

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.**
- **Hourly workplace flexibility 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 businesses’ return on investment.**
- **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 project was to create 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, 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 examples of flexibility practices, quantitative survey findings about flexibility use and business impacts, and concrete tips and tools from lessons learned, the report provides models that can be adapted for other organizations.

The participating organizations 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 fall into three categories that address distinct needs of lower wage workers. Research has shown that given the nature of their jobs, economic constraints and family needs, the types of flexibility that are possible and beneficial are somewhat different for lower wage workers than for higher wage workers. Thus the types of

flexibility studied include several of the “traditional” forms of alternative work arrangements, but also extend to include the flexibility that results from greater employee control over scheduling and personnel policies regarding occasional or episodic flexibility — two areas in which lower wage employees have had less access than exempt and higher paid employees.

About the Study

The data for this report come from several sources: 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. 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.cvworkingfamilies.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 these companies utilize a wide array of flexibility options with powerful results for individuals and the organizations. Flexibility as it has been implemented is used as a management tool to address a variety of business needs: to effectively manage HR (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 talent strategies to recruit and retain individuals who are committed to their profession and to tap a wider labor pool than might be possible with more limited choice of work schedule.
- Companies have found that offering flexible schedules and innovative time-off policies contribute to being an employer of choice for millennial workers in their competitive labor markets.
- For positions in customer service and sales with typically high turnover, flexibility is a way to keep high-performing employees in both the short term and the long term. These companies use flexibility to respond to the changing needs of their workers over the life course (going back to school, raising a family) or to retain mature workers.

- Flexible work options are being used in businesses with continuous operations that need weekend coverage or whose business hours extend beyond a 9-to-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, to make up time in the same pay periods, and to 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 characteristics of employees and the requirements of the 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,” and 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, comfort with and willingness to involve employees in developing flexible work solutions, and support of flexibility are necessary if flexible working is to succeed.
- 7. Develop clear guidelines/policies and request process; apply policies consistently.** Fair and consistent application of clear policies stands out as 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 strategy.** In industry sectors with competitive labor markets, companies use flexibility as a business tool to recruit, develop and retain high performing employees across the lifecycle. Managers and HR professionals who interact with employees at key decision points in the employment life cycle and 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 and meet the business needs.

Implications and Conclusions

In this study, we find that it is not only formal flexible arrangements that produce impressive results but progressive personnel policies and a work culture supportive of occasional flexibility that give workers access to a variety of time-off options and control over their work schedules. When companies provide employees with an array of flexibility and time-off 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 and satisfy business requirements. The unique characteristics of employees, both at work and personally, suggest that there is no “one-size-fits-all” flexibility solution. An approach that encompasses a more comprehensive flexibility strategy is more likely to succeed. While specific types of flexibility and time-off strategies may lend themselves to more favorable outcomes for employees and organizations than others, there is little doubt that a variety of options enables a better flexibility “fit” to suit the unique characteristics of employees. We find that the use of multiple options has an even greater influence on well-being, work-life effectiveness and business results.

Companies that have created successful flexibility options for their lower wage workers receive a high return on their investments because of the many positive outcomes for employees and the business: better recruitment and retention of talent, increased engagement, lower levels of stress and burnout, greater productivity and effectiveness, better customer service, and more positive financial results.

The complete report is available at www.cvworkingfamilies.org.

CORPORATE VOICES FOR WORKING FAMILIES

Corporate Voices for Working Families is the leading national business membership organization representing the private sector on public and corporate policy issues involving working families. A nonprofit, nonpartisan organization, we improve the lives of working families by developing and advancing innovative policies that reflect collaboration among the private sector, government and other stakeholders.

To create bipartisan support for issues affecting working families, we facilitate research in areas spotlighting the intersecting interests of business, community and families: workforce readiness, family economic stability and flexibility in the workplace.

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