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Flexible Work Arrangements: Selected Case Studies

Employees have shown a great desire for flexible work arrangements (FWAs). National data reveals that nearly 80% of workers say they would like to have more flexible work options and would use them if there were no negative consequences at work.¹ However, most workers do not have access to flexible work arrangements and barriers to their effective implementation persist in many organizations as the following nationally representative employer-based survey data reveals:

- 32% of employers do not allow any workers to change their starting and quitting times, and 67% do not allow all or most employees to do so;
- 61% do not allow any workers to control which shifts they work;
- 47% do not allow any employees to move from full time to part-time and back again while remaining in the same position, and 79% do not allow most or all employees to do so;
- 54% do not allow any workers to share jobs; 66% do not allow any employees to work part of the workweek at home on either an occasional or a regular basis; and
- 61% do not allow any workers to work a compressed work week for at least part of the year.²

Many businesses have responded and various studies indicate both a growth in flexible work options and an expanded understanding of their relevance to workforce recruitment, morale, production, and retention.³ However, to the extent that flexibility is available, access differs considerably across occupations with managerial, administrative and professional workers having the most flexibility.⁴

Uniform information on FWA characteristics, access and utilization is not available across job sectors and occupations. Most publicly available literature on the implementation of FWAs is employer-based and tends to emphasize the processes through which companies develop and market their flexible arrangements and only minimally describes the specific details of actual policies and their use. To the extent that these programs have been documented, several themes emerge. The catalyst for change often begins with employees. Companies may learn of employee dissatisfaction through a survey or a needs-assessment, or supervisors may be approached by individual employees with compelling requests for flexible work. Occasionally, the process begins at the top; in these cases, companies may be trying to address a systemic problem like high turnover rates or absenteeism.

While some flexible work arrangements have formal written policies with specific eligibility and utilization parameters, many others rely upon individual negotiations with willing managers who exercise explicit or permissive scopes of discretionary decision-making. The scope of coverage can be broad or specific to categories of workers. Many of the references we found to FWAs suggest their availability to all workers at a given company, although this was not something we could confirm. Other corporate information made it clear that certain types of occupational groups were excluded from participation in FWAs (such as manufacturing

units).

Even when FWAs are part of official company policies, managerial commitment to the benefit and discretion in its approval significantly impacts actual use. Public and private studies indicate that the following contribute to improved adoption of flexible arrangements across job settings: leadership at the highest levels; written policies and broad dissemination to workers; implementation training for decisional managers; and review and enforcement mechanisms including employee surveys, utilization data collection and review, and managerial performance assessments. Available literature suggests that some of the most successful programs are those that are developed jointly by employees and company management.

The following case studies, then, provide a glimpse into what these programs look like in practice.

Case Study 1

Company:	Kraft Foods ⁵
Profile:	A food and beverage manufacturing company, Kraft and its subsidiaries employ nearly 109,000 people in over 150 countries. In the U.S., Kraft employs 62,000 people in 100 plants; 59% of these employees are hourly workers.
Challenge:	Employee dissatisfaction, particularly among hourly workers in manufacturing plants
Solution:	A flexible work options program called "Fast Adapts" for hourly employees and production supervisors who work in 24/7 manufacturing facilities

Policy Parameters:

- Fast Adapts allows workers to swap shifts, take single-day vacations, and request job-sharing arrangements, pending the approval of their plant manager or supervisor. It also allows plants to utilize retirees to cover shifts for employees out on leave, on vacation or out with extended illnesses.
- All hourly workers are eligible to use Fast Adapts options if the arrangements are conducive to the employees' specific work process, plant policy, or union contract. If not, plant and HR managers are encouraged to create alternative flexible work solutions.
- Although all employees are eligible for flexible work arrangements and all plants are expected to implement flexible work strategies, plant managers & HR directors have the discretion to develop FWAs consistent with individual site needs.

Development & Oversight:

- The Fast Adapts program was an outcome of a Work-Life Summit including line workers, production supervisors, plant managers, and plant human resource managers. Following the summit, Area HR Directors conducted meetings with Plant HR Directors and union representatives to address the compatibility of program initiatives with existing union contracts.
- The Fast Adapts program was piloted in a few plants before being rolled out to all locations.
- Although existing newsletter, video mechanisms and plant meeting structures were utilized, communicating information about Fast Adapts to employees throughout the 80+ manufacturing plants in the United States was a significant challenge.
- When first implemented in 2002, plant managers were expected to develop and implement flexible work strategies for their plants within a specified period of time; if unable to do so, managers were required to provide a written explanation for the delay and develop an alternative action plan.
- After the adoption of the Fast Adapts program, each plant was required to include a work-life component in its Employee and Organization Excellence Plan; plan is reviewed annually.

- Plants are not required to track usage of Fast Adapts programs, but plant managers are surveyed by Human Resources and asked to provide updates on the extent to which the programs have been adopted. Work/Life Directors report back to the Vice President of Human Resources & the four Area Vice Presidents to whom the plant managers report. In addition, a bi-annual employee satisfaction survey conducted at each plant asks employees about their work/life satisfaction.

Outcomes:

- The 2003 employee satisfaction survey revealed improved employee satisfaction with work-life integration.

¹ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). *When Work Works: A status report on workplace flexibility. Who has it? Who wants it? What difference does it make?* New York, NY: Families and Work Institute, p. 21.

² Bond, James T., Galinsky, E., Kim, S., & Brownfield, E. (2005). *National Study of Employers*. New York, NY: Families and Work Institute, p. 6.

³ See for example, Meyer, C.S., Mukerjee, S., Sestero, A. (2001). Work-family benefits: Which ones maximize profits? *Journal of Managerial Issues* 13(1), p. 38; Also, see Halpern, D.F. (2005, May). How time-flexible work policies can reduce stress, improve health, and save money. *Stress and Health*. Retrieved June 2005 from, <http://berger.claremontmckenna.edu/Publications/Papers/StressHealth.pdf> and Lineberry, J. & Trumble, S. (2000, Winter). The Role of employee benefits in enhancing employee commitment. *Compensation & Benefits Management* 9-14; Saltzstein, A.L., Ting, Y., Saltzstein, G.H. (2001). Work-family balance and job satisfaction: The impact of family-friendly policies on attitudes of federal government employees. *Public Administration Review* 61(4), p. 453.

⁴ Golden, L. (2005). The flexibility gap: Employee access to flexibility in work schedules. In I.U. Zeytinoglu, (ed.), *Flexibility in workplaces: Effects on workers, work environment and the unions*. Geneva: IIRA/ILO.

Case Study 2

Company:	First Tennessee Bank (FTB) ⁶
Profile:	A financial services company, FTB is based in Memphis, Tennessee, and has approximately 8,000 employees. The company has 259 banking sites in Tennessee, Mississippi, and Arkansas, and 150 mortgage banking offices in 28 states.
Challenge:	Costs & customer complaints associated with employee turnover
Solution:	Implementation of flexible work schedules & part-time work options with benefits

Policy Parameters:

- FTB removed company-wide written attendance policies and shifted responsibility for decisions about attendance and scheduling to employees & managers in individual branches and administrative units.
- Part-time work options were created company-wide for any employee who had been with the bank at least one year. Employees were permitted to reduce their hours to as few as 20 per week while retaining benefits.
- To reduce absenteeism associated with care for sick children, FTB created a voluntary program allowing workers to bring their sick children to a local Memphis hospital where they receive care for up to 12 hours at a cost of \$15 to the employee; the bank subsidized the program for \$8,000 a year.

Development & Oversight:

- In 1992, FTB created a task force initially called the Parenting Task Force that identified work schedules and attendance policies as problematic for employees. Three men were on the task force, which helped change the widespread assumption that flexibility was merely a "women's issue."
- After setting up the work/life program, the task force (and the HR liaison) traveled from city to city for three months to train all of the company's 1,000 managers. At each stop they educated 50-100 managers over 3½ days. Prior to each trip, the task force surveyed managers regarding work-life challenges.
- One challenge has been the perception of single employees that the work-life programs are not applicable to them, but FTB has addressed this perception by altering how it markets the programs and policies. They do not define "family" in any company policies and work to communicate the message that flexibility is for everyone.

⁵ Case study adapted from Boston College Center for Work and Family, "Increasing the Visibility of the Invisible Workforce: Model Programs & Policies for Hourly & Low Wage Employees," p. 64-68. Retrieved on May 22, 2006 from <http://www.bc.edu/centers/cwf/research/publications/meta-elements/pdf/LowWageStudy.pdf>

Outcomes:

- In 1997, 5 years after the policy changes, more than 60% of employees used some sort of flexibility, and the bank reports saving over \$3 million in turnover costs. Customer retention at FTB was 96%, while the industry average was 87%.
- The accounts-reconciliation department has shortened the amount of time it takes to reconcile accounts since the department was given the flexibility to establish work schedules for the unit. Previously the group had been taking about 8 days to do so; after the policy change, the group restructured its schedule, working 12 hour days at the beginning of each month in return for time off at month's end, and now the group takes only 4 days to reconcile the accounts. Consequently, FTB enjoyed a 50% leap in customer quality responses.
- About 100 people currently work part-time (at least 20 hours a week) and retain benefits; the company reports that this initiative has saved an 85% turnover of people who would have otherwise left the bank.

⁶ This case study adapted from Flynn, Gillian. (March, 1997). Making a Business Case for Balance. *Workforce*, p. 68-74.

Case Study 3

Company: Texas Instruments (www.ti.com)⁷

Profile: Texas Instruments is a Dallas-based technology company that has manufacturing, design or sales operations in more than 25 countries, with a global work force of approximately 35,000 employees, including 19,400 in the Americas. T.I. is ranked 166th on the list of biggest U.S. companies by Fortune magazine in 2005, with \$12.6 billion in revenues for FY 2004.

Challenge: Employee desire for flexibility as revealed in needs assessments

Solution: An "ad-hoc" flexible work policy that allows employees to work flexible work schedules, compressed work weeks, and telecommute occasionally

Policy Parameters:

- The "ad-hoc flexibility policy" allows most, but not all, employees to adjust their work schedule or telecommute occasionally to meet their personal needs on a case by case basis. Employees are allowed to adjust their schedules around occasional doctor's appointments, sick children, or late-night conference calls.
- Employees in the manufacturing process are excluded from job sharing, flexible schedule, and telecommuting arrangements because of the demands of their job. They are limited to participation in compressed work week arrangements.

Development & Oversight:

- The company encourages work units to try out different kinds of flexibility that will work in their environments.
- The company does not currently measure the benefits of its flexibility program.

Outcomes:

- TI reports that it has seen improvements in retention of employees, lower stress and more effective workers as well as greater "bench strength" as a result of its flexible work policy. As team members help cover for each other in times of flexibility, they develop broader and more diverse skills.
- Flexible work arrangements have allowed the company to better coordinate with overseas operations and business partners.

⁷ Case study adapted from Giglio, Ken. "Texas Instruments and Flexibility." Retrieved on May 18, 2006 from http://www.wfnetwork.bc.edu/pdfs/texas_instruments.pdf

Case Study 4

Company: KPMG LLP www.us.kpmg.com⁸

Profile: KPMG LLP, an audit, tax and advisory firm, is the U.S. member firm of KPMG International, with headquarters in New York. KPMG International's member firms have nearly 100,000 professionals, including 6,800 partners, in 148 countries.

Challenge: Employee retention & desire to be an employer of choice

Solution: Job Sharing, Flextime, Compressed work weeks, Telecommuting

Policy Parameters:

- All of the company's flexibility programs, including job-sharing, are available to all employees throughout KPMG.
- Requests for flexibility are primarily generated by the employees themselves. For job sharing, the process typically begins when an employee who wants to work a reduced schedule and knows of someone else in a similar situation with compatible desires and skills requests a job sharing arrangement.
- An employee fills out a request form and submits it to his or her manager, who is trained to approach such requests with a "how can we make this work" attitude.

Development & Oversight:

- Job sharing was initially undertaken at KPMG in response to a specific need – two individuals wanted to reduce their hours and it worked for that specific job.
- After a few more successes, the firm began to promote it more actively and developed a wide range of flexible work options as part of KPMG's Employer of Choice initiatives.

Outcomes:

- The company estimates that more than 50% of its employees take advantage of some form of workplace flexibility, including flextime, telecommuting, compressed work schedule and job sharing.
- KPMG says the first obvious benefit it receives from having a job sharing option is that it is able to retain two valuable employees who otherwise might have felt the need to look at other arrangements, including the possibility of leaving the company. As a result, continuity is preserved and client needs are better met.

⁸ Case study adapted from Giglio, Ken. "KPMG LLP and Job Sharing." Retrieved on May 25, 2006 from <http://wfnetwork.bc.edu/pdfs/KPMG.pdf>

Case Study 5

Company:	Eastman Kodak, an "info-imaging" company ⁹
Profile:	Kodak has operations in over 30 countries and a workforce of 70,000 employees; approximately 39,000 of these are employed in the United States.
Challenge:	Meeting employee desires for work-life balance
Solution:	Part-time work, job sharing, compressed work weeks, flextime, and telecommuting/flex-place arrangements

Policy Parameters:

- All regular and conditional full time and part-time employees are eligible to request any of the flexible work arrangements regardless of position or geographic location.
- Employees must complete an application, receive permission from their immediate supervisor, and demonstrate that the arrangement will not have an adverse impact on the business.

Development & Oversight:

- Employees are told about the program as part of the new hire orientation that includes an overview of programs and policies. Information is also provided in company newsletters and on the company's website, since employees may not focus on the availability of flexible work arrangements until there is an immediate need for them.
- Training programs for supervisors, line managers and senior managers were conducted, and new supervisors also learn about the FWA program at orientation. The training module includes role-playing, case studies, scenarios, and barriers to participation in all types of FWAs.
- As of 2004, the company had not developed a tracking system to measure the impact of the flexible work policy.

Outcomes:

- Eastman Kodak reports several success stories in which employees and supervisors have made flexible work arrangements work. They credit trusting relationships and regular communication for making these arrangements effective.
- The only negative impact they have seen related to offering the program is co-workers who are jealous of those using FWAs. In many cases, these employees could have applied to work flexibly themselves but have not chosen to do so.

⁹ Case study adapted from Boston College Center for Work and Family, "Increasing the Visibility of the Invisible Workforce: Model Programs & Policies for Hourly & Low Wage Employees," p. 64-68. Retrieved on May 22, 2006 from <http://www.bc.edu/centers/cwf/research/publications/meta-elements/pdf/LowWageStudy.pdf>