What is the Evolution of Flexible Work in Corporations and What are the Key Trends?

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What is the Evolution of Flexible Work in Corporations and What are the Key Trends?

Abstract
[Excerpt] Around the world, especially in North America and Europe, businesses are exploring and embracing new ways of bringing flexibility to the workplace. This flexibility movement began as a talent initiative to accommodate working mothers and over time has evolved to include practices such as compressed workweeks, job sharing, phased work and much more. In a survey conducted by FlexJobs and WorldatWork, 80% of companies surveyed offered some kind of work flexibility options to their employees. In fact, flexible work opportunities are no longer viewed as a differentiator in the employee value proposition; it is now expected. Flexible work is here to stay and will continue to evolve in order to meet the needs of an agile, digital and millennial dominated workplace.

Keywords
Human Resources, HR, flexible work, key trends, flexibility, compressed workweeks, job sharing, phased work, ability, digital, Millennial, workplace, remote work, gig-based work, compressed work, generational shift, generational differences, contribution mindset, internal talent, cross-functional teams, training, flexible offices, remote teams, trust, globalization, global business environment

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EXECUTIVE SUMMARY

RESEARCH QUESTION
What is the evolution of flexible work in corporations and what are the key trends?

INTRODUCTION
Around the world, especially in North America and Europe, businesses are exploring and embracing new ways of bringing flexibility to the workplace. This flexibility movement began as a talent initiative to accommodate working mothers and over time has evolved to include practices such as compressed workweeks, job sharing, phased work and much more.¹ In a survey conducted by FlexJobs and WorldatWork, 80% of companies surveyed offered some kind of work flexibility options to their employees.² In fact, flexible work opportunities are no longer viewed as a differentiator in the employee value proposition; it is now expected. Flexible work is here to stay and will continue to evolve in order to meet the needs of an agile, digital and millennial dominated workplace.

TYPES OF FLEXIBLE WORK
1. **Flexible Schedules**: Flexibility in the hours of scheduled work
2. **Remote Work**: Work outside of a traditional physical office
3. **Part Time Work**: Fewer hours than a full-time job
4. **Job Sharing**: Full-time responsibilities split by multiple part-time workers
5. **Phased Work**: Reducing hours in advance of a significant event (i.e. childbirth, retirement)
6. **Gig-based Work**: Internal, short term assignments as opposed to permanent jobs
7. **Compressed Work**: Compressing a standard workweek to less than 5-days per week and more work hours per day (e.g. 40 hours in 4 days)

KEY INSIGHTS
Generational Shift: Millennials will represent 75% of the workforce by 2025 and view flexibility as more than time off. Flexibility reflects a shift in the norms of the workforce between millennials and previous generations.
- Millennials highly value flexible work and are the most likely generation to change jobs, give up promotions, move to a new city, or take a pay cut to have flexibility in their work.
- 77% of millennials say flexible work makes people their age more productive.³
- 82% of millennials said they would be more loyal to their employers if they had flexible work options and nearly a quarter would be willing to work more hours.
- Irrespective of flexibility advantages of working as a freelancer/consultant, nearly two-thirds of millennials still prefer full-time employment (see figure 1). The reasons most given are that permanent roles offer “job security” and “a fixed income.”⁴

**Workplace Flexibility Outcomes**: MIT and University of Minnesota completed the first-ever controlled study of a Fortune 500 company that demonstrated flexible work options have a real measurable workplace benefit. The study reported employees who utilized flexible work options felt more supported by their bosses, spent more time with their families, reported greater job satisfaction, and reported decreases in psychological distress.⁵ Furthermore, PWC found that flexibility and productivity are connected. Specifically, 72% of firms self-reported a direct link between their flex work practices and increased productivity. Part of this productivity increase can be attributed to the fact the average home-based employee is willing to put in 19 more hours of work each week.⁶
Cost Savings: Flexibility can yield cost savings by reducing real estate footprints (via remote work and hoteling) and overhead costs, reduce travel expenses (via video and teleconferencing), reduced absenteeism (via employees who are less likely to call in sick), and reduced turnover expenses (via more loyal employees).  

KEY TRENDS

- **Transforming to Digital Culture**: Digital talent, such as data analysts, will have little inclination to join or stay with a business in which they do not feel at home. To create a truly agile, digital culture, the organization needs to introduce and adapt to new forms of cooperation, implementing more project-based work and running these projects in a more flexible way. For example, Cisco is piloting an internal talent marketplace where employees can select projects that best fit their skills and growth. When new global, cross-functional teams are forming and dissolving frequently, employees will demand flexibility to meet the unique demands of each team and project.

- **Clock to Contribution Mindset**: Businesses in the past have put a significant value on “facetime.” Employees would dare not leave before their superiors had left. This is radically shifting, as businesses realize that the currency of work lies strictly in results, not time spent in the office (see figure 2 for a contribution mindset breakdown).

- **“Responsible” PTO**: Companies such as LinkedIn and Netflix allow their employees to take unlimited PTO. Employees, not managers, own the PTO schedules. This policy communicates two things. First, the company trusts its employees not to abuse the policy. Second, the company acknowledges its employees have demands and interests beyond work that can’t always be scheduled in advance.

- **Explicit Endorsement**: According to a Mercer survey, 62% of companies have pockets of flexibility, but only 35% say that it is a core part of their value proposition. Without leadership explicitly communicating flexibility in the value proposition, employees will fear that taking advantage of flexible work policies will negatively affect their advancement opportunities.

- **Training in Managing Remote Teams**: Managing remote workers often requires different skills, such as utilizing collaboration software, from the ones required to manage in-office workers. Yet according to a Deloitte survey, 86% of managers lack training on how to manage flexible employees. Formal trainings must be developed and made required for managers with team members on flexible schedules.

- **Flexible Offices**: Flex employees are coming in and out of the office frequently and even at random; it would be a waste to keep a desk for someone who comes in only once a week. To maximize space, companies, such as KPMG and Dell, have begun remodeling cubicle space to build more open workspaces (i.e. a section of unassigned desks) and collaboration rooms holding typically 5 - 10 employees.

CONCLUSION

Companies are realizing that flexible work is more than a policy. Flexible work communicates a company’s trust in its employees as well as a belief results matter more than hours. With high demand digital talent and Millennials demanding these arrangements, it is important that companies that establish a formal flexible work policy. However, this policy must not be another copy of the latest best practices, but one that is strategically aligned to increase a company’s ability to be agile to win in today’s global business environment.
REFERENCES


FIGURE 1: Millennials looking for stability in an uncertain world (especially in mature economies)
Percent of millennials who would...

FIGURE 2: RESULTS ORIENTED WORK:

<table>
<thead>
<tr>
<th>Typical Work Culture</th>
<th>The ROWE™ System</th>
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<tr>
<td>Culture of entitlement</td>
<td>Culture of opportunity</td>
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<td>Focus on schedules and time</td>
<td>Focus on work</td>
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<tr>
<td>Subjective conversations</td>
<td>Objective conversations</td>
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<td>Individual focus</td>
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<td>Time as the currency of work</td>
<td>Results as the currency of work</td>
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<tr>
<td>Freedom without accountability</td>
<td>Accountability first</td>
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<tr>
<td>Managers say “All hands on deck”</td>
<td>Results “Everyone on-point”</td>
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<tr>
<td>Managed flexibility (permission-based)</td>
<td>100% autonomous and accountable</td>
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<tr>
<td>No results? No more telework.</td>
<td>No results? No job.</td>
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