



Flexible Work Arrangements Toolkit

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Introduction

What is workplace flexibility?

Technological advances and flexibility in the workplace have redefined the workday for many organizations and their employees. Having a flexible working environment means that your organization defines “work” differently and, as a result, new guidelines are established for when, where and how employees get tasks done. This also means that results are not gauged by how much face time employees put in at the office. Instead, their work is reviewed based on its quality and if it is completed.

Why is workplace flexibility important?

As baby boomers retire and younger generations enter the workforce, employers have to adapt more to their workforces’ needs. Some employers are finding that workers may not like a traditional schedule, elder care responsibilities require greater flexibility and parents insist that they have more time with their families. For employees, flexibility makes it easier to manage work and family obligations. It allows individuals to engage in their roles as a professional, parent, school board member, coach, avid exerciser or homemaker all at the same time.

Many companies have had a lot of success implementing flexible arrangements in the workplace. For companies with employees who are no longer forced to come to the office and do not have set work hours, turnover has declined, and employee engagement has increased. Retaining employees who are happy and productive is not only good for employee morale, but also for your bottom line. Turnover can be extremely expensive for employers when lost productivity and replacement costs are taken into account. According to the Society for Human Resource Management, it costs, on average, six to nine months’ salary to replace a salaried employee. Companies have also received the following benefits from offering a flexible working environment:



This toolkit serves as an introductory resource to flexible workplaces. It provides an in-depth summary of the prominent types of workplace flexibility, offers implementation suggestions and provides best practices for operating a flexible workplace.

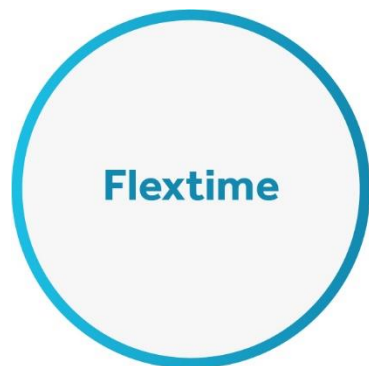
Types of Workplace Flexibility Options

There are many types of flexible working arrangements being implemented across the nation, which include:

- Part-time employment (reduced work hours)
- Flexible scheduling (employees are available within core hours during the day, but may vary the times they arrive in the morning and leave in the afternoon)
- Telecommuting (working from a remote location)
- Compressed workweeks (working a full schedule in fewer than five days)
- Summer hours (reducing work hours during summer months)
- Telecommuting (working entirely through an electronic system without a formal work schedule or location)
- Unlimited paid time off (PTO)
- Hoteling (employees share a workspace because they are only in the office for a portion of the week)

Employers may offer these options on an as-needed basis or as part of formal programs for all employees. Employers can also create a workplace that is entirely flexible with no defined work schedule (known as a results-only work environment). Most employers tend to land somewhere in the middle and have formal yet flexible arrangements.

This toolkit focuses on the following three types of flexible workplace options:



Flextime

Flextime is a flexible schedule option in which employers allow employees to customize their schedule within a certain range of hours. Since employers aren't legally required to offer employees flextime, it's usually at the employer's discretion to decide if they will offer flextime and how flextime will be structured at their organization. Listed below are three ways organizations commonly structure flextime.

Example #1: Flextime with Core Hours	Example #2: Flextime with Daily Hour Maximum Limits	Example #3: Flextime with no Restrictions
In this format, employees must work 40 hours per week and be present between 10 a.m. and 2 p.m. daily.	In this format, employees must work 40 hours per week and no more than 9 hours per day.	In this format, employees must work 40 hours per week on their own terms.

Benefits of Offering Flextime

Providing flextime as a scheduling option for employees has many benefits. Arguably, the most important and attractive benefit of flextime is work-life balance. Employees may have all sorts of conflicts in their personal lives that don't allow for a typical 9-to-5 day, such as dropping off or picking up children from school, going to doctor's appointments, running errands or working a second job. Flextime also lets employees avoid driving to and home from work during rush hour. For employees with long commutes, any effort to avoid sitting in traffic is welcome.

Giving employees flextime allows them to schedule their lives around work without sacrificing work productivity. When employees are free to get their personal objectives accomplished, while still working full time, they are free to focus on doing the job at hand, rather than worrying about their personal lives and how they'll get everywhere on time.

Flextime Considerations

It's also important to create a written flextime policy that employees and managers must follow. Flextime can be offered to anyone, but it must not discriminate. While flextime is a good option for the overwhelming majority of positions, it can be difficult to offer flextime to customer-focused positions. This is especially true when they're expected to be at the office during certain hours to operate phones and respond to customer emails. Employers can limit flextime to certain situations. The best place to spell out a policy like this is in your employee handbook. Remember, all arrangements must comply with the Department of Labor's Wage and Hour Division laws.

Unlimited PTO Banks

A basic unlimited PTO policy is similar to a normal PTO policy except employees are not given an allotted number of days off. Employees can take as many vacation, sick and mental health days as they need, as long as they are meeting their performance goals. This type of policy does not mean an employee can take unplanned time off, except for sick days or similar emergencies. A manager must still approve PTO requests and your company's established work schedule or flextime benefits can remain the same as with traditional PTO.

“Unlimited” PTO Explained

Studies show that, for the most part, **employees with unlimited PTO frequently end up taking about the same amount of time off as employees who have an allotted amount of PTO.**

In some cases, employees who have unlimited PTO benefits actually have to be encouraged to take more time off. **When unlimited PTO is offered, some employees may be afraid to take “too much,” detracting from the goal of giving employees the guilt-free time off** needed to take care of personal or family matters, relax on vacation or recover at home when sick.

Benefits of Offering Unlimited PTO Banks

Unlimited PTO can provide the following advantages to both the employer and employees if carefully considered and implemented:

- Unlimited time off fosters a sense of trust in employees and encourages a culture of responsibility.
- Offering unlimited PTO can serve as an attractive benefit when recruiting top job candidates.
- Unlimited PTO reduces the likelihood that employees will come to work when sick and spread their germs around the office because they are hoarding their time off for a vacation later in the year.

Unlimited PTO Considerations

An unlimited PTO policy is not right for every company. An unlimited PTO policy works best when the company culture already operates on a goal-oriented basis. Make sure you have an established review process to track performance and goals before implementing unlimited PTO. Sometimes, this arrangement can cause employees to not use PTO, so managers should do their best to monitor PTO usage to avoid employee burnout.

In addition, to reduce abuse of the system and minimize the impact on the rest of the team, PTO should be approved in advance by the manager, with the exception of calling in sick or for an emergency. Ensure that all unlimited PTO guidelines and procedures are written and stored in your employee handbook.

Telecommuting

In an age when more and more positions require duties to be carried out almost exclusively on computers, and where the internet can instantly connect anyone anywhere, many employers are offering the option of telecommuting. Telecommuting allows employees to work from home or another alternate location and communicate with their employers electronically. Workers are connected to employers and company servers via the internet and are able to communicate regularly in real time using email, instant messaging, webcams and conference calls. Telecommuting can range from working exclusively from a home office to only working at home a few hours every week.

In 2017, **3.9 million U.S. employees worked from home at least 50% of the time.** Comparatively, only 1.8 million U.S. employees did so in 2005.

Source: 2017 State of Telecommuting in the U.S. Employee Workforce Report, Global Workplace Analytics

Benefits of Offering Telecommuting

Telecommuting can be a great option for employers and employees alike. Benefits of telecommuting include the following:

- **Improved work-life balance.** Telecommuting makes it easier for employees to balance work and life, especially for those with many commitments.
- **Increased employer flexibility.** Telecommuting gives employers the option to hire from across the country without worrying about relocating workers to a central location. Employers can also more readily hire part-time, semi-retired, disabled or homebound workers.
- **Healthier employees.** Telecommuting relieves the stress caused by commuting and other issues related to the workplace or being away from home. Telecommuters eat healthier and exercise more than their office-bound counterparts, and are less likely to get sick from contagious germs.
- **Increased productivity.** While it's easy to imagine workers shirking their duties at home more readily than in the office, numerous studies show that workers who telecommute are 15 to 55 percent more productive. Two-thirds of employers report increased productivity among their telecommuters.

Telecommuting Considerations

Telecommuting is not the right fit for every company, but it has a decades-old record of being positive for many organizations. If you allow employees to telecommute, make sure you institute an established program to minimize the risks. Decide on what types of positions in your company will be open to allow telecommuting, and detail what is expected of employees when it comes to productivity and time usage. Also, be sure to institute security procedures that will keep sensitive company information safe at home offices. Having guidelines in place will help you reap the benefits of telecommuting without letting it disrupt your business or lead to increased liabilities and costs.

Best Practices for Implementing Flexible Workplace Policies

Developing a program to make your workplace more flexible is fairly simple and requires minimal or no resources.

- Create a link between flexibility and your organization's goals. Determine how existing and future flexibility plans will align with your current and future company goals.**
- Look at your current flexible work schedule offerings—who is eligible, how the program is used, how the program is administered, and what is expected of management and employees.**
- Determine how flexible you want to be. You will need to balance corporate guidelines, individual needs and management desires.**
- Enlist management personnel to promote and administer flexible working arrangements. These people should have the proper training and tools.**
- Communicate with your employees about flexible arrangements as part of your total benefits offerings.**
- Create clear-cut flexible work policies to ensure that everyone is on the same page about guidelines, expectations and procedures.**
- Link flexible arrangements to your business results by creating a measurement system that gauges that connection.**

Flexible Workplaces Key Statistics

1. **The number of employees who quit their job because it lacked flexible work options has nearly doubled in the past three years.** According to a study of more than 5,000 U.S. professionals, 32 percent of respondents quit their job due to a lack of flexibility in 2017, which is a 15 percent increase from 2014.
2. **The ability to work remotely is a top perk employees would change jobs for.** According to a Gallup poll, 35 percent of employees said they would leave their current job for one that allowed them to work remotely.
3. **One-third of millennials will stay at a company with a flexible workplace for more than five years.** A lot has been said about millennials, but one thing that most studies can agree upon is that they are more likely to job hop than their older co-workers. One way to retain this generation, which will make up more than half of the U.S. workforce by 2020, is to offer flexible work options. According to the 2017 Deloitte Millennial Survey, 33 percent of millennials surveyed said they would stay more than five years at a company that offered ample flexibility.
4. **Flextime is a popular offering among U.S. employers already.** In the 2017 Deloitte Millennial Survey, 69 percent of respondents said their employer offers flextime.
5. **Older generations would remain in or re-enter the U.S. workforce if they had flexible workplace options.** According to a National Institute on Aging study, 60 percent of retirees would be willing to return to work if they were offered flexible scheduling. What's more? Twenty percent of retirees would be willing to take a 20 percent pay cut to receive a flexible schedule.

Summary

Many U.S. employers are realizing the value that offering flexible work options has on their organization. Employees are, too, which is why it's no surprise that it's one of the top three things they look for when searching for a job. While workplace flexibility isn't feasible for every organization, it may be worth it for your organization to consider implementing flexibility.

Remember, workplace flexibility can be a powerful tool for your company in terms of employee engagement, retention and recruiting. Flexible schedules don't only provide employees with job satisfaction, better health, increased work-life balance and less stress, they also benefit employers. Through higher productivity levels, decreased turnover and reduced absenteeism, employers are able to retain qualified employees and save money as well.

Workplace flexibility is a trend that won't be going away anytime soon. For more information on workplace flexibility or for supplemental resources, please contact Ollis/Akers/Arney Human Resources Consulting.