

Flexible Work Arrangements: A Win-Win for Organizations and Employees

“The Nonprofit Sector’s Leadership Deficit,” a recent Bridgespan Group white paper, called out an immense challenge the sector will face in coming years: the need to add approximately 640,000 new senior leaders over the decade from 2007 to 2016.

Meeting this challenge will require efforts on many fronts, including investing in leadership capacity; refining management rewards to attract and retain leadership talent; and expanding recruiting horizons to tap into new pools of talent such as baby boomers, mid-life career changers, and others.

Though certainly not “the answer” to the leadership deficit, creating more flexible work arrangements is one way to better attract and retain talented leaders and managers. Balancing work and personal life has become a pressing challenge in society today, and the ability to create work schedules that accommodate this challenge is an extremely attractive proposition for potential employees.

According to the U.S. Department of Labor Bureau of Statistics, in 2000, 23 percent of the labor force worked part-time, and of these part-time workers, nearly 25 percent (6.7 million people) were managers and professionals. And this is a significant underestimate of the true number of flexible work arrangements. Because part-time work is only a subset of the larger flexible category, the statistic does not include people working other arrangements such as “flex-time,” telecommuting, compressed work weeks, or other solutions to the desire for more flexibility.

Once thought of as solely the domain of working mothers, flexible work arrangements are increasingly important to other groups as well, including older workers considering their options for “post-retirement” work. According to the American Association of Retired Persons (AARP), 80 percent of older workers approaching the traditional retirement age expect to continue to work, and a recent survey by Merrill Lynch found that while most older workers want to continue to work, only six percent want to work as full-time employees.¹

¹ As reported in a Sloan Center for Flexible Work Options and Older Workers at Boston College publication: *Flexible Work Options and Older Workers*. An issue brief prepared by Kathleen Christensen, PhD, for *What An Aging Workforce Can Teach Us About Workplace Flexibility*, July 18, 2005.

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Bridgestar recently interviewed Laurie Young, co-founder and Principal of Flexible Resources Inc. and co-author of “The End of Work As We Know It,” to learn more about this trend and how nonprofits can embrace it to the benefit of their organizations, employees, and beneficiaries. Flexible Resources Inc. is a nationally recognized consulting and staffing firm founded in 1989 to champion flexible hiring strategies in today’s workplace, serving companies nationwide, from start-ups to Fortune 500s.

Bridgestar: In the book you describe many different structures of “flexible employment.”

What does the term really mean?

Laurie Young: Flexible employment means thinking about desired outputs rather than face-time. It means opening up options rather than setting limitations. It is about strategic hiring, not just “accommodating people’s needs,” as many seem to think.

So yes, this might mean someone working a part-time schedule, but it can be also be a number of different things. It might mean telecommuting to avoid the inefficiency and stress of a long commute, or seasonal contract work, or job sharing, or a compressed work week, or simply flexible (full-time) work. But you don’t think about the structure first – you think about what you want this person or position to accomplish, and then you think creatively about the schedule or structure that will get you there.

Why has this become such an important trend?

Young: It’s a combination of psychographics, demographics, technology, and the state of the labor market. Flexibility has become increasingly important to many different groups. Working mothers remain the most prominent group when we talk about part-time and flexible arrangements, but fathers are also becoming more likely to want some flexibility, as are both men and women with elder care issues. Generation X employees feel strongly about flexibility—one interesting statistic is that Gen Xers are three times as likely to quit a job due to lack of flexibility than their Boomer counterparts. And the Boomers are starting to think about winding down their careers, but aren’t quite ready for full retirement, so part-time or other flexible arrangements are very attractive to this large group of potential employees.

Add to that the way the economy has changed—it is much more global, companies no longer operate only 9-to-5, the costs of commuting are high, and technology makes it easy to be productive anywhere and anytime. Meanwhile, the labor market is getting tighter again, especially the skilled labor market. So the combination of individual needs and economic realities leads to greater willingness to pursue and accept a variety of flexible arrangements.

Describe one of your successful placements. What made it work?

Young: I like to tell the story of our first paid placement, 17 years ago. Dannon Corporation was looking for a product manager with significant experience, but they had a very limited budget, and they were having a hard time finding the right person. We found a woman who had spent 10-15 years at Kraft, but was looking for more flexibility in her work now that she had children. Dannon hired her—they got an employee with a fabulous set of skills and experiences who did a terrific job for them, and she was able to work primarily on weekday mornings so that she could pick her children up from school each day. It was a highly successful match.

Clearly, employees benefit from flexible arrangements that meet their personal needs.

But what are the benefits for employers?

Young: This is a huge win-win situation. For employers, especially in this economy, as the labor market tightens and the skilled labor pool shrinks, you need to think about how best to attract and retain talented employees. And we have seen that employees working in flexible arrangements are happier, more productive, and more loyal to their employers.

But it goes beyond that. For example, by thinking about outputs rather than face-time, you may be able to save money because you're paying for the actual work and not an arbitrary 9-to-5 block of time. Or, if you want employees to be available to customers outside of the traditional hours, you need someone willing to work a "flex" schedule. Job shares too can be a great solution to challenges of covering a longer span of hours, or even a way to find the full range of skills you need for a role but you may not be able to find in one person.

I firmly believe that over time, those employers who embrace the concept of flexibility will have a significant competitive advantage over those who do not.

What are some of the keys to success?

Young: In terms of specific success factors, we tell our clients that there are three core principles that will lead to success:

1. Think outside the box. Don't limit yourself to five days a week, 9-to-5
2. Measure results, not face-time
3. Fully utilize technologies that allow for productive off-site and off-hours work

Beyond this, you have to recognize that flexible jobs can be long-term, serious career choices that enable people to function most effectively at both home and work. They are not just about mothers of young

children “keeping busy” or mommy-tracking themselves until their kids are in school. And the arrangements are here to stay: in one survey, 56 percent of women in flexible professional positions said they have no intention of returning to a conventional 9-to-5 work schedule. So employers need to realize that this is a strategic way to attract talented, experienced, committed employees, or conversely, to lose them if they are not willing to be flexible.

What might lead to failure of flexible arrangements?

Young: When I hear that a flexible arrangement didn't work, I have two immediate reactions. One is, “Yes, well, have you ever had a full-time hire that didn't work out?” The other is that the arrangement wasn't structured properly. For example, many people try to fit the same set of responsibilities they've always had into an 80 percent schedule, but in reality they're being paid 80 percent of their salary to continue to do 100 percent of the work.

The burden of thinking creatively about how to make this work shouldn't fall on the company alone. People looking for flexible options need to be creative in how they would like to structure their role, and they need to proactively present the business case for how this could be a win-win for themselves and the company.

The nonprofit sector faces the challenge of finding high quality employees with passion for the organization and a willingness to work in resource-constrained environments. Are flexible working arrangements a key to attracting a retaining nonprofit talent?

Young: Absolutely! For nonprofits, this is such a wonderful opportunity to take advantage of skilled people that corporations are losing because they're not willing to be flexible. The baby boomer population, for example, is a great market to tap into, as there is research that shows they are looking to continue working post- “retirement,” many are attracted to the ability to give back to society, and they also want to cut back on the time they spend at work. Organizations that are creative about offering flexible opportunities will have an unbelievable advantage in getting and retaining very experienced top talent to meet current and future challenges.

What do you think the world of flexible employment will be like in the future?

Young: I think that over time, flexible work arrangements will be commonplace, just like the use of temps and consultants is today, though there was a time when that was practically unheard of. Unfortunately it is taking longer than I had hoped. There was so much talk in the 1990s, but when the economy dropped a lot went out the window. Hopefully it will start to revive as the labor market gets tighter once again. I am optimistic, although I recognize that changing the status quo takes significant time and effort.

Do you work a flexible schedule?

Young: Everyone here works a flexible, part-time schedule, including my business partner and me. We're technically a job-share, actually, and have been for 17 years.

Bridgestar (www.bridgestar.org), an initiative of the Bridgespan Group, provides a nonprofit management job board, content, and tools designed to help nonprofit organizations build strong leadership teams and individuals pursue career paths as nonprofit leaders.