

# INNOVATIVE WORKPLACE FLEXIBILITY OPTIONS FOR HOURLY WORKERS

## Key Findings

- This research — building on the findings of Corporate Voices' *Business Impacts of Flexibility* study — suggests that workplace flexibility works as well or better for hourly workers as it does for professional employees.
- Workplace flexibility with an hourly and low-wage workforce is a critical management tool to meet core business goals including recruitment, retention, engagement, cost control, productivity and financial results.
- Implementing hourly workplace flexibility as a management tool rather than as an accommodation increases the return on investment for businesses.
- Factors that help flexibility work for professional employees are even more essential for hourly workers. Providing a variety of flexible work options that are compatible with hourly jobs, enabling workers to adjust work hours and access time off when needed, creating a supportive work culture and engaging work teams in designing and managing flexible work are key ingredients to effective hourly workplace flexibility solutions.

## Introduction

Lower-wage workers are critical to the growth and prosperity of the U.S. economy, but this segment of the workforce remains underserved in both policy and research discussions. Workplace flexibility for lower-wage workers is an area in which there is great potential for impact and change. Recent research about the positive business and employee impacts of flexibility has focused primarily on management and professional workers. There is evidence, however, that when flexibility is available, it can have equal or even more powerful outcomes for lower-wage workers. The purpose of this study is to create a broader awareness of the positive business and employee impacts of flexibility for lower-wage hourly and nonexempt workers and to provide practical tools and information about the conditions and practices that make flexibility possible and profitable.

Based on research in five organizations, including **Bright Horizons Family Solutions, Marriott International, Inc., PNC Financial Services, and Proctor and Gamble**, this report provides evidence that flexibility for lower-wage hourly and nonexempt workers is being used effectively in a variety of business settings. Through case study examples of flexibility practices, quantitative survey findings about the use of flexibility and its business impacts, and concrete tips and tools from lessons learned, this report provides models that can be adapted for other organizations.

The organizations that participated in this study represent diverse industries (financial services, hospitality, child care and consumer products) and job types (customer-facing workers as well as operations workers). Participating employees include child care providers, customer service representatives, operations specialists, production workers, administrative assistants, sales agents and others.

The flexibility practices investigated by this study fall into three categories that address the unique needs of lower-wage workers. Research has shown that given the nature of their jobs, economic constraints and family needs, the types of flexible work options that are possible and that are beneficial for lower-wage workers are somewhat different than for higher-wage workers. This study therefore includes several of the “traditional” forms of alternative work

arrangements, but also takes a greater look at flexibility that results from greater employee control over scheduling and personnel policies regarding occasional or episodic flexibility — two forms of flexibility to which lower-wage workers have had less access than exempt or higher-paid employees.

To access the complete report, *Innovative Workplace Flexibility Options for Hourly Workers*, please visit: [www.corporatevoices.org/publications/workplaceflex](http://www.corporatevoices.org/publications/workplaceflex).

To access a *Guide for Implementing Flexibility with an Hourly and Nonexempt Workforce*, which includes toolkits for managers and for hourly workers to implement flexible work arrangements, visit: [www.corporatevoices.org/publications/workplaceflex](http://www.corporatevoices.org/publications/workplaceflex).

## About the Study

The data for this report come from several sources: a review of company business information concerning flexibility policies and results, a quantitative survey, and qualitative focus groups and interviews. The survey was conducted primarily online with more than 200 managers and approximately 1,300 lower-wage, nonexempt and hourly workers who utilize flexibility. A small comparison sample was included of about 130 employees who perform comparable jobs in the same companies but do not use flexibility. Twenty-five focus groups (21 groups with employees and 4 groups with managers) and 25 interviews were conducted with middle- and senior-level human resources (HR) and line managers; in addition, in one organization, six individual interviews were conducted with first-level managers in place of a focus group. The study also includes business case studies from **Bright Horizons Family Solutions, Marriott International, Inc., PNC Financial Services, and Proctor and Gamble**. This research and report was conducted by WFD Consulting on behalf of Corporate Voices for Working Families and made possible by the support of the Alfred P. Sloan Foundation. The complete report is available at [www.corporatevoices.org](http://www.corporatevoices.org).

## Business Drivers and Business Impacts of Flexibility

Flexibility has often been positioned as simply an accommodation to employees, but the data summarized in this report demonstrate that employers can gain tremendous benefit from providing flexibility in when and how work gets done. Lower-wage workers in the companies that participated in this study utilize a wide array of flexibility options with powerful results for individuals and their organizations. In these cases, flexibility has been implemented as a management tool to address a variety of business needs: to effectively manage human resources (recruit, develop and retain talent), control costs, enhance well-being and increase productivity.

### Flexibility as a talent strategy for recruitment and retention

More than 80 percent of managers and employees say flexibility is important to recruitment and retention.

- In child care, where there is a shortage of qualified early childhood teachers, flexible work options are used as talent management strategies to recruit and retain individuals who are committed to their profession and to tap into a wider labor pool than might be possible by offering a more limited choice of work schedules.

- Companies have found that offering flexible schedules and innovative time-off policies contributes to being an employer of choice for millennial workers in a competitive labor market.
- For positions in customer service and sales with typically high turnover, flexibility is an effective way to keep high-performing employees in both the short term and the long term. The companies in this study use flexibility as a way to respond to the changing needs of their workers throughout their lives (going back to school, raising a family or caregiving, transitioning back to work after giving birth, or balancing work with retirement).
- Flexible work options are used in businesses with continuous operations that need weekend coverage or whose business hours extend beyond a 9-5, eight-hour day. This includes voluntary part-time positions as well as flextime and compressed work schedules.

### Flexibility as a strategy to control costs and boost productivity

Managers and employees agree that flexibility has positive impacts for the business and for the employee — on productivity, customer service, employee work-life effectiveness, and stress and well-being.

- Flexible schedules are an effective means of managing personnel costs, in particular overtime costs, which is a win-win for employees and the business. Flexibility is cost and resource neutral when planned for, and personnel and productivity costs of unscheduled absences are avoided. By building flexibility into the staffing models, some of the companies reduce overtime costs and offer more control and choice to employees over their working hours. In addition, some of the companies have documented productivity gains and cycle time reductions as a result of implementing flexible work options.

## Flexibility Best Practices and Recommendations

- 1. Adopt a team-based approach to flexibility.** Given the nature of many hourly jobs, employee work schedules are interdependent. Establish clear business parameters and performance expectations and then build flexibility into staffing models, cross training team members on essential skills and processes. Use the implementation of flexible work schedules as an opportunity to enhance operational effectiveness as well as employee effectiveness.
- 2. Empower employees in the design of flexible work practices and for ongoing success.** Involving the work team in the design and ongoing management of flexible work solutions builds commitment to business goals, ownership of the flexibility process and achievement of results. Agree to pilot solutions for a specific time period and measure results.
- 3. Provide employees with some choice and control over their work hours through access to flextime and “just-in-time” time off.** Giving employees more control over their work hours through ongoing flextime and the ability to occasionally adjust work hours has the highest impact on employees. Strategies that increase employee control and choice include personnel policies and management practices that enable workers to manage shift trades, make up time in the same pay periods, and take vacation and sick time off in small increments, as well as scheduling systems that incorporate employee preference.

4. **Provide a variety of flexibility options.** Employees utilize multiple formal and occasional flexibility and time-off options to meet business and personal needs. Offering a variety of options makes a difference — the specific types, the overall number of flexibility options used, and the ease of access to occasional and time-off strategies all predict higher employee satisfaction and engagement, lower turnover, and less stress.
5. **There is no “one-size-fits-all” flexibility solution — flexibility “fit” is important.** Creating a supportive culture and offering a variety of options enables a better flexibility “fit” to suit the unique needs of employees and the requirements of their jobs. Use of certain types of arrangements, the number of flexibility options, and ease of access to occasional flexibility and time off all increase flexibility “fit.” Having flexibility “fit” is strongly related to employee engagement, well-being and retention.
6. **Equip managers to incorporate flexible work practices through information, training and accountability.** Managers are even more important to the success of flexibility for hourly workers than for professional workers. Managers are the main conduit for information about flexibility options, and employees are reliant on managers to approve flexibility arrangements. Managers’ openness to new ways of working, support for flexibility, and comfort with and willingness to involve employees in developing flexible work solutions are necessary if flexibility is to succeed.
7. **Develop clear guidelines/policies and a request process; apply policies consistently.** Fair and consistent application of clear policies is one of the most important factors in the success of flexibility for hourly workers. Policies, transparent evaluation of flexibility requests and explicit performance expectations provide the infrastructure that employees and managers need to utilize flexibility effectively for business and personal success.
8. **Communicate effectively.** Effective communication is even more crucial to high performance when workgroups utilize flexibility than when team members all work on the same schedule and in the same location. Making staff schedules readily available and updating critical business information in real time across the team ensures seamless operation. Regular meetings and discussions strengthen interpersonal relationships and keep performance expectations on track. Finally, promoting flexible work options, expressing leadership support and sharing success stories contribute to a work climate in which flexible work practices are more broadly accessible and accepted.
9. **Use technology and tools to manage flexibility effectively.** Constant improvements in technology enable more widespread use of flexible work practices and greater efficiency by providing managers with tools to project and manage staffing needs and by giving workers more control and choice over work hours. E-mail, instant messaging and simple productivity tools provide information about staff availability and daily deliverables and keep the workgroup connected regardless of work hours or location.
10. **Use flexible careers as a talent management and a talent development strategy.** In industries with competitive labor markets, companies use flexibility as a tool to recruit, develop and retain high-performing employees throughout their lives. Managers and human resource professionals who interact with employees at key decision points in the employment life cycle and who are willing to think creatively are able to offer flexible work options as a strategy to help employees achieve their longer-term career and personal goals, while concurrently meeting business needs.

## Implications and Conclusions

In this study, we find that it is not only formal flexibility arrangements that produce impressive results. Progressive personnel policies and a work culture that supports occasional flexibility that gives workers access to a variety of flexible work options and to more control over their work schedules are powerful drivers of business success. When companies provide employees with an array of flexible work options and an environment in which it is possible to access flexibility opportunities without barriers, employees develop their own strategies to use the options that best meet their individual needs, while also satisfying business requirements.

The unique needs of employees and 21<sup>st</sup> century working families, both at work and at home, suggest that there is no “one-size-fits-all” flexibility solution. While specific types of flexible work arrangements may lend themselves to more favorable outcomes for employees and organizations than others, there is little doubt that a variety of flexible work options enables a better flexibility “fit” to suit the unique characteristics of employees. We find that the use of a variety of options has an even greater influence on well-being, work-life effectiveness and business results.

Companies that have created and effectively implemented flexibility options for their lower-wage workers receive a high return on investment due to the many positive outcomes for their employees and their own business: Their return on investment comes in the form of better recruitment and retention of talent, increased employee engagement, productivity and effectiveness, lower levels of stress and burnout, and better customer service — all of which produce better financial results.

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### CORPORATE VOICES FOR WORKING FAMILIES

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We are a unique voice, and we provide leading and best-practice employers a forum to improve the lives of working families, while strengthening our nation’s economy and enhancing the vitality of our communities.

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