HR Strategic Partners

White Paper

*Making flexible work **work** – what really makes a difference?*

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March 2017

Context

While studies show that organisations understand the need for and recognise the value of flexible work, a recent report by McKinsey & Company notes that fewer than 25% of employees take full advantage of the programs on offer[i]. This raises the question – **why?** Why is it that organisations recognise the potential benefits that flexible work arrangements can deliver – including, higher employee engagement, retention, productivity – and establish relevant programs and policies, yet many people still struggle to make these arrangements work?

The purpose of this paper is to provide insight into the enablers and barriers that make a difference. We aim to give both organisations and individuals guidance on how to better establish and sustain flexible work practices, to a point where it really does become the norm and the benefits can be fully realised. Put simply, our challenge and the purpose of this paper, is *how do we make flexible work* ***work***.

Approach

We consider flexible work practices to have 3 key dimensions:

- **Where** people work – at a designated work place, at home or on the go
- **How** people work – face to face interactions, tools/equipment, task/time deliverables
- **When** people work – full-time, part-time, 9 to 5, day/night

The more autonomy and control an employee has over these dimensions, the greater the accessibility to flexible work options. This concept is illustrated in the below model:

Autonomy – Flexibility correlation

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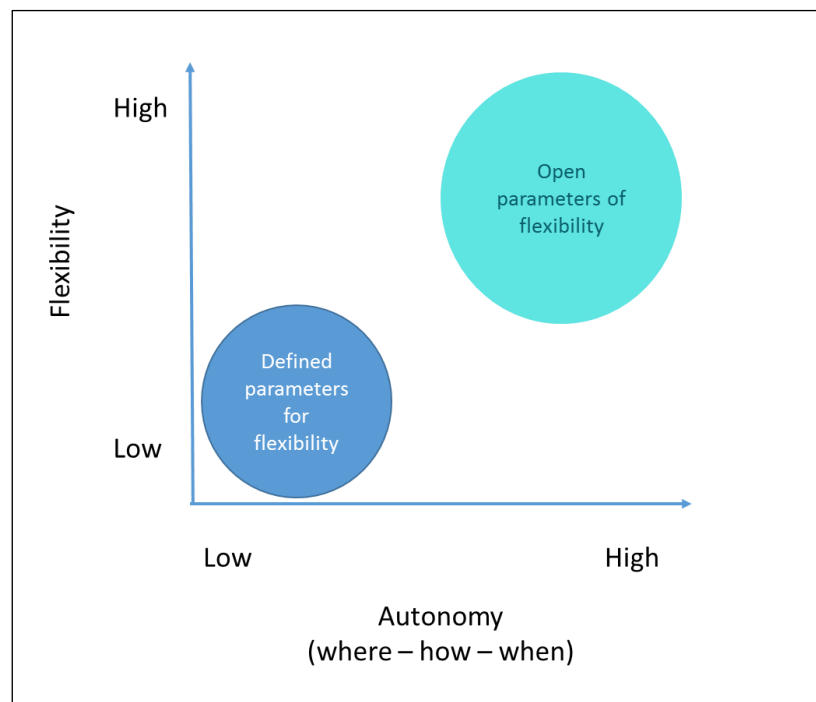
Starting in the lower left quadrant, take the example of a retail store worker. Such an employee would have specific requirements around *where* (they need to be present at a physical location), *how* (there are defined processes to follow and tools to use) and *when* (there are standard opening hours within which the work needs to take place) they work. In this environment, flexibility might look like part-time work or a job-share arrangement but it would be difficult for this employee to be able to set their own work schedule or to work from an alternate location on a regular basis.

We have observed that autonomy over flexible work dimensions tends to increase as you advance through the hierarchy of an organisation. More senior level roles often have greater ability to influence schedule and allocate resources. They are also less constrained by defined processes or location, thereby having greater autonomy in where, how and when they work.

> *"Being in control of my function, I can determine to an extensive degree when my meetings are held and when I'm going to do work."*

We also know that these same senior level roles, the leaders of an organisation, *influence culture through their actions and their rhetoric*. When leaders advocate but either don't demonstrate flexible work or behaviours that support flexible work, unspoken messages quickly proliferate about what it takes to be successful and what the organisation ostensibly values. On the other hand, if leaders can role model flexible work practices and actively support the flexible work of others, this can have a powerful and sustainable impact on the broader flexible work culture of the organisation. We don't underestimate the size of the paradigm shift for many working at senior levels, but we view the role modelling of this group to be the most influential factor in *making flexible work **work***.

For this reason, our research has targeted senior leaders who have experienced flexible work arrangements, so we can identify the common factors that impact the success or failure of flexible work.

We have interviewed more than 30 executives working in leadership or other senior professional roles. Participants represent diversity across gender, age, organisation and industry. Organisations range from local start-ups to ASX 50 companies. Industries covered include Law, Mining, Materials, Pharmaceuticals, Energy, Entertainment, Banking & Finance, Health and Professional Services.

Our research has clearly identified common factors that make a difference. The findings are specifically relevant to the top right hand quadrant of our model - relatively senior level roles and their teams - and apply across most industry types. We do believe, however, that the principles we set out also have relevance across all levels of work.

We hope that this paper can **generate awareness** and **further discussion** about **what can be done differently**, and give people the **courage to do it!**
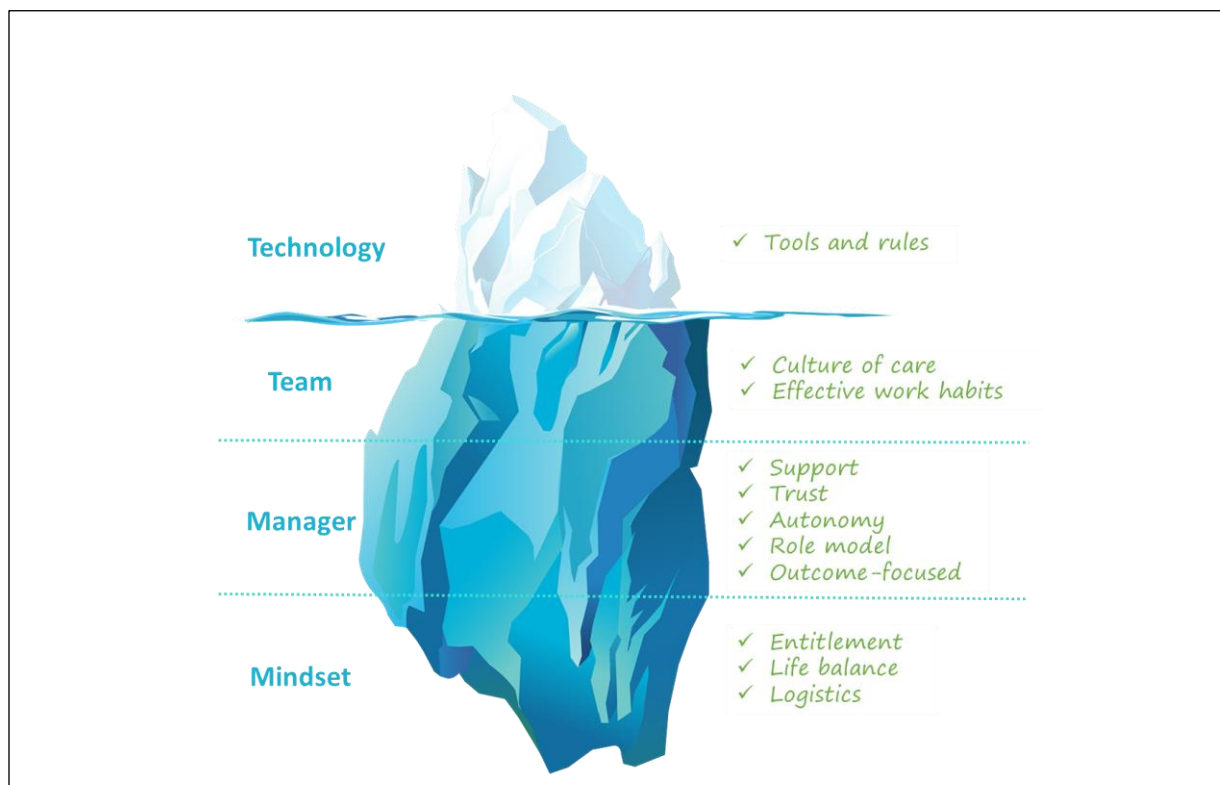
Creating a Flexible Work Culture

Through our research, we identified four critical elements that *make flexible work* **work**. These are:

1) technology
2) team
3) manager
4) mindset

The iceberg illustrates the impact of each element:

Factors influencing flexible work

It is worth noting up front that very few people interviewed mentioned policy as an enabler for flexible work. Through our research and experience we know that many organisations have spent time introducing flexible work policies, but it has become clear that **practice matters more than policy**.

The practices that will make a difference at an organisational level are laid out in the first three elements of the iceberg model, which pertain to the working environment. The final element of mindset focuses on the individual.

In the following sections, we examine each element in detail and provide recommendations.

TECHNOLOGY

Technology is the tip of the iceberg. Unsurprisingly, technology is a great enabler of flexible work and interviewees provided a range of examples, from basic tools such as smart-phones and laptops, to remote access, teleconferencing and other technology-based communication and group collaboration tools. Technology is often what is most visible to organisations as an enabler of flexible work, and people see and feel the impact when it works well.

"The technology that's available now makes it work better than ever."

"We have a technology platform that makes it easy not to come into the office. We have great technology to support what we do wherever we do it."

"Technology makes it easy, I was fully set up and equipped at home."

"We're making decisions around technology to support flexible work."

Technology enablers are only going to increase. The evolution and application of technology will continue to accelerate as millennials enter the workforce at growing rates[ii]. Flexible work is a high value driver for millennials, and the challenge for organisations will be to embrace the continual reinvention of work practices to keep up with these 'technology natives'. Agility and adaptability will become the new 'way things are done', as millennials are unlikely to accept the constraints of technology or 'current practice' and will increasingly find their own way to deliver on outcomes.

"Technology is a double-edged sword. It enables flexibility, but can easily take over your life."

While identification of technology as an enabler of flexible work was almost unanimous, there was a mixed response when technology stretches the boundaries of the work environment. This points to the strong connection between technology as an enabler of flexible work and trust. Greater flexibility in where and when people work calls for different forms of communication and expectations around deliverables, interactions, response times and more.

Two common differences emerged amongst interviewees. Firstly, there is a divide between those who are comfortable to work visibly out of 'ordinary office hours' and those who save drafts or set delay settings on email to alter their impact or perceived impact on others. Secondly, we found a divide between those who prefer constant monitoring of work activity, enabling them to have a sense of ongoing connection and to effectively manage their workload, and those who prefer to quarantine a period of time for themselves where they can 'disconnect', with no expectation of response.

Left unchecked, these differences can create tension and distrust. For flexible work to be effective and sustainable, varying work practices need to be discussed and addressed early in an open environment – not just with those working more flexibly, but with the whole team. This allows all parties to discuss and agree guidelines or protocols for how they will work. Maintaining an open and trusting environment means that guidelines may also need to be revisited and adjusted over time to suit the changing needs of the team.

Recommendation:

Adopt the principle of '*tools and rules'*.

1. Check your *tools*. Understand what technology is available and what people need to enable their work.
2. Set the *rules*. Discuss and agree the rules of engagement that work for the whole team. Have the conversation early and be prepared to adjust work practices to see what fits for the team and the individuals within it, in the knowledge that one size will not fit all.

TEAM

What the **team** say and do makes a difference. When team members (peers and colleagues) are demonstrably supportive and the team operates in an environment of trust and respect, the flexible worker's experience is notably more positive. This requires absolute acceptance of the arrangement without judgment. It also requires all team members to understand the drivers of flexibility and support the broader priorities of the flexible worker. Put simply, team members care about each other and help each other out.

Even where team members don't have a direct impact on one another's work, how they act and what they say can lead a colleague to feel supported and valued or guilty and resented.

"Attitudes are important, if you're made to feel guilty you're less likely to do it."

Relatively subtle forms of competition can result in a spiral of work habits that are not supportive of flexible work. Examples include feeling the need to be the first to respond to an email, first to arrive in the morning (and/or last to leave), pressure to demonstrate adherence to the 24/7 culture and reluctance to share and build ideas together for fear that claims of ownership will be lost. These can become highly influential work habits. These practices put increasing pressure on individual workers to be constantly 'on', and reduce the ability for the team to provide back up or support to each other. Our research found that where clear accountabilities and collaborative and supportive practices exist within a team, the experience of the flexible worker was more successful and they were more engaged. Loyalty to a team that builds an environment of deep trust was evident.

"We work seamlessly as a team."

"The people around you make it work."

"Having a [colleague] who is willing to pick up the slack when something absolutely urgent comes up and I'm not in the office makes a difference."

Historically, flexible work practices have been the exception to the rule, introduced to meet the needs of individuals by providing an alternative to the traditional working week. Our research found that individuals frequently adjust their work practices holistically to achieve objectives within the changed parameters of 'work'. Most commonly, interviewees reported three work habits that make a difference among flexible workers: organisation, planning and ruthless prioritisation.

In roles where work is somewhat dependent or responsive to the demands and priorities of others, the work habits of those *others* has a significant impact on the flexible worker. When others delegate or make demands at short notice, there is a flow-on impact to the flexible worker's ability to manage their time to achieve outcomes. When this happens on a regular basis and is perceived to be a result of either ineffective planning or work practices that do not consider the needs of others, resentment builds and trust erodes. In these situations, a flexible work culture will struggle to exist. However, where this is the exception to the rule and an environment of trust exists, our research shows that people are understanding and respond with flexibility.

> *"If a crisis arises today and you need to stay until 10pm you'll do that. When the need is there you respond. The same applies on a flexi-day."*

The importance of the team environment shows us that an effective flexible work culture will not be achieved if it continues to be viewed as the sole responsibility of the few who have 'special arrangements' to alter the way they work. It is incumbent on everyone in the team to check and adjust their work habits in order to create a supportive and flexible work environment for everyone.

> *"The way of working needs to be all the time not just on the [flexible work day]."*

Further, it is evident that as flexible work is seen as a practice that is increasingly the norm, all parties become more aware of the adjustments that can be made in order to meet both organisational objectives and personal priorities.

> *"People who are on a flexible work arrangement are more understanding. People who aren't are more demanding and create perceived or real pressure – where is this person why aren't they in the office?"*

This required shift in team dynamics will be a challenge for many organisations. While the role of manager will be discussed in the following section, it is important to note here that leaders will play a key role in this transition – building an environment that strives for a culture of care and effective work habits.

Recommendation:
Put the onus on all employees to develop a *culture of care* and to build *effective work habits.*

1. Understand the flexible work drivers and priorities of others and accept them without judgment.
2. Check your own work habits and understand how they impact others or the broader team culture.

MANAGER

The **manager** has a significant role to play. Our research found that the manager was overwhelmingly the most influential factor on the working environment. A flexible worker's direct manager can make or break their flexible work experience, regardless of the broader policies or practices within the workplace.

> *"I've been [working flexibly] for 4 years. Two of those years were the most challenging and difficult of my career because of the manager I had. The last two have been the most rewarding because of my manager."*
>
> *"It's not just what you say to me about me, it's what you say to me about others: I don't know what he gets up to on his day off… she's leaving early again…"*
>
> *'You don't need to tell me where you are, just do what you need to do and I'll measure you on your output."*
>
> *"My CEO discussed the arrangement with me and agreed without having to consider it. There is no micro management of what I'm doing."*

When we asked our interview participants what a manager does that helps or hinders the success of flexible work arrangements, five key dimensions emerged. To create an effective flexible work culture, a manager needs to:

- provide *support*
- give *trust*
- give *autonomy*
- *role model*
- be relentlessly *outcome-focused*

From these critical dimensions, we have created the *STAR_OF* acronym as a reminder of what every manager can do to become a *STAR_OF* flexible work.

Where these dimensions exist and the manager's focus is on the required outcomes and measuring meaningful progress rather than accounting for days or hours spent working, the conditions exist for a high performing, agile team. It is worth noting that an otherwise effective *outcome-focused* approach can fail to deliver when consideration has not been given to work quotient. In many scenarios, workers reduce their available hours (and associated remuneration) but the outcomes sought from the role are not commensurately adjusted. That is, the manager agrees to reduced hours but expects the same outcome. A manager, when reflecting or planning what outcomes need to be achieved, must ensure the work quotient is considered and that either appropriate resources are provided or required outcomes are adjusted accordingly.

A note on manager accountability: It is critical to recognise that managing flexibility should be viewed like any other component of leading and managing people. Recruitment and feedback practices remain critical to ensure the right people are focusing on the right things in the right way within the team. The *STAR_OF* model highlights areas of focus to shift the dynamic. These practices do not absolve a manager of their responsibility to manage performance within their team, but they do offer an alternative lens through which to do so.

We are confident that when a manager builds these dimensions and executes them consistently, they will not only become a *STAR_OF* flexible work but, by enabling an engaged, agile and productive team, they will indeed become a *STAR_OF* leadership.
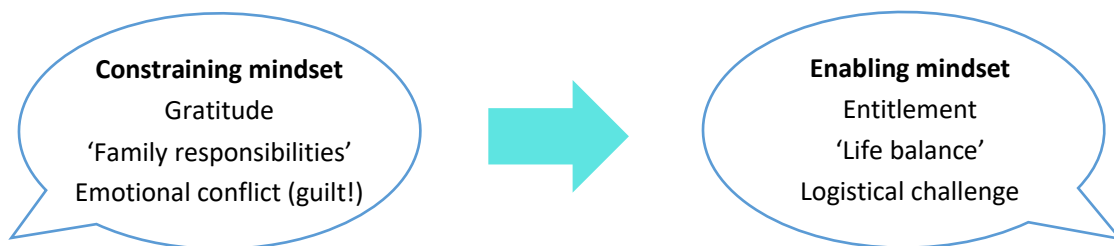
Recommendation:
With the ability to make or break a flexible workers experience, every manager should focus on and be rewarded for demonstrating the *STAR_OF* dimensions:

Support	Show care. Know the drivers of flexibility and the nature of flexibility required. Provide encouragement and help the team to achieve their goals.
Trust	Trust people to get the job done or to raise issues when they need to renegotiate on timelines or deliverables.
Autonomy	Give people the freedom to deliver the work. Allow the team to exercise judgment in where and how.
Role model	Work flexibly and visibly demonstrate support for and inclusion of others accessing flexible work. Show others how it's done.
Outcome-**f**ocused	Focus relentlessly on what needs to be delivered, why and by when. Structure check-ins and meetings to focus on measuring meaningful progress.

MINDSET

The **mindset** of the worker can enable or constrain. It became clear throughout the interview process that there were two distinct mindsets amongst those working flexibly. These mindsets were particularly evident among working parents, but are also evident among those accessing flexible work for reasons other than parenting. Each of the prevailing mindsets are characterised by three contrasting elements and each have a very different impact on a worker's experience of flexible work.

Constraining mindset
Gratitude
'Family responsibilities'
Emotional conflict (guilt!)

Enabling mindset
Entitlement
'Life balance'
Logistical challenge

Constraining mindset – *Gratitude, 'family responsibilities' and emotional conflict (guilt!).* The first element of the constraining mindset is a sense of gratitude to the organisation for offering a level of flexibility. The deeper the sense of gratitude, the greater the sense of obligation to 'return the favour'. The second is where 'family responsibilities' is nominated as a driver for seeking flexible work, which indicates the worker is

accessing the flexible work arrangement for the benefit of others. This suggests a sense of sacrifice instead of gain. The third aspect of the constraining mindset is, perhaps unsurprisingly, identified as emotional conflict – frequently reported as guilt. This guilt is largely generated by the emotional conflict between repaying the 'debt' they perceive they owe the organisation and their obligation to deliver on family (or other) responsibilities.

> *"Most people are very grateful for the opportunity to work part-time."*
>
> *"The organisation is very generous in allowing me to do what I do."*
>
> *"I felt guilty on my days off, even though I always said 'call me anytime.'"*
>
> *"I feel guilt when too many things have piled up."*
>
> *"I feel conflicted about how to manage the balance. Emotionally I find it difficult to grapple with."*

Enabling mindset – *Entitlement, life balance and a logistical challenge.* By contrast, the first element of the enabling mindset is a sense of entitlement. In this context, the sense of entitlement appears to drive empowerment as the worker feels more confident accessing the level of flexibility available. The worker puts themselves at the centre of the drive for flexibility, identifying themselves as the beneficiary of the flexible work arrangement to enable 'life balance' (including health and wellbeing, leisure activities and family where relevant). Those reporting an enabling mindset also tend to approach flexible work as a logistical challenge. Reflecting their sense of entitlement and desire for personal balance, logistics are seen as a productive enabler to achieve success.

> *"I'm very client focused when I'm here, but family will always come first. I manage expectations and make it work."*

Our research has found a stark gender difference in mindset. Amongst our interview participants, an enabling mindset was more broadly characteristic of men. *Family responsibilities* were clearly stated as the driver of flexibility by women who were balancing work with parenting. Men, on the other hand, were far more likely to express the driver as *work/life balance*, and acknowledge that while family is a part of that balance, achieving the balance is the driver. This may seem subtle but plays significantly into the mindset of the worker. It is striking that 46% of male interviewees had access to their flexible work arrangement from their commencement in role, compared with only 22% of women. This indicates significant implications of mindset and the sense of entitlement.

Recommendation:

Adopt an enabling mindset. For those who identify with the constraining mindset, take steps to make a shift to one that is more enabling:

1. Build your sense of entitlement (you can still be grateful, but don't let it get in your way)
2. Understand what you want your life balance to look like (write it down)
3. Work out the logistics to make it happen

While we talk here about mindset being a factor attributed to the individual, it is clear that the working environment can significantly impact the mindset of the worker. For this reason, a holistic approach is required to create effective and sustainable change.

Way forward

With an increasing ability to control schedule and allocate resources comes greater opportunity to control where, how and when work is done. Given that these role attributes are generally more prevalent in more senior level roles in an organisation and coupled with the influence that leaders have over culture, it is incumbent on leaders to start doing things differently in order to truly create a successful flexible work culture. **Change at this level will be the greatest enabler**.

One size will not fit all when it comes to flexible work. The needs of the individual and organisation will vary, but through our research we have identified common elements that will better enable success. To date, many organisations have struggled to make flexible working the norm because they are only aware of, and actively addressing, the tip of the iceberg. Our research suggests, however, that there are four critical elements *(Technology – Team – Manager – Mindset)* which complement each other and need to be addressed holistically in order to optimise outcomes for both individuals and organisations. It is addressing this combination of factors that will make flexible work *work*.

A call to action:

Assess your Iceberg

- ☐ Is **technology** enabling flexible work?
- ☐ Do teams have the *tools* and *rules* set up for success?
- ☐ Are **team** environments caring and collaborative?
- ☐ Are work habits of the **team** enabling effective flexible work practices?
- ☐ Are **managers** role modelling flexible work practices and demonstrating how they support others?
- ☐ Do **managers** need help to build capability around the *STAR_OF* dimensions?
- ☐ Are people demonstrating an enabling **mindset**?
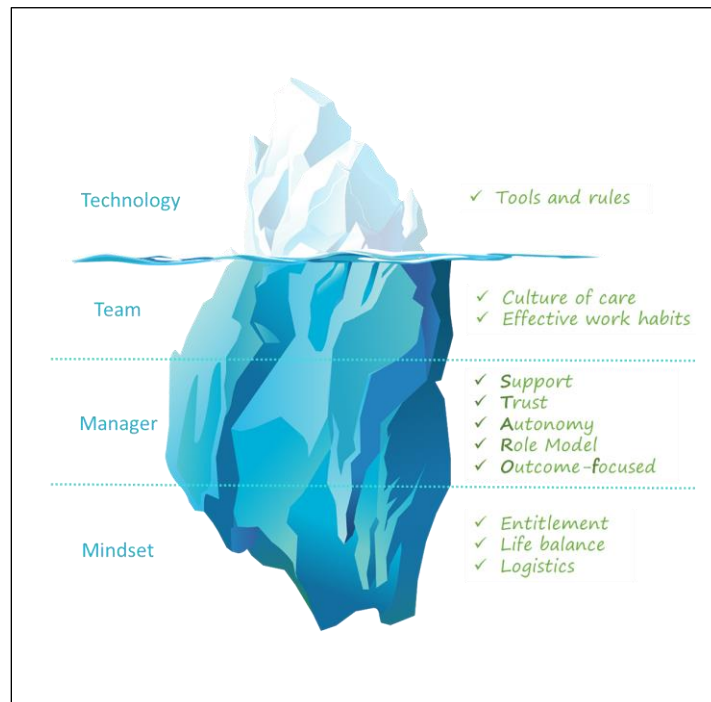
"The sooner that flexible working options are universally accepted, the easier it will be for people to work in that way and the facilitation of those arrangements could transform the way we work as a society."

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About the author

Diana Hodgson is the founder of HR Strategic Partners – a niche firm specialising in leadership and culture. Diana draws on almost 20 years of experience in HR gained across diverse industries and organisations, resulting in a unique understanding of organisational dynamics. Diana has partnered with world class leaders across global organisations, and witnessed first-hand the critical role that leaders play in shaping the culture and success of an organisation.

Before setting up her own practice, Diana held various senior HR roles with BHP Billiton where she provided strategic advice and coaching to C-suite executives and their leadership teams, and developed their award-winning leadership and culture program 'Step Up'. Before joining BHP Billiton, Diana worked in HR with organisations including ABB, Australian Unity, Ford, Foxtel and State Government. Diana has a Post Graduate Diploma in Human Resource Management and Industrial Relations, a Bachelor of Legal Studies and is certified in the PROSCI Change Management methodology.

Diana's expertise in flexible work is informed by research and personal interactions with many men and women over her career in HR. Diana has herself worked in various flexible arrangements for almost 10 years.

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