workers. It is about identifying and addressing other critical factors such as transportation, health care, and child care that enable people to work and advance in their careers. CWP promotes lessons and promising practices from successful communities to encourage chambers and employers to build resources that support productive workplaces.

¹ Rhoades, C., Silver, S. *Working at Home Gets Easier Advances in Technology Make Telecommuting More Feasible*. The Wall Street Journal, 29 December 2005, Sec. B.

² Bond, J. T., Galinsky, E., Kim, S. S. and Brownfield, E. (2005). *National Study of Employers*.

³ Bond, J. T., Galinsky, E., and Hill, J. E. (2005). An effective workplace is one in which six key characteristics are present: job autonomy; supervisor support; co-worker support; an emphasis on learning; encouraging employee input in management decision making, and working flexibly.

⁴ Galinsky, E., Bond, J. T., and Hill, J. E. (2004). *When Work Works, A Status Report on Workplace Flexibility*.