

CORNELL HR REVIEW

IT'S IMPORTANT TO KEEP FLEXING

Saad Moheet

A recent study of more than 1,500 workers found that nearly a third considered flexibility to be the most important factor when considering employment offers.¹ Surprisingly, employers are just as quick to sing praises of the benefits associated with accommodating their workforce. When asked in a survey, 91 percent of HR professionals agreed that flexible work arrangements positively influence employee engagement, job satisfaction, and retention.²

Although a few firms still contemplate whether or not the benefits outweigh the costs of increasing workplace flexibility accommodations, most organizations have already moved past these initial rounds of deliberation, and are beginning to calculate the implications. Eighty percent of all businesses surveyed by WorldatWork offered flexible work option arrangements to employees. However, only 37% of those surveyed report they have a formal, written philosophy or policy to support employee flexibility options.³ Currently, firms are faced with two real issues as they continue on the path of embracing workplace flexibility. First, how can an organization create a culture that maximizes as well as sustains the benefits of workplace flexibility? Secondly, what are some of the challenges an organization should be careful to avoid or mitigate when building out workplace flexibility?

Creating a Culture That Can Maximize on the Benefits of Flexibility

The approach in workplace flexibility is defined differently from one organization to another, but the desired outcomes are generally the same. These business outcomes are demonstrated in high dollar value performance measures like increased productivity, lower absenteeism, as well as spikes in day-to-day engagement, which in itself has numerous benefits to the employer. Workplace flexibility arrangements, both in policy and practice, work best in firms where “flexibility” is part of the firm’s identity. Organizations with higher levels of strategic flexibility built into their culture tend to have significantly higher levels of perceived employee engagement, motivation and satisfaction. Employers that scored themselves as having an “established flexibility culture” had a positive impact on all three outcomes: engagement (85%), motivation (84%), and satisfaction (92%).⁴

The same firms from which these results are derived tend to also train their managers and employees on how to use flexibility as a tool at a higher rate. They also offer increasingly flexible work arrangements to their workforces and market their flexible work options more when advertising for open positions. These actions continue to grow their flexible culture with the addition of newer and further accommodating practices. It’s important to note that these multinational companies did not introduce their accommodating culture overnight. In fact, firms like multinational technology giant Cisco Systems developed and expanded their policies over the span of several years to help achieve business objectives.

Increasingly more executives like the ones at Cisco Systems recognize workplace flexibility's role in managing and engaging talent, maximizing productivity, and achieving strategic goals. As such, firms should begin adopting practices that transition into a culture that gets the most out of their workforce while working towards desired business outcomes. One can think of these measures as four specific compartments.⁵

Create:

Engage managers in a discussion of how flexibility can address their business concerns, as well as markedly improve the rate of return to their shareholders. Research shows that organizations with higher employee satisfaction report larger than average annual returns to investors.

Assemble a company-wide task force that is both inclusive and representative of employees at all levels of the organization. Their goal is to initiate and monitor a flexibility effort.

Encourage flexibility pilots as a way to encourage managers to test the flexible arrangement without making a long term commitment or to make adjustments for continuous improvement

Train:

Deliver mandated training programs that teach managers on different fronts. These include how to develop measurable employee performance goals for an employee that might be in a different location as well as how to manage virtual work teams.

Teach both employees and managers how to negotiate and maintain successful flexibility arrangements with co-workers and work teams.

Incentivize:

Tie manager performance evaluations to their ability to create a supportive work environment that retains valued employees and delivers quality results on schedule.

Sustain:

Develop a system for tracking flexibility usage; assessing employee and manager satisfaction; and measuring impact on key business factors such as reduced absenteeism or increased retention.

Create guidelines that clearly state responsibilities for all employees requesting flexibility. Communicate these responsibilities in public forums, brochures, and company newsletters.

Roll out a decision making process for requesting, approving, and monitoring flexible work options.

Key Considerations When Considering Increased Flexibility

When considering the implications of introducing or increasing workplace flexibility there are three foreseeable challenges for any firm to consider: work-life dynamics, perceived fairness, and flexibility/culture mismatch.⁶

Work-life Dynamics

Flexible working may have a negative impact on social interaction especially in team-based settings, in career prospects, and in having the potential to lower work-life balance due to “job creep”.

In a 2012 study, researchers examined relationships in high-tech firms in connection to physical distance, and the use of flexible workplace practices. The results found that employees working flexibly felt reduced levels of respect from fellow employees and subsequently felt like less full-fledged members of the organization.⁷

The changing relationships between employees choosing flexibility and the rest of the organization can create issues related to managing the careers and the performance of those select users. Managers often make unrelated attributions to the use of flexible policies: managers who perceived employee use of flexibility programs for productivity reasons interpreted the action as a high commitment. Alternatively, people leaders who viewed the usage of flexibility for personal or life reasons interpreted the individual as an employee with low commitment.⁸ These outcomes and perceptions in turn affect performance management and career progression.

Flexible work arrangements also have the ability to increase job creep. This is a phenomena in which the job intrudes into the home domain at times the employee or family would prefer it not to. These employees who work remotely reported higher levels of depressive symptoms, lower schedule adequacy, and increased work-family conflict.⁹

Perceived Fairness

Flexibility programs often become distributed unevenly. There is a possibility that the allocation of access to flexible work arrangements in the firm may disrupt the work environment, or alter the workload of those who are non-users of the policy. Supervisors are considered gatekeepers when it comes to deciding who is entitled to workplace flexibility and to what degree. Decisions that are seemingly subjective in nature can cause perceptions of unfair treatment and raise resentment in non-users.¹⁰

Flexibility/Culture Mismatch

There are many different types of workplace flexibility categories: time, location/connectivity, amount of work, and continuity. The wrong type of flexible work program or policy can be disruptive and benefit neither the employer nor the employee. It’s important that the flexible work arrangement align with a company’s culture. Additionally, the employer needs to be supportive, and actively encourage workers to take advantage of the opportunity.¹¹

It is clear that employees will not initially feel at ease to use flexibility programs if they find a mismatch with work norms. These are cultural undercurrents that could have been firmly planted over a period of time by supervisors. This is further compounded by the employee's fear of damaged career prospects.¹²

Conclusion

There are undeniable risks that need to be addressed on a case-by-case basis when considering workplace flexibility. However, these practices are a must-have for firms especially those in competitive industries who have yet to embrace some sort of flexibility program.

As in all business decisions, the costs and benefits of a new program are critical factors in its adoption. Almost a third of the firms on the fence cite costs or limited funds as obstacles to implementing workplace flexibility arrangements.¹³ However, these same practices have the proven ability to directly reduce turnover, improve recruitment, and increase productivity. They are indirectly linked to improved employee health and decreased absenteeism: both major costs for employers.

Flexibility programs are strategic tools, and should be linked to business objectives. They provide numerous benefits to the employee, employer, and the shareholders. In conclusion, employees are increasingly seeking companies with flexibility and workplace accommodation practices. To achieve the desired organizational outcomes – commercial adopters need to focus on creating, and growing a culture that aligns with these programs. ✕

Saad Moheet completing his second year of the Master in Industrial and Labor Relations program at Cornell University. He'll be returning to BP immediately after graduation in a corporate human resources role. While at Cornell, Saad was a teacher's assistant for the Economics of Collective Bargaining in Sports. Before graduate school, he worked as a financial analyst for Citigroup's Commercial Bank specializing in loan products. Saad is originally from The Woodlands, Texas and holds a Bachelor of Arts in Economics from Baylor University.

¹ Freeman, Human Resources Report: Workplace Flexibility Has Positive Effect on Engagement, Motivation, October 2013

² SHRM, Leveraging Workplace Flexibility for Engagement and Productivity

³ WorldatWork, Majority of US Employers Support Workplace Flexibility, October 2015

⁴ Freeman, Human Resources Report: Workplace Flexibility Has Positive Effect on Engagement, Motivation, October 2013

⁵ Boston College Center for Work & Family, Creating a Culture of Flexibility; What it is, Why it Matters, How to Make it Work

⁶ Kossek, California Management Review, Balanced Workplace Flexibility; Avoiding the Traps

⁷ Bartel, Organization Science, Knowing Where You Stand; Physical Isolation, Perceived Respect, and Organizational Identification Among Virtual Employees, May 2012

⁸ Leslie, Academy of Management Journal, Flexible Work Practices: A Source of Career Premiums or Penalties, December 2012

⁹ Kossek, Journal of Vocational Behavior, "Work-Nonwork Boundary Management Profiles; A Person Centered Approach", August 2012

¹⁰ Kossek, Human Resource Management, "Line Managers' Experiences with Reduced-Load Work for Professionals in Embracing and Ambivalent Organizational Contexts"

¹¹ McNamara, Industrial Relations, "Access to and Utilization of Flexible Work Options", October 2012

¹² Eaton, *Industrial Relations Journal*, “If You Can Use Them; Flexibility Policies, Organizational Commitment, and Perceived performance”, April 2003

¹³ Rouse, *The Economics of Workplace Flexibility*, March 2010