

Managers Letter

The Virtual Workplace: Making Flexibility Work for You

By Mark Henricks

No time clocks or schedules dog the work lives of programmers at Microsoft Corp., who come and go as they choose. And location is not an issue for one-third of The Hoffman Agency's 65 employees, who appear at the office of this San Jose public-relations firm only for necessary meetings. The key to success in these arrangements is a focus on productivity instead of place and time.

Microsoft's flextime policy and Hoffman's flexplace practices are examples of popular flexible work arrangements (FWAs) that are sweeping the business world. Today more than half of large companies and nearly a third of all firms allow employees to telecommute from home. In fact, a 1994 study reported that 73 percent of firms offered FWAs, which have grown steadily since the concept was introduced by the German manufacturing industry more than 30 years ago. FWAs can greatly enhance cost savings and productivity for employers, and they offer quality of life improvements.

Why Flexplace?

Flexplace allows employees to perform their jobs off premises — at home, a satellite office or at a customer's site. Its growing popularity is driven largely by societal changes, including the changing personal responsibilities and attitudes of employees who are increasingly challenged to provide reliable home care for elderly relatives and young children. It is also fueled by advances in technology, which make FWAs more practical.

In addition to improved employee satisfaction and retention, flexplace offers the ability to extend operations to other sites — such as key customer offices — and reduce real-estate costs. IBM reported cutting real-estate costs 50 percent in one flexplace initiative. Lou Hoffman, president of The Hoffman Agency, estimated that his small firm saved \$100,000 in less than a year through a combination of telecommuting and hoteling, the practice of having employees working different shifts share the same desk.

Making Flexplace Work

Technology is key to the success of flexplace initiatives. With the symbol of the flexplace worker — a laptop computer — the remote employee maintains critical access to workplace communications, such as electronic mail, the internet and corporate databases and software. Other communication and workplace tools such as pagers, cellular phones, remote desktop computers and fax machines are also employed by remote workers to access information and communicate with colleagues.

But the right equipment is only part of a successful mix; other accoutrements, such as high-speed data and voice lines, are needed to support user technology. Beefed-up Web servers, remote-control software and other home-office improvements may be required as well.

Flexplace technology must be viewed as part of the overall business information system, says Jim Miller, general manager of extended workplace solutions for US West in Englewood, CO. Setting consistent standards for software, hardware and data will facilitate easy exchange between remote and on-site workers.

"All those things need to be defined," Miller cautions, "because if you don't, you'll increase undesirable outcomes," which may include higher support costs and lower productivity among remote workers plagued by troubled information technology.

Flextime for a Change

Another workplace innovation — flextime — requires few technology considerations. This arrangement frees employees to work outside conventional business hours through earlier or later start times and the alternative of four 10-hour work days per week. While hours are still, typically, dictated by management and workweeks still add up to 40 hours, flextime offers managers a chance to extend operating hours without increasing full- or part-time employee counts. This can be cost-effective when staffing after-hours switchboards or service centers, for example. Flextime's most important use, however, is in helping employees deal with childcare and related personal issues. "Flexibility is a very powerful tool for recruiting and retaining employees," says Karol Rose, managing director

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of consulting for DCC, a flexible-work consulting firm in Westport, CT. This is demonstrated by various “best employer” rankings, such as those reported by *Working Mother*, which publishes the “100 Best Companies for Working Mothers” each year. The rankings favorably rate flexible work arrangements.

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— *Karol Rose*
Managing Director of Consulting, DCC
Westport, CT

But flexibility is not for everyone. Manufacturing firms, for example, that require certain numbers of employees to be physically present at specific times, have limited opportunity for flexibility. So FWAs are more often offered to clerical, sales and professional people, such as engineers, than to factory workers. But regardless of who is flexing, it is imperative to have well-crafted policies in place.

FWAs also present a variety of leadership and management concerns. “It’s hard to exert leadership remotely,” says Hoffman, who advises limiting telecommuters to three off-site days per week, since total absence makes teamwork and performance measurement difficult. For example, allowing FWAs on a case-by-case basis may be tempting, but can become an employee-relations nightmare, according to Rose: “In these cases, everyone feels they got a separate deal and managers don’t know what they can offer.”

“It’s a different matter managing someone you don’t see all the time,” Rose adds. Solutions may include adjusting everyone’s schedule to create overlapping periods when supervisors and employees will be at work together.

Developing Flexplace Policies

Policies must address manager concerns about supervising remote employees, and managers must learn new supervisory and assessment skills. For instance, they may have to learn to evaluate employees by achieved objectives rather than whether they appear busy. And employees may need training to develop better time-management skills and self-motivation.

Often, issues revolve around conflicts with employees using flexible scheduling. For instance, too many employees (or supervisors) may want to schedule Friday afternoons off, take coffee breaks at the same time or come in late on Monday morning. If the business requires minimum levels of staffing at certain times, this can create operating difficulties.

Solving these problems usually involves setting rules that limit flexibility. For instance, policy makers may

inform staff members that only a certain number of employees will be allowed to take Friday afternoons off. Managers and employees are then left to work out the details themselves.

Technology can also play a helpful role. Ernst & Young, for instance, maintains online profiles of 600 of the 1,300 professionals on its U.S. staff who use flexible work arrangements. Together with online instructions for how to set up these arrangements, the database assists employees and managers in finding proven solutions to problems others have experienced.

The future of FWAs will continue to evolve, with recent innovations such as cyberlinking, which connects members of a work team through the Internet and e-mail, and frontlining, which places remote employees permanently on-site at customer locations. The virtual office, where skeleton staffs at the business location connect to remote workers who make up the bulk of employees, is the ultimate example.

Ted Hammer, senior managing partner at HLW Architecture, a New York City design firm, says that virtually all of his clients for the past five years have asked about designing workplaces for flexibility. “Not all of them implement it,” he says, “but not one has let it go by without seeing it as at least something to be considered.”

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