

**SHRM RESEARCH:
FLEXIBLE WORK ARRANGEMENTS**



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Flexible work arrangements (FWAs) can come in many forms, including telecommuting, compressed workweeks and flexible scheduling that allows employees to perform tasks outside of core business hours. Improvements in technology have made FWAs possible for a broader segment of the labor force, but some of these arrangements have yet to achieve widespread acceptance in many organizations' workplace cultures. However, SHRM research shows that participation in some FWAs has risen in recent years, and these measures have yielded positive results for companies' recruitment and retention efforts, as well as their employees' development and productivity.

FWAs Grow in Popularity

FWAs are increasingly cited by workers and job seekers as an important element of determining job satisfaction. Many of these benefits can also be cost-effective for employers and assist in their staffing management efforts.

- According to the *2015 Employee Job Satisfaction and Engagement* report from SHRM, 55% of employees cited the flexibility to balance work and life issues as a very important aspect of their job satisfaction, an increase of 10 percentage points from the previous year. One of the top reasons these employees indicated they would be unlikely or very unlikely to look for a new position outside of their organization in the next year was the workplace flexibility offered by their organization (42%).ⁱ
- More than one-half (56%) of respondents to this survey indicated that they would be unlikely or very unlikely to look for a new position outside of their organization in the next year. The leading reasons these employees expected to remain at their current organization were compensation/pay (45%) and flexibility to balance work and life issues (42%).
- FWAs are also valued highly among HR professionals, according to SHRM's most recent *HR Jobs Pulse Survey* administered in the summer of 2015. Nearly two out of five (38%) HR professionals said they continue to work at their current organization because of "flexibility to balance work and life issues."ⁱⁱ
- More than one-half of employers offer several types of FWAs, according to SHRM's *2015 Employee Benefits* report. They include casual dress day once a week (offered by 62%), telecommuting (60%), telecommuting on an ad-hoc basis¹ (56%), flextime² (54%) and flextime during core business hours (54%), as shown in Figure 1.
- Other common FWAs offered by employers included compressed workweeks³ (31%), telecommuting on a full-time basis (22%) and shift flexibility⁴ (21%), as illustrated in Figure 1.
- Employers' participation in some FWAs has risen substantially in the past five years. In 2015, 62% of employers offered casual dress day once a week, up from 55% in 2011. Nearly three out of five (56%) employers offered telecommuting on an ad-hoc basis in 2015, up sharply from 42% in 2011 (see Figure 2).

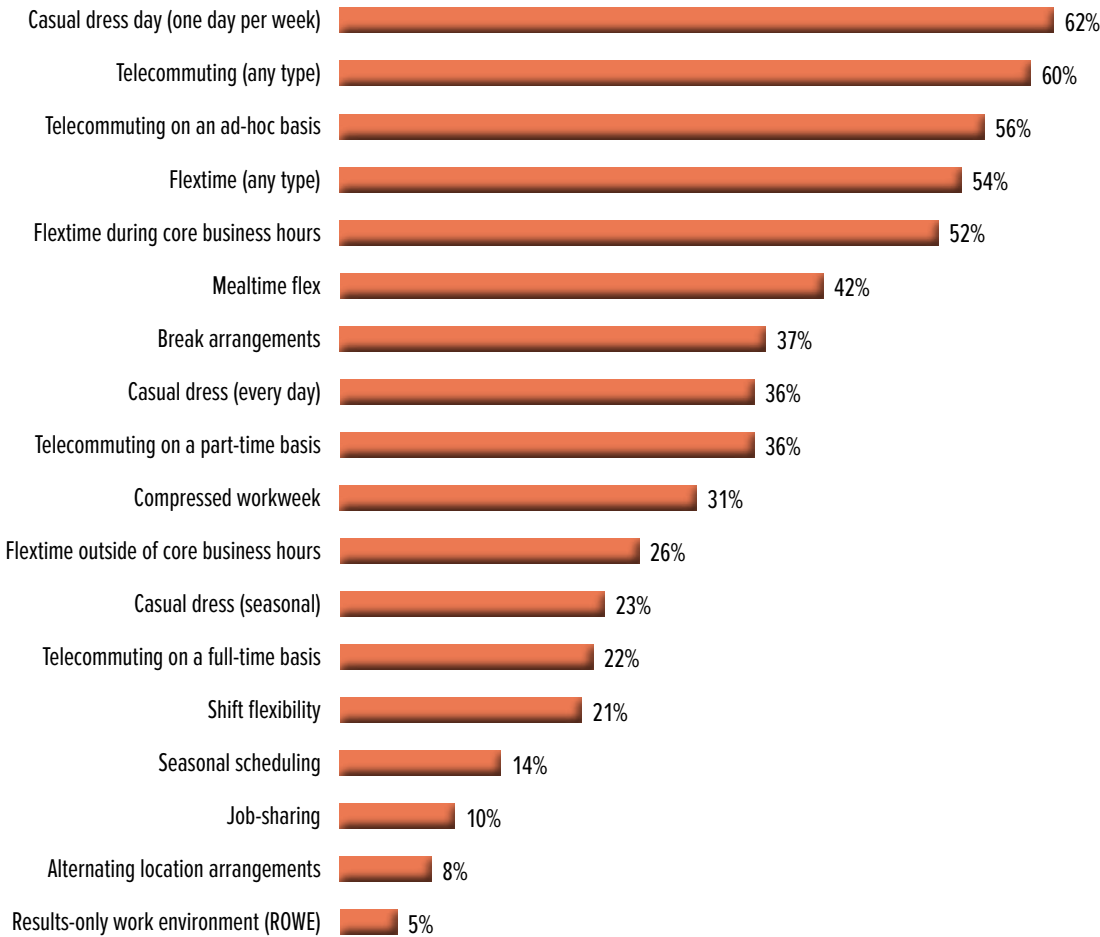
¹ Telecommuting on an ad-hoc basis is defined as situations that may occur intermittently throughout the year or as a one-time event.

² Allowing employees to choose their work hours within limits established by the employer.

³ Allowing full-time employees to work longer days for part of the week or pay period in exchange for shorter days or a day off each week or pay period.

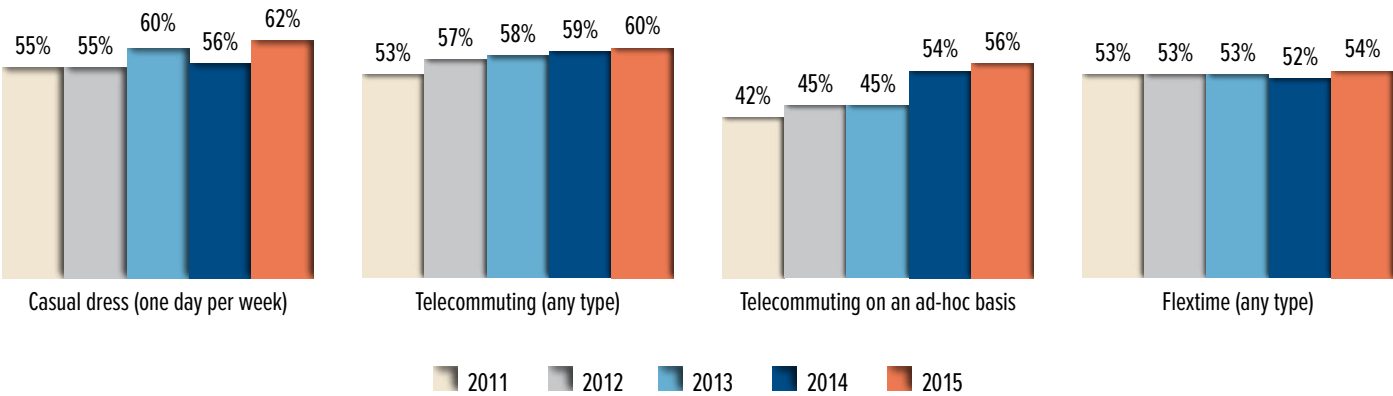
⁴ Allowing employees to coordinate with co-workers to adjust their schedules by trading, dropping or picking up shifts.

Figure 1: Flexible Work Arrangements Offered by Employers



Source: 2015 Employee Benefits: A Research Report by SHRM (SHRM, 2015)

Figure 2: Flexible Work Arrangements Offered by Employers, by Year



Source: 2015 Employee Benefits: A Research Report by SHRM (SHRM, 2015)

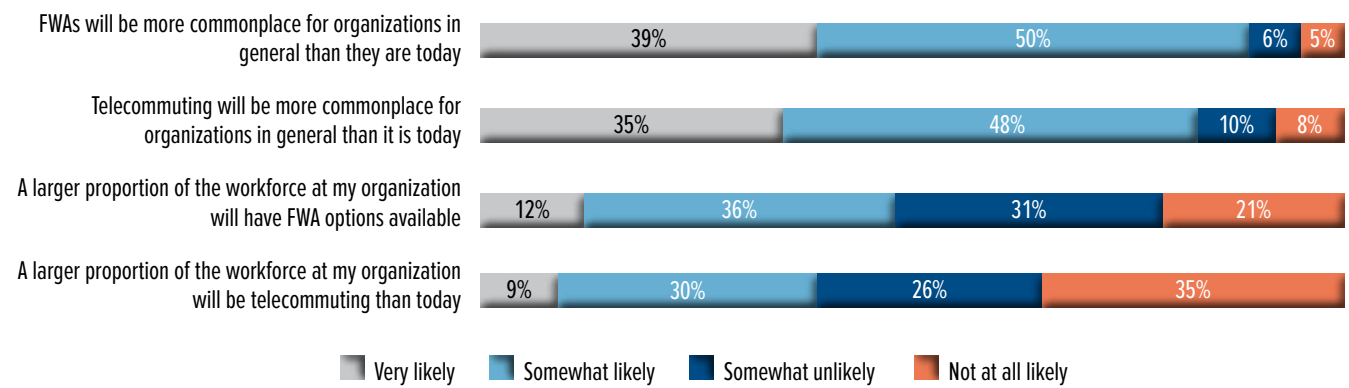
The Future of FWAs

Although many HR professionals believe that FWAs and telecommuting options will increase in the future for the labor force at large, their optimism is not as strong within their own organizations. Other research has shown that telecommuting, in particular, has improved certain aspects of organizations' operations.

- A combined 89% of HR professionals had some level of faith that FWAs would be more commonplace for organizations in five years than they are today (39% said “very likely” and 50% said “somewhat likely”),ⁱⁱⁱ as can be seen in Figure 3. Yet, only a combined 48% had some level of confidence that FWA options were somewhat or very likely to increase at their own organization five years from now.^{iv}

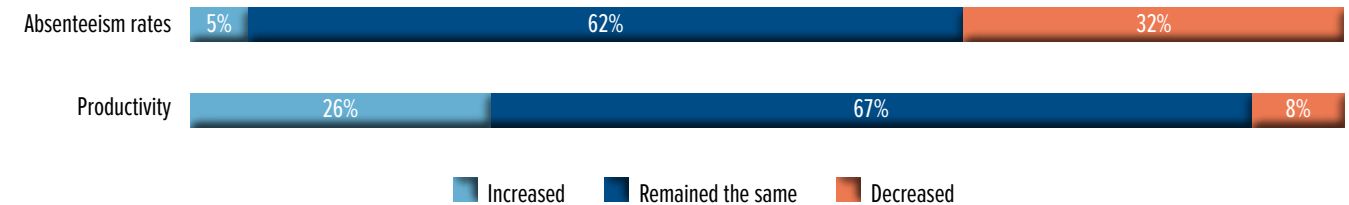
- Similarly, a combined 83% of HR professionals said telecommuting would likely be more commonplace for all organizations five years from now, but only 39% had some level of faith that in five years “a larger proportion of the workforce at my organization will be telecommuting than today.”
- Despite discrepancies among organizations regarding changes in FWA and telecommuting availability in the next five years, many HR professionals argue that telecommuting has benefited their organizations. More than three out of 10 (32%) HR professionals said the work-from-home option has reduced absenteeism rates at their organizations, and another 26% said telecommuting has resulted in increased productivity (see Figure 4).

Figure 3: Likelihood of Changes in FWA and Telecommuting Offerings in the Next Five Years



Source: Workplace Flexibility—Overview of Flexible Work Arrangements (SHRM, 2014)

Figure 4: Changes in Productivity and Absenteeism as a Result of Telecommuting



Source: Workplace Flexibility—Overview of Flexible Work Arrangements (SHRM, 2014)

BUILDING FLEXIBILITY INTO AN ORGANIZATION'S DNA **Orbit Logic, Greenbelt, Md.**

Aerospace software manufacturer Orbit Logic was created “with flexibility in mind” when it started doing business, according to its CHRO and SHRM member, Artiana George, SHRM-CP. Flexible schedule and telework policies were established since the company’s founding in 2000, George said. They were prompted, in part, by notoriously tough traffic conditions in the Washington, D.C., metro region. Orbit Logic is located in the D.C. suburb of Greenbelt, Md. But another reason for flexible work arrangements at Orbit Logic was the desire to draw top talent.

“Around here, it’s hard for people to work a regular 9-to-5 shift,” George said. “When traffic is bad, we want people to be able to come in later or earlier, whatever they prefer. But we also know for us to attract the best and brightest software developers and system engineers, we need to give them more flexibility.”

Orbit Logic is a “small but growing” business with about 20 employees and has a mix of private-sector and government clients, George said. All employees are

issued a laptop with virtual private network (VPN) access, and all are eligible for flexible scheduling and telework. The company’s executives are focused more on results rather than the time of the day that Orbit Logic’s employees are clocking in, George said.

“We occasionally have mandatory meetings, and everyone gets together at certain times, but that’s it,” she said. “As long as we know where everyone is and what they’re working on, we’re OK. This really saves us money, too. Turnover can be very expensive, and most of our employees have at least six years’ tenure with us.”

The policies’ effect on morale and job satisfaction has been rather easy to measure, George said. “We do an employee survey every year, and we ask everyone to list their favorite benefit,” she said. “This company offers profit-sharing as well as 100% paid health benefits. But flexibility is always ranked number one.”

The Success and Impact of FWAs

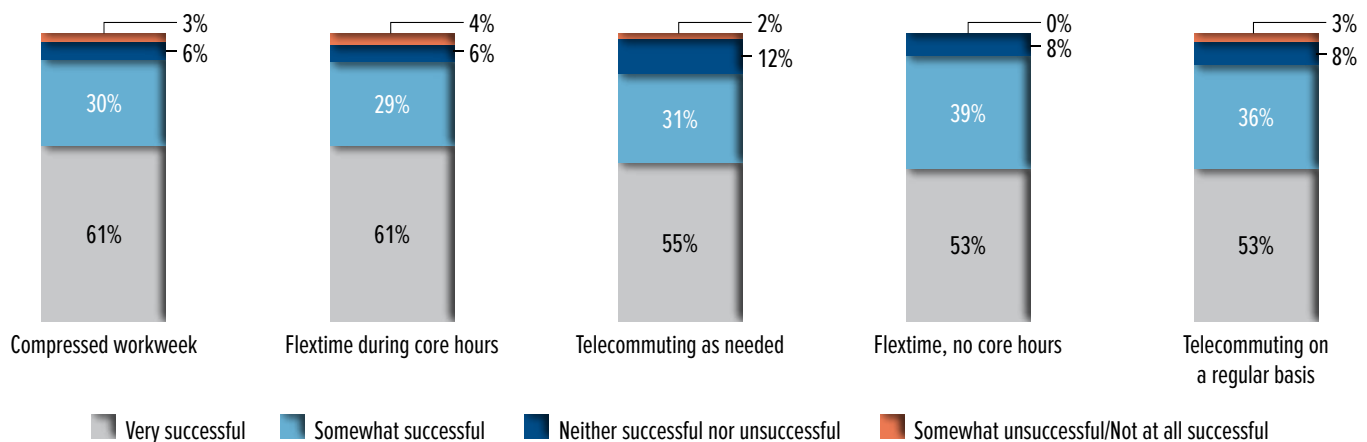
HR professionals were recently asked about the success of 17 types of FWAs. Of the organizations that offered each type of FWA, the majority (at least four-fifths) indicated that 13 out of 17 FWA options were either somewhat or very successful for their operations (i.e., resulted in positive outcomes for all involved stakeholders).⁹

- More than nine out of 10 (91%) organizations that offered a compressed workweek said this option has had some

degree of success (61% said “very successful” and 30% said “somewhat successful”) (see Figure 5).

- More than four out of five organizations that offered telecommuting, either as needed or on a regular basis, said this FWA has had some degree of success.
- Very few respondents (6% or less for all FWA options) said that FWA options were “somewhat unsuccessful” or “not at all successful” for their organizations.

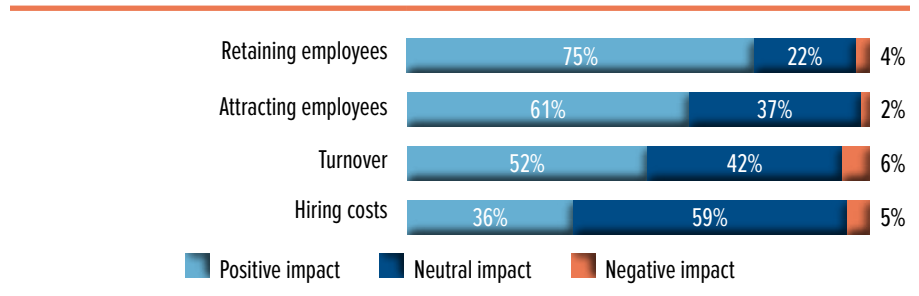
Figure 5: Success of Flexible Work Arrangements



One-half or more of HR professionals said that FWAs have also had a positive impact on various business operations, including recruitment and retention, employee excellence, and organizational success. Several factors contribute to the success of FWA options, including support/buy-in from top management, commitment from employees to make it work and a supportive organizational culture, among others.^{vi}

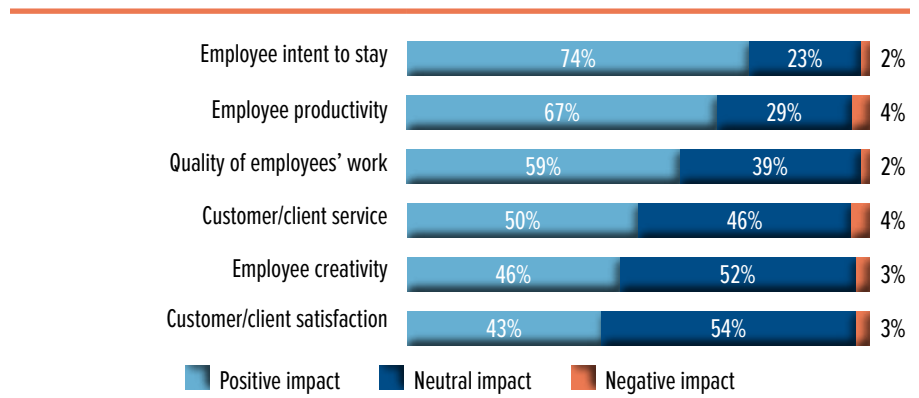
- The majority of HR professionals said that FWAs had a positive impact on several aspects of recruitment and retention, including retaining employees (75%), attracting employees (61%) and turnover (52%) (see Figure 6).
- The majority of HR professionals said that FWAs had a positive impact on several aspects of employee excellence, including employee intent to stay (74%), employee productivity (67%) and quality of employees' work (59%) (see Figure 7).
- The majority of HR professionals said that FWAs had a positive impact on several aspects of employee experience, including quality of employees' personal/family lives (84%), morale/job satisfaction/engagement (80%), employee job autonomy (56%), and employee health and wellness (52%) (see Figure 8).
- The majority of HR professionals said that FWAs had a positive impact on several aspects of organizational success, including employee commitment to the organization (72%), overall company culture (63%) and public image as an employer of choice (52%) (see Figure 9).

Figure 6: Impact of FWAs on Recruitment and Retention



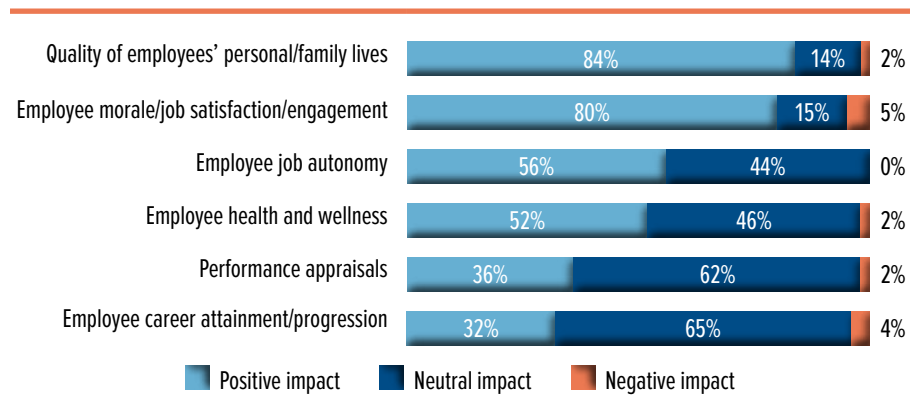
SHRM Survey Findings: Workplace Flexibility—Strategic Use of Flexible Work Arrangements (SHRM, 2014)

Figure 7: Impact of FWAs on Employee Excellence



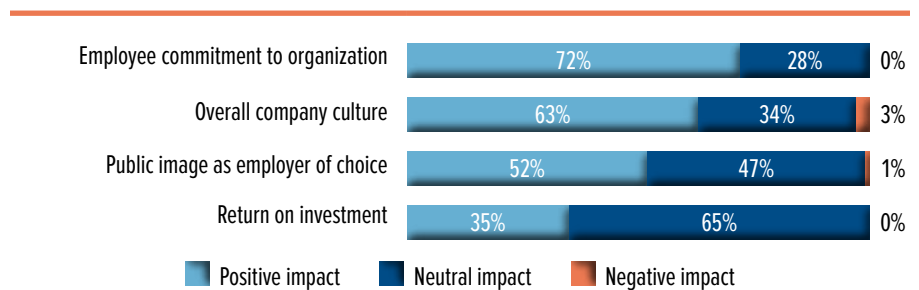
SHRM Survey Findings: Workplace Flexibility—Strategic Use of Flexible Work Arrangements (SHRM, 2014)

Figure 8: Impact of FWAs on Employee Experience



SHRM Survey Findings: Workplace Flexibility—Strategic Use of Flexible Work Arrangements (SHRM, 2014)

Figure 9: Impact of FWAs on Organizational Success



SHRM Survey Findings: Workplace Flexibility—Strategic Use of Flexible Work Arrangements (SHRM, 2014)

FWAs' Role in Recruiting Various Demographics

As the 55-and-older segment of the labor force continues to expand, many employers are turning to members of this demographic to address demand for high-skilled positions. FWAs are playing an important role in that effort.

- More than one-third of employers (37%), for example, used flexible scheduling as a means of attracting older workers^{vii} (see Figure 10). An overwhelming majority of HR professionals (97%) also said the implementation of flexible scheduling had some degree of effectiveness for recruitment and retention of older workers (63% said “very effective” and 34% said “somewhat effective”).^{viii}
- FWAs are frequently cited by Millennials as an important factor when looking for work, according to recent SHRM

research. About one-third (34%) of HR professionals whose organizations had hired 2015 college graduates said flexibility to balance work and life issues was a top priority for these job seekers.

- Overall, FWAs are used by many organizations to recruit and retain employees of all demographics and skill levels, according to other research conducted by SHRM. About one-third (34%) of HR professionals said they used FWAs to retain highly skilled employees, for example^{ix} (see Figure 11).
- About two-fifths of HR professionals (41%) also said their organizations used FWAs to recruit highly skilled employees, and more than one-third (35%) to recruit employees at all levels.^x

Figure 10: Steps Taken to Recruit Older Workers

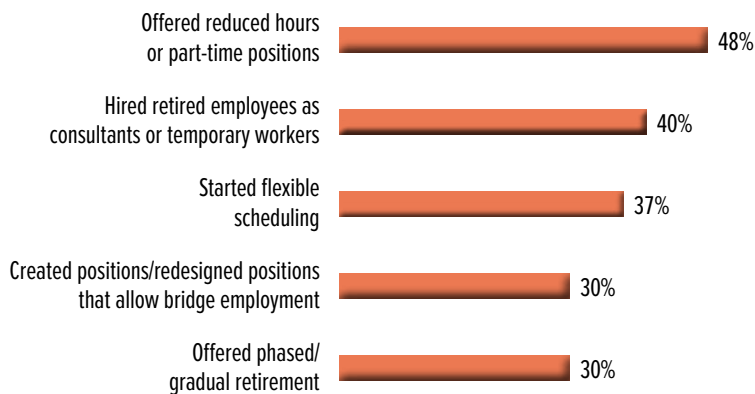
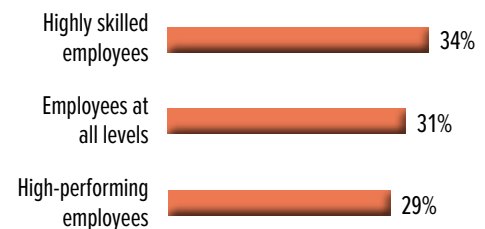


Figure 11: Leveraging FWAs to Retain Employees



Source: SHRM Survey Findings: Strategic Benefits—Leveraging Benefits to Retain Employees (SHRM, 2015)

Source: Adapted from SHRM Survey Findings: The Aging Workforce—Recruitment and Retention (SHRM, 2015)

USING FLEXIBLE WORK PRACTICES TO ATTRACT TALENT AT A HEALTH CARE TECH COMPANY NASCO, Sandy Springs, Ga.

A four-year, \$1 billion road construction project is looming right outside NASCO's front door in Atlanta. Traffic congestion is severe at the interchange of Georgia Route 400 and Interstate 285, where hundreds of NASCO employees drive every day—and flexible work policies will play a role in minimizing any potential disruptions to the company's operations when the road work begins.

Fortunately, NASCO won't be starting from scratch. Flex work has already been on the books for many years at the company, a health care information technology provider for Blue Cross/Blue Shield. Telecommuting and flexible scheduling are, in fact, what helps the company thrive and earn high marks from its clients, said Barbara Bell-Dees, SHRM-CP, SHRM member and NASCO's VP of human resources and people services.

“If we didn't offer these benefits, we wouldn't have the talent that we have here,” Bell-Dees said. “Quite frankly, you measure it from what you hear and read, and balancing work and life always comes out first for our employees. When we poll our customers, the number one positive comment about NASCO is our employees. They appreciate our work, and they comment on the value of our associates. I think that says it all.”

Among NASCO's offerings are flexible start times and a variety of telework options. Many of the company's 1,500 employees work from home full-time; others have an option to telecommute up to two days a week. NASCO also provides temporary, short-term telework in unique situations, Bell-Dees said.

“As an example, I had an associate who had a major foundation issue with her home,” she said. “To repair it, she had to move everything into the garage, and there were contractors in and out on a daily basis. So I allowed her to work from home for a month because that's what she needed.”

Flex work benefits should be fluid to accommodate employees' changing needs, as well as external factors like the interchange construction project that will begin in late 2016, Bell-Dees said.

“It's not just about having the benefits, because right now, they're an expectation at most companies,” she said. “You tweak them based on what's going on inside and outside your building.”



About When Work Works

When Work Works (WWW) is a national initiative, led by the partnership of the Families and Work Institute (FWI) and the Society for Human Resource Management (SHRM), to help businesses of all sizes and types become more successful by reinventing their workplaces. The initiative administers the annual WWW Award, which recognizes exemplary employers for creating effective and flexible workplaces to increase business and employee success.

For more information about When Work Works visit www.whenworkworks.org.

About SHRM

Founded in 1948, SHRM is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. Visit us at shrm.org.

About SHRM Research

SHRM Research, as part of the Knowledge Development division supporting SHRM and its members, produces high-quality, leading-edge research on human resource management issues and trends, the economy and the workplace for the purpose of advancing the HR profession. SHRM Research acts as an advisor to SHRM and generates and publishes research used by human resource professionals and other business leaders to develop their knowledge and to provide strategic direction to their organizations.

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ⁱ Society for Human Resource Management. (2015, April). *Employee job satisfaction and engagement report*. Retrieved from <http://www.shrm.org/research/surveyfindings/pages/job-satisfaction-and-engagement-report-optimizing-organizational-culture-for-success.aspx>

ⁱⁱ Society for Human Resource Management. (2015, July). *HR jobs pulse survey report*. Retrieved from <http://www.shrm.org/research/pages/hrjobspulsereport.aspx>

ⁱⁱⁱ Society for Human Resource Management. (2014, October). *SHRM survey findings: 2014 workplace flexibility—overview of flexible work arrangements*. Retrieved from <http://www.shrm.org/research/surveyfindings/articles/pages/2014-workplace-flexibility-survey.aspx>

^{iv} Ibid.

^v Ibid.

^{vi} Society for Human Resource Management. (2014, October). *SHRM survey findings: 2014 workplace flexibility survey—strategic use of flexible work arrangements*. Retrieved from [http://www.shrm.org/research/surveyfindings/articles/pages/2014-workplace-flexibility-survey-strategic-use-of-flexible-work-arrangements-\(fwas\).aspx](http://www.shrm.org/research/surveyfindings/articles/pages/2014-workplace-flexibility-survey-strategic-use-of-flexible-work-arrangements-(fwas).aspx)

^{vii} Society for Human Resource Management. (2015, January). *SHRM survey findings: The aging workforce—recruitment and retention*. Retrieved from <http://www.shrm.org/research/surveyfindings/articles/pages/shrm-older-workers-recruitment-and-retention.aspx>

^{viii} Society for Human Resource Management. (2015, April). *SHRM survey findings: The hiring of 2015 college graduates*. Retrieved from <http://www.shrm.org/research/surveyfindings/articles/pages/shrm-hiring-college-graduates-2015.aspx>

^{ix} Society for Human Resource Management. (2015, October). *SHRM survey findings: Strategic benefits—leveraging benefits to retain employees*. Retrieved from <http://www.shrm.org/research/surveyfindings/pages/2015-strategic-benefits--leveraging-benefits-to-retain-employees.aspx>

^x Society for Human Resource Management. (2015, October). *SHRM survey findings: Strategic benefits—leveraging benefits to recruit employees*. Retrieved from <http://www.shrm.org/research/surveyfindings/pages/2015-strategic-benefits--leveraging-benefits-to-recruit-employees.aspx>