



Workplace Flexibility Benefits Employees, Employers

By Pamela Babcock, January 2008

When software company Menlo Innovations moved into its loft-like space in Ann Arbor, Mich.'s historic Kerrytown District just over a year ago, the "build-out" was more of a "tear down."

Non-structural walls came tumbling down "to create the open and collaborative work environment that we needed," said Lisamarie Babik, Menlo Innovations' so-called "evangelist-in-residence."

But Menlo Innovations had long since broken down barriers, figuratively speaking, and has used "the spirit of flexibility to define a work culture unlike that of most organizations," according to its 2007 Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility recognition.

Menlo Innovations is among the 131 recent winners of the Sloan Awards, which have been given since 2005 to U.S. organizations that use workplace flexibility to meet employer and employee goals.

The 15-person firm, which is made up primarily of subcontractors and part-time staff, ditched staid cubicles and assigned computers for flexible workstations and paired work teams. At Menlo, employees can set their own schedules, provided that they coordinate with their weekly partner.

The company isn't solely reliant on technology to facilitate this kind of flexibility, either. Projects aren't tracked on computers but by using brightly colored index cards tacked to the wall. Menlo said its open project management has bolstered employee engagement, and its "re-pairs" of employees every week ensures important project knowledge is propagated constantly throughout the organization.

"When someone needs to leave for vacation, sabbatical, maternity leave or just to pursue a new opportunity, we aren't faced with the situation where our tower of knowledge is about to leave the project," Babik explained.

No One Model for Success

Companies use workplace flexibility to address a variety of needs, according to a December 2007 report titled [**Workplace Flexibility: Employers Respond to the Changing Workforce**](#), published by the U.S. Chamber of Commerce's [**Institute for a Competitive Workforce**](#) (ICW), with the [**Families and Work Institute**](#) and the [**Twiga Foundation**](#).

Greg Roth, ICW's senior manager for workforce and education programs, said that over the years, the chamber has seen a rise in "community positioning" and communities using flexibility "as a means to solving larger community issues," such as easing traffic congestion, attracting and retaining young professionals, getting more women into leadership positions and managing multi-generational workforces.

Flexibility can benefit the bottom line, too. Aetna, for example, found that when it extended the length of its maternity leave, 91 percent of its female employees returned to work. Previously, only 77 percent did so after a shorter leave period.



Nontraditional work spaces are implemented at Menlo Innovations.

Meanwhile, Great Place to Work's 100 best companies—the majority of which have flexible work policies—have consistently outperformed the Standard & Poor's 500 and have had a turnover rate that's half the national average, the report found.

Stories of Other Winning Companies

Of the 2007 winners, 17 percent are nonprofit organizations and 79 percent for-profit. Two percent are government institutions, and 1 percent are public education institutions. Industries represented include professional services (38 percent), finance, insurance and real estate (15 percent), social services (10 percent) and medical services (5 percent).

One winner was ARUP Laboratories, a 2,150-employee medical and testing reference laboratory owned and operated by the University of Utah in Salt Lake City. ARUP offers employees the option of working seven 10-hour days on/seven days off while getting paid for two full 40-hour weeks. ARUP pairs workers with a counterpart who works the opposite schedule and the two cover for each other if there are scheduling conflicts.

"Pairing the employees creates a self-managed work team, which gives them more autonomy and reduces the supervisor's workload," said Von Madsen, SPHR, assistant vice president and human resources manager for ARUP.

ARUP works to recruit college students with flexible schedules and tuition reimbursement. From 1992 to 2004, the company more than doubled employees (from 700 to 1,700) while slashing its turnover rate in half from 22 percent to 11 percent during the same period.

Continental Airlines has more than 25 individual programs that provide flexibility for approximately 2,000 workers at its North Houston Center facility. The program with the greatest impact is called ResAnywhere, a voluntary program that has allowed approximately 575 reservations agents to work from home. Started a little over a year ago, the program helps these workers avoid long commutes to work and provides them flexible hours on a daily basis from the comfort of their own home offices.

A workforce shift flexibility program called Staff Management also was developed and implemented by the leadership team at North Houston Center. This automated online program allows co-workers to self-manage the many flexible programs the company offers and enables them to adjust their shifts to accommodate a balance between personal needs and professional needs, according to Robert McDonald, the company's senior director of reservations and customer care in Houston.

For example, it allows co-workers to trade all or part of their shift to another co-worker, request days off in advance, pick up overtime hours, request unpaid time off, adjust their shift hours, and trade a day with management. In many ways, says McDonald, it's like a bank account: Deposits are made for hours worked or earned, and withdrawals are made for time they need to be off. And they manage it all themselves, just like online banking.

In the event of an unforeseen personal difficulty (such as a car breakdown or babysitter no-show), workers can call in and request to trade a day with the director. When approved, this means workers can take the rest of the day off to tend to the matter and then make up the day at a later time with no penalty to their attendance records.

"We are able to accommodate between 80 and 90 percent of those requests," said McDonald. "This turns what can be a lose-lose proposition in many organizations into a win-win for Continental co-workers."

Recruiters make up 85 percent of the Plano, Texas, executive recruiting firm Kaye/Bassman International Corp.'s 140 employees, so most can move "with no difficulty" back and forth between part-time and full-time work. About 10 percent work reduced hours—an option for employees at all levels. The company has allowed job-sharing, according to the report.

Since commissions are a big part of compensation, reduced hours have little impact on salary since "placing a candidate is what counts, not the number of hours it took to place the candidate," the report notes. As of 2005, Kaye/Bassman has posted 25 consecutive years of growth.

"The flexibility that we have here allows for people to not only be successful professionally but also personally," said Heather Garrett, director of talent acquisition for Kaye/Bassman. "Flexibility at the

workplace is something that everyone wants but not all receive, and we believe that being able to offer this to our associates greatly distinguishes us and only helps attract talent.”

Other report findings:

- 58 percent of the award winners allow all or most employees to compress their workweeks for at least part of the year, compared with 10 percent of employers nationally.
- 59 percent allow all or most employees to work some of their regular paid hours at home occasionally, compared with 3 percent of employers nationally.
- 75 percent allow all or most employees to phase into retirement by working reduced hours over a period of time prior to full retirement, compared with 28 percent of employers nationally.
- 96 percent allow all or most employees to take paid or unpaid time away from work for education or training to improve job skills, compared with 45 percent of employers nationally.

Creating Flexible Work Environments

The report recommends that companies interested in creating more flexible work environments consider the following:

- See flexibility as a strategic business tool, rather than a “perk” or an accommodation to employees.
- Define goals. Metrics and scorecards are essential to integrating flexible work practices.
- Ask employees what they need. Have informal, small group discussions to find the best and most readily accepted strategies.
- Since flexibility often involves culture change, offer “pilot programs” and be sure to involve middle and top management.
- Define flexibility as mutually beneficial, and encourage employees to demonstrate why their flexible arrangement benefits the company.
- Remember that staff communication is even more important once flexibility spreads through an organization.
- Recognize and reward. As with any new workplace experiment, laud the successes and the people who made them happen.

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