September 23, 2010
Washington, D.C.

SHRM

SOCIETY FOR HUMAN RESOURCE MANAGEMENT

SHRM Executive Roundtable
on Workplace Flexibility

Executive Summary

Background

Context

The 2010 SHRM Executive Roundtable on Workplace Flexibility was held Sept. 23, 2010, in Washington, D.C.

This event brought together leading experts on workplace flexibility. This group included current and former HR practitioners, academicians and researchers, thought leaders, representatives from multiple organizations that focus on the subject of workplace flexibility, policy makers, representatives from the EEOC, and senior members of SHRM's staff.

The group examined the context and climate for workplace flexibility, discussed its benefits, and identified the key issues and barriers that inhibit greater flexibility. Participants shared their thoughts on what HR professionals can do to advance workplace flexibility and provided ideas on the role SHRM can play.

Roundtable Purpose

The purpose of this Executive Roundtable was to have an open dialog about the progress that has been made on workplace flexibility and to identify what needs to be done going forward. This Roundtable reviewed research and identified specific next steps to advance flexibility.

Roundtable Structure

The Roundtable was structured as follows:

- Participants described their personal background and shared why they are passionate about the subject of workplace flexibility.

- SHRM's Director of Research Mark Schmit shared findings from recent SHRM research on workplace flexibility in the 21st century.

- Roundtable participants identified the benefits of workplace flexibility and discussed the key issues, challenges and barriers in advancing workplace flexibility.

- Participants divided into four breakout groups. Each group addressed how HR professionals can leverage their role in the organization to advance workplace flexibility, and what SHRM can do to support HR professionals.

- The Roundtable concluded with participants sharing their thoughts on the key ideas expressed during the course of the day.

This report follows the general structure of the Roundtable, providing a summary of the key themes from entire event as well as more detailed summaries of each topic discussed.

Executive Roundtable Participants

Facilitator	Executive Roundtable Participants		SHRM Staff
Deb Cohen Chief Knowledge Development & Integration Officer	**Heather Boushey** Senior Economist Center for American Progress **Wayne Cascio** Robert H. Reynolds Chair of Global Leadership Management and Fellow, National Academy of Human Resources University of Colorado Denver Business School **Gil Casellas** Consultant, Dell Inc. and former Chairman U.S. Equal Employment Opportunity Commission **Kathleen E. Christensen** Program Director Alfred P. Sloan Foundation **Katie Corrigan** Director of Workplace Flexibility 2010 Georgetown University **Chai Feldblum** Commissioner U.S. Equal Employment Opportunity Commission **David Fortney** Fortney & Scott, LLC **Ellen Galinsky** President and Co-Founder Family and Work Institute **David E. Gray** Director New America Foundation Workforce and Family Program **Ryan Johnson** Vice-President of Research Alliance for Work-Life Progress World at Work **Paul Kehoe** Special Assistant U.S. Equal Employment Opportunity Commission	**Patricia Kempthorne** Founder/Executive Director Twiga Foundation, Inc **Donna Klein** Executive Chair and Founder Corporate Voices for Working Families **Ellen Ernst Kossek** School of Human Resources & Labor Relations Michigan State University **Victoria Lipnic** Commissioner U.S. Equal Employment Opportunity Commission **Catherine McCarthy** Chief Operating Officer The Energy Project **Jim Paretti** Special Assistant U.S. Equal Employment Opportunity Commission **Karol Rose** Chief Knowledge Officer FlexPaths LLC **Leslie Silverman** Proskauer Rose LLP Partner SHRM Panel Member **Peter Wilson** National President Australian Human Resource Institute and President of the Asia Pacific Federation of Human Resource Management	**Mike Aitken** Director, Government Affairs **Joe Coombs** Specialist Workplace Trends & Forecasting **Lisa Horn** Manager, Health Care **Hank Jackson** President & CEO **Bill Maroni** Chief External Affairs Officer **Janet Parker** Chief Global Membership Officer **Mark Schmit** Director, Research **Jennifer Schramm** Manager, Workplace Trends & Forecasting **Karen Silberman** Director, SHRM Foundation

Key Roundtable Themes

While progress has been made on workplace flexibility in the past decade, much more remains to be done.

Participants see an evolution taking place as society becomes more aware of and interested in workplace flexibility and as more employers adopt some type of workplace flexibility. However, despite this progress, several participants observed that in general, workplace flexibility remains more a concept than a reality.

Workplace flexibility has many important benefits.

Employers with flexible workplaces are able to leverage flexibility to attract employees, improve employee engagement and satisfaction, and boost retention, and see workplace flexibility as a way to create competitive advantage. These employers have higher productivity and lower absenteeism.

There are a host of issues that have to be addressed to increase the adoption of workplace flexibility.

These issues include the language used to describe flexibility, the lack of support among many business executives and line managers, challenges in providing flexibility for hourly employees, and challenges associated with implementing workplace flexibility.

Potential solutions exist to address most of the issues that were identified.

It is important to secure the support of senior executives for workplace flexibility by developing a compelling business case, with return on investment data that show the benefits of workplace flexibility. Beyond this business case, it is essential to develop theories to drive change, which might involve moral suasion, driving change at the community level, and/or creating a broad coalition to bring about greater workforce flexibility. Solutions also include tools, resources and technical assistance to help organizations implement workforce flexibility.

HR professionals and SHRM both have important roles to play in advancing workplace flexibility.

Within organizations, HR professionals can leverage their position to educate and advocate for workplace flexibility and to show how a flexible workplace fits with the organization's strategy. They can work to initiate pilots to collect data that demonstrate business benefits.

SHRM can use its high profile among HR professionals to increase the visibility on workplace flexibility. It can act as an aggregator of stories, best practices and other information about workplace flexibility. The organization can develop and aggregate tools and resources to assist organizations in pursuing workplace flexibility. It can also conduct research and educate on the topic.

The vision of participants is that workplace flexibility will simply become the new normal for how business is conducted.

The view expressed by participants was that at some point in the future, workplace flexibility won't be a subject that is even discussed; it will simply be a normal and accepted part of how all organizations operate. However, there is a long way to go in achieving this vision.

Context

Participants described the context and the current landscape for the topic of workplace flexibility. Several participants commented that much progress has been made on workplace flexibility in the past decade and momentum continues to build.

Gil Casellas described how early in his career as an attorney, it wasn't acceptable to admit that he had a family conflict, and Janet Parker told of once having to leave her hospitalized mother to return to her job. Both of these individuals believe that the way society thinks about flexibility has changed.

> "There is a sea change taking place and we aren't going back."
>
> Gil Casellas

Katie Corrigan, a policy expert at Georgetown University, has found through her research that a broad range of stakeholders support workplace flexibility. Other panelists observed that a recent White House Forum on Workplace Flexibility and this SHRM Executive Roundtable show how important the subject is.

However, while some progress has been made in creating a more flexible workforce, many participants felt strongly that, at this juncture, workplace flexibility remains more of a concept that a reality.

> "The way people work and live has transformed, but society hasn't adapted."
>
> Heather Boushey

Environmental and Contextual Realities

In discussing the overall workplace environment, Roundtable participants identified several critical realities:

- Finding and keeping talent continues to be the top issue many companies face.

- There continues to be a "brain drain" as qualified employees exit the workforce in order to meet their caregiving responsibilities or manage other life events.

- To compete, the United States needs to increase productivity, which requires engaged workers. Flexibility is needed to engage workers and increase productivity.

- There has been an increase in the voluntary adoption of workforce flexibility.

- Still, flexible or virtual organizations are a reality that is not accepted by many companies.

- What is demanded of workers—at work and at home—exceeds workers' capacity. Two full-time breadwinners actually have three full-time jobs, when managing a home and family are taken into account.

> "There is a structural mismatch: the rigid schedules of most American workplaces, with little flexibility in how, when or where work is done, are mismatched to the needs of an increasingly diverse workforce, composed of working parents, older workers and others with distinct work-life needs."
>
> Kathleen E. Christensen

SHRM Research

To help frame the discussion, SHRM's Director of Research Mark Schmit shared findings from recent SHRM research on workplace flexibility in the 21st century.
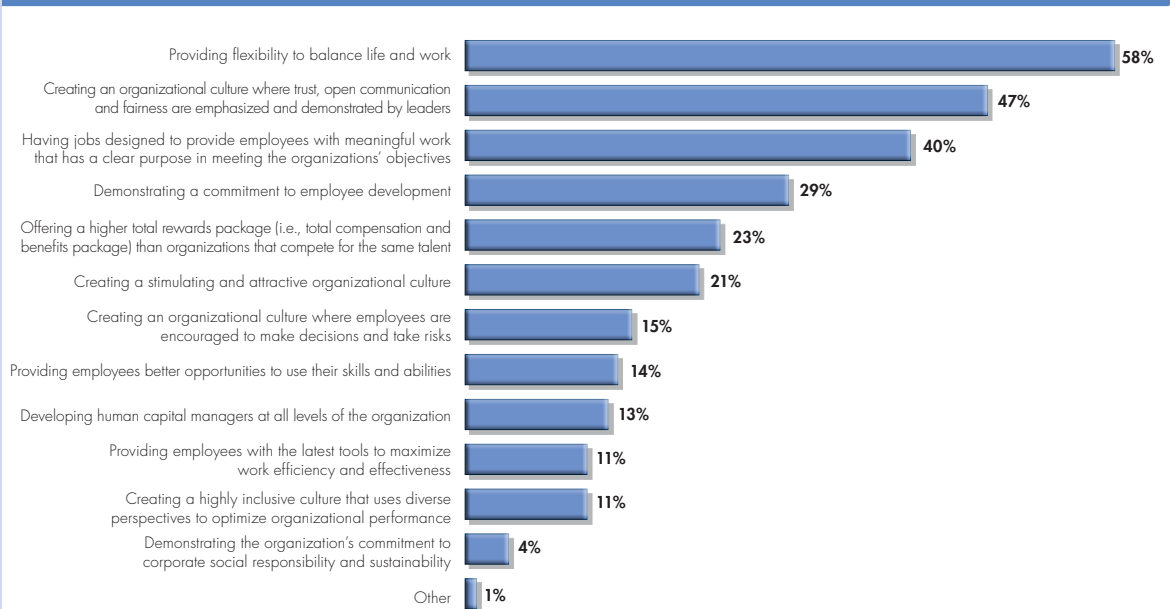
Highlights from this research include:

• HR professionals think the biggest investment challenge facing organizations in the next 10 years will be obtaining human capital and optimizing human capital investments.

• C-suite executives believe the two biggest challenges facing HR in coming years will be: 1) retaining and rewarding the best people, and 2) attracting the best people.

• HR professionals believe providing flexibility to balance life and work will be one of the most effective tactics for attracting and retaining the best people.

• Flexible scheduling is the provision or benefit offered the most by organizations with the hiring and retention of older workers in mind.

• 91% of HR professionals believe flexible work arrangements have a positive impact on employee morale (job satisfaction and engagement) and 89% believe employee retention is positively affected by flexible work arrangements.

• HR professionals believe the productivity of tele-commuters increases and absenteeism decreases.

"According to HR professionals, the most effective tactic for attracting the best people and retaining and rewarding the best employees is providing flexibility to balance life and work."

Mark Schmit

Figure 1: HR Managers' Top Tactics for Retaining, Rewarding and Attracting the Best People

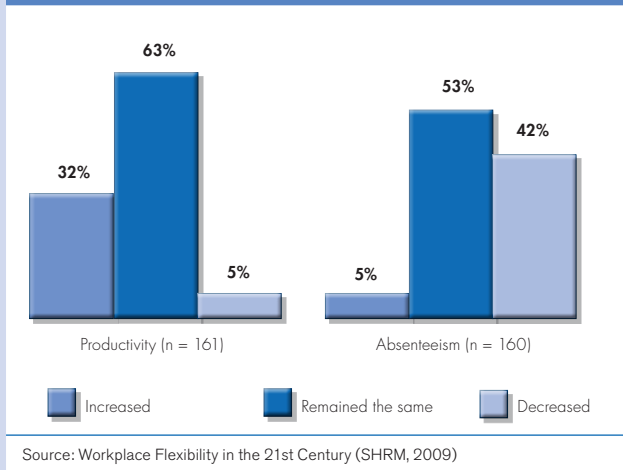| Tactic	%
Providing flexibility to balance life and work	58%
Creating an organizational culture where trust, open communication and fairness are emphasized and demonstrated by leaders	47%
Having jobs designed to provide employees with meaningful work that has a clear purpose in meeting the organizations' objectives	40%
Demonstrating a commitment to employee development	29%
Offering a higher total rewards package (i.e., total compensation and benefits package) than organizations that compete for the same talent	23%
Creating a stimulating and attractive organizational culture	21%
Creating an organizational culture where employees are encouraged to make decisions and take risks	15%
Providing employees better opportunities to use their skills and abilities	14%
Developing human capital managers at all levels of the organization	13%
Providing employees with the latest tools to maximize work efficiency and effectiveness	11%
Creating a highly inclusive culture that uses diverse perspectives to optimize organizational performance	11%
Demonstrating the organization's commitment to corporate social responsibility and sustainability	4%
Other	1%

Source: Challenges Facing Organizations and HR in the Next 10 Years (SHRM, 2010)

HR professionals rate the following types of formal flexible work arrangements (FWAs) as most successful:

- Part-year work where employees work a certain number of months per year (76% of those surveyed say this arrangement is very successful).

- Telecommuting from a satellite location (75%).

- Flextime where "core hours" do not apply, allowing employees to choose their own work hours within limits (73%).

- Flextime with "core hours," allowing employees to choose their work hours within limits established by the employer (73%).

- Compressed workweek where full-time employees work longer days for part of the week in exchange for shorter days or days off (70%).

Figure 2: Productivity and Absenteeism Rates of Telecommuters

Productivity (n = 161): Increased 32%, Remained the same 63%, Decreased 5%

Absenteeism (n = 160): Increased 5%, Remained the same 53%, Decreased 42%

Legend: Increased | Remained the same | Decreased

Source: Workplace Flexibility in the 21st Century (SHRM, 2009)

Professor Wayne Cascio summarized the context for workforce flexibility by terming it a global competitiveness issue. Failing to create a more flexible, productive workforce affects the country's economy and ability to compete.

> "How organizations find and keep talent is a global competitiveness issue. I want our country to be able to compete in the global labor market; I want us to be out front."
>
> Wayne Cascio

Impact of the Recession

The impact of the recession on workforce flexibility is not completely clear. The Families and Work Institute, headed by Ellen Galinsky, has found in a nationally representative study of employers that 81% of organizations maintained the same level of flexibility during the recession, while 13% increased their flexibility and just 6% decreased their flexibility.

> "In the absence of money, employers need other ways to attract people."
>
> Ryan Johnson

SHRM research looking at the subject of flextime found that as a result of the recession, the amount of flextime went down. According to the SHRM *2010 Employee Benefits* survey report, there were differences between large and small organizations: Because small organizations are often very lean to begin with, in the recession there has been much less flextime.

Benefits

The discussion of the merits of workforce flexibility included several participants describing how they and/or their employer have benefitted from having flexibility. Participants offered several core benefits of workplace flexibility:

- It is a recruiting tool for new employees and is important in securing good people.

- It increases employee loyalty and boosts retention.

- As the SHRM data shows, HR professionals believe it leads to increased employee satisfaction and engagement, improved productivity and decreased absenteeism.

- It can be a competitive advantage for firms that offer flexibility.

"Workplace flexibility has become an important recruiting tool that also helps with retention. It is now integral to building a strong employer brand."

Deb Cohen

Cascio emphasized that in his experience, once people have flexibility, they don't want to go back—which shows how much they like it.

"Flexibility is good for employees, families, companies and society."

Patricia Kempthorne

Key Issues

While there was a strong consensus among participants on the benefits of workplace flexibility, workplace flexibility is still not widespread. Karol Rose said, "It is obvious, but common sense is not always common practice." The salient questions are: Why is workplace flexibility not widespread? What are the issues and barriers that limit workplace flexibility?

Among the key issues identified cited were:

- The **vocabulary and language** used to describe workplace flexibility. Several participants emphasized that new language and terminology are required.

- The **cultural perception of flexibility** needs to be changed. Many people still have a mindset where "commitment" requires being physically present and responding immediately.

"When people work a flexible or part-time schedule, they are more likely to be viewed as 'not committed.' Commitment is often defined as 'instant responsiveness,' which is obviously a harder standard for employees who are not working a regular or full-time schedule to meet."

Leslie Silverman

- **Lack of support by business executives.** It often is hard to measure the benefits and ROI of workplace flexibility, which is a barrier to convincing executives and line managers to support flexibility.

- **Lack of critical mass to drive change.** Changing the paradigm for workplace flexibility won't happen one organization at a time. Changing the way society and employers think about workplace flexibility requires critical mass, which doesn't yet exist.

- **Lack of trust.** Catherine McCarthy said, "Workplace flexibility is based, in part, on trusting relationships." Lack of broad adoption of flexible practices indicates a lack of trusted relationships between employers and employees.

- **The importance of employee input.** According to Ellen Galinsky, among those employers that have encouraged flexibility during the recession, a little more than half (57%) have given employees choices or solicited their input about working flexibly—for the rest, flexibility is driven by the employer.

- **Different issues for different types of workers at different firms and different segments of workers.** There is not a one-size-fits-all solution for every worker at every company in every industry. How to provide flexibility for some workers in some situations is not yet clear.

Roundtable participants also agreed that there are numerous barriers to implementing flexibility:

- **Allowing workplace flexibility to be voluntary in an organization,** at a manager's discretion.

- **Inconsistency throughout an organization.**

- **Lack of clarity** about the definition of workplace flexibility. Is it a program? A cultural change?

- **Lack of clarity** about who owns workplace flexibility and is responsible for it.

"We have to focus on implementation, putting processes in place. ... Organizations have allowed it to be voluntary, based on the supervisor and the needs of the business, which has resulted in inconsistency."

Ellen Ernst Kossek

- Hourly workers: As David Fortney pointed out, workplace flexibility is especially hard for low-wage jobs, which usually require a physical presence. For these workers, there is the "two o'clock problem"—how to provide flexibility for on-site workers who need to be physically present at 2 p.m. in order to do their work, but who also have conflicting personal responsibilities.

- Salaried workers: For these individuals, the challenge is often the "nine o'clock problem." The issue is how to set boundaries to balance life and work when an individual is expected to immediately respond to an e-mail at 9 p.m.

"One challenge is creating balance within a bifurcated workforce. Many hourly workers need more flexibility and many salaried workers need better boundaries."

David E. Gray

- Small businesses: It is often even more difficult for small businesses to offer workforce flexibility, as they have fewer resources, little or no excess capacity and more constraints.

"Small businesses are just trying to survive. They don't often realize that flexibility can be a part of their success."

Patricia Kempthorne

- **There is a lack of tools to help organizations and managers.** For those managers and organizations interested in workplace flexibility, it can be hard to know what to do and how to go about it. Many participants see a lack of helpful tools, data, case studies and resources.

- **Legal constraints are a barrier to broader adoption.** In providing flexibility, employers face legal and regulatory constraints, particularly in relation to wage-and-hour laws.

"Workplaces are about relationships, but relationships are constrained by laws; managers can't just make decisions ad hoc."

Victoria Lipnic

Potential Solutions

Several participants articulated a vision of the future where there is "a new way of working" and workplace flexibility is just a normal, accepted part of the day-to-day environment. As Ryan Johnson said, "My hope is that in 15 years this is just how companies operate."

In general, the participants do not necessarily see legislation or government intervention as the solution. Said David Fortney: "I don't see government as the answer. I see the people at this table as the answer."

Among the potential solutions described by participants were:

- **Convincing business leaders that workplace flexibility is good for business.** What is needed is for business leaders to come to the recognition that "workplace flexibility is good for us." An example was shared of former Sara Lee CEO Brenda Barnes, who remarked that she supported workplace flexibility not because she was being nice, but because it was good for the company. It is essential that other corporate leaders develop a similar perspective.

"We have to link flexibility as a win for businesses and employees."

Donna Klein

- **Creating a compelling business case.** Several participants argued that the key to getting business leadership support is building a business case that quantifies the benefits of workplace flexibility. This entails collecting data—particularly around ROI—and making a compelling case to executives.

"We need to collect data for a business case."

Chai Feldblum

- Developing a **theory for change**. Kathleen Christensen stated that bringing about large-scale change requires a theory for change. Participants shared several potential theories and models for change:

  - **Change driven by evidence.** One argument is that change will be compelled by extensive research and evidence. Ellen Ernst Kossek said, "If there is evidence that it [workplace flexibility] works for both employer and employee, there will be adoption."

  - **Change driven by moral suasion.** Christensen believes an effective way to bring about change is to show how workplace flexibility is in the best interests of employers and employees.

"But what are other levers to drive change? While I think that research can provide evidence of the business case for workplace flexibility, research is not enough. We also need to have corporate champions promoting flexibility, employees actively advocating for it, and critical American institutions, such as government, churches or community groups, using moral suasion to get businesses to understand that flexibility is good, not just for the individual firm, but for the U.S. economy and society."

Kathleen E. Christensen

- **Change at the community level.** The theory of change embraced by Galinsky's organization is that change happens best at the community level. Employers move beyond trying to achieve competitive advantage over other local organizations and work together to learn how to improve their workplaces so that the community becomes a better place to live and work. However, this change takes time to achieve.

"Our theory of change is that change happens most effectively at the community level. Employers have to move beyond thinking in terms of competitive advantage [on a local level] and need to think about working together in ways that benefit all of them."

Ellen Galinsky

Donna Klein remarked that there doesn't need to be just one model for change; there can be many different models that are applied.

- **Forming a coalition.** No one organization can bring about broad change. One potential solution is a broad coalition focused on workplace flexibility. A broad coalition can create the scale and critical mass needed to drive change.

- **Providing technical assistance to support implementation.** To overcome the barriers associated with implementing workforce flexibility at the organizational level, one possible solution is providing organizations with technical assistance. The assistance provided will need to be tailored to an organization's specific situation.

- **Developing an award to recognize workplace flexibility.** Similar to the Baldrige Award, an award could be created to recognize outstanding workplace flexibility, thereby drawing attention to the subject. (Some participants noted that while there already are awards, more recognition is needed.)

Global Index of Workplace Flexibility and Performance Potential

One potential solution raised by Peter Wilson and Wayne Cascio was the creation of a Global Index of Workplace Flexibility and Performance Potential. The idea for this index would be to measure how different countries rate in terms of flexibility and performance potential. Such an index would be relevant as the world becomes more global and as employers consider where to locate operations.

After being canvassed for input about such a concept, many participants saw benefit in the concept, but others saw creation of this index as possibly requiring a great deal of data-gathering effort for an uncertain benefit. Some participants asked whether this information could be gathered as part of an existing corporate social responsibility index, or through a commissioned survey. It also was stressed that any future work undertaken on this concept should be designed to demonstrate the business benefits inherent in any propositions or data developed.

Leveraging HR's Role to Promote Workplace Flexibility

In breakout discussions, participants brainstormed how HR can leverage its role in the organization to promote workplace flexibility. They identified several different roles HR professionals can play:

- **Change agent.** A critical role of HR professionals is to act as a catalyst in driving change in the organization.

"The number-one job of HR people focused on work-life is 'change agent.'"

Karol Rose

- **Convener.** An important role for HR is to initiate an internal conversation about workplace flexibility and to serve as a convener in bringing people together and getting workplace flexibility on the agenda.

- **Influencer.** HR can influence the organization's culture, systems, processes and policies. HR professionals also have the ability to influence the CEO and other senior executives.

- **Strategist.** HR can play the role of strategist in exploring how workplace flexibility supports the organization's business strategy. Acting as a strategist also involves thinking about the strategies the company will employ to differentiate itself in attracting and retaining talent.

- **Advocate.** It is HR's role to educate others in the organization about the benefits of workplace flexibility and to advocate for it.

- **Innovator.** HR can act as an innovator by working to initiate pilots of workplace flexibility that demonstrate success.

SHRM's Role

Also in the breakout discussions, participants shared ideas for how SHRM can contribute to advancing workforce flexibility. Multiple participants expressed their gratitude to SHRM for convening this Roundtable and voiced hope that this conversation would continue. As Chai Feldblum observed, "I'm glad this is on SHRM's agenda." Participants also are hopeful that SHRM will play a leadership role in driving further conversations on workplace flexibility.

> "We need more of these types of conversations."
> Katie Corrigan

Members of SHRM's staff indicated that this is an extremely important issue and a priority for SHRM. Mike Aitken summarized his thoughts by saying, "This isn't a nice 'to-do'; it is a business imperative."

> "In today's diverse, global and mobile workforce, there is no more important issue for SHRM than to help organizations get the most and best out of each person."
> Bill Maroni

In addition to being a convener, other ways SHRM can lend its support to advancing workplace flexibility include:

- **Reconceptualizing and rebranding workforce flexibility.** SHRM can take the lead in bringing various parties together to work through how to rebrand workforce flexibility. (One participant suggested the idea of "creating a more agile workforce.")

- **Increasing the visibility of workforce flexibility.** SHRM could use its influence to bring attention to this topic. This requires developing messaging and a campaign. Also bringing visibility would be awards and recognition.

- **Convincing management to support workplace flexibility.** This would include conducting research, creating a compelling business case and advocating to SHRM members and executives about workplace flexibility.

- **Aggregating important information about workplace flexibility.** Some participants saw the potential for SHRM to be an accessible clearinghouse of workplace flexibility information, with stories about what has worked and what hasn't, best practices, case studies, metrics, and other important information.

- **Developing, aggregating, and making tools and technical support available.** In addition to just aggregating information, SHRM could play a valuable role by developing and making available tools and resources that organizations can use in learning about and implementing workplace flexibility. An example could include incorporating workplace flexibility into standards and guiding principles for HR.

- **Educating about workforce flexibility.** In addition to advocating on this topic, SHRM can educate CEOs and HR professionals. Education may include making workforce flexibility part of existing certification programs, and SHRM could encourage teaching about workforce flexibility at the college and university level.

The purpose of this Roundtable was to gather together a group of HR and policy experts from many different backgrounds to explore the most critical issues and viable solutions related to workplace flexibility. The facilitator, Deb Cohen, concluded the day's event by thanking the participants for helping SHRM achieve this goal and for helping SHRM identify and prioritize the most important steps the HR profession and SHRM can take to encourage a more flexible workplace in the years ahead.

Moving Work Forward

A few months after the SHRM Executive Roundtable on Workplace Flexibility described in this report was held, SHRM announced Moving Work Forward, a partnership with the Families and Work Institute (FWI). This partnership is designed to help organizations be more successful by transforming the way businesses view and adopt flexible workplace practices. The partnership's mission is to share the research on how effective and flexible workplaces can benefit employers and employees, to share best practices, and to help employers develop workplace cultures that fully embrace and implement strategies that will "move work forward."

Here are just a few of the benefits that will come out of the partnership:

• **Premier Conference:** Together, both organizations will host an unprecedented annual work-life conference to engage leading thought leaders and senior HR practitioners on strategies and solutions to help organizations increase productivity and engagement, lower turnover costs and be more innovative. The conference is scheduled for Nov. 7-9, 2011, in Washington, D.C., at the Capital Hilton.

• **Practical Tools:** The partnership will develop educational materials and practical tools to help practitioners and employers implement and advocate flexible workplaces and related policies.

• **Research:** SHRM and FWI will share research on how flexible and effective workplaces can benefit employers and employees alike.

• **Awards:** The partnership will co-brand FWI's "When Work Works" initiative, which brings relevant research directly into community and business practice. The initiative also recognizes exemplary employers through the Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility.

• **Training:** SHRM and FWI will work together to educate and train HR professionals around the world, so they can make the case for effective workplace strategies within their organizations.

For more information, go to **www.movingworkforward.org.**