

WHAT WOULD YOU DO?

Alternative Work Arrangements: What Does the Future Hold?

CASE STUDY

Alternative work arrangements—such as compressed work weeks, flexible work schedules, telecommuting, or job sharing, among others—can have positive and negative consequences for employers and/or employees. In general, alternative work arrangements can generate beneficial outcomes, particularly for employers, such as “increased employee retention, loyalty and morale; higher productivity; improved recruiting of highly qualified workers; decreased employee tardiness and unscheduled absences; and maximum use of facilities and equipment.” S. Meisinger, “Flexible Schedules Make Powerful ‘Perks,’” *HRMagazine* 52(4) (April 2007): .S. Meisinger, “Flexible Schedules Make Powerful ‘Perks,’” *HRMagazine* 52(4) (April 2007): 12. On the employees’ side, for example, telecommuting—one type of alternative work arrangement—has favorable effects on perceived autonomy, the resolution of work-family conflicts, job performance, job satisfaction, and the experience of stress; and it does not harm perceived career prospects or the quality of workplace relationships. Anonymous, “Telecommuting Has Mostly Positive Consequences for Employees and Employers,” *CPA Practice Management Forum* (December 2007): .Anonymous, “Telecommuting Has Mostly Positive Consequences for Employees and Employers,” *CPA Practice Management Forum* (December 2007): 19. On the downside, however, are the challenges associated with making these programs work for both employer and employees; handling issues regarding employee training, work monitoring, and performance evaluation; maintaining lines of communication with bosses and co-workers; and changing the attitudes of managers that are uncomfortable with anything other than traditional working arrangements. S. Meisinger, “Flexible Schedules Make Powerful ‘Perks,’” *HRMagazine* 52(4) (April 2007): .S. Meisinger, “Flexible Schedules Make Powerful ‘Perks,’” *HRMagazine* 52(4) (April 2007): 12.

On balance, the positives seem to outweigh the negatives. Anonymous, “Telecommuting Has Mostly Positive Consequences for Employees and Employers,” *CPA Practice Management Forum* (December 2007): .Anonymous, “Telecommuting Has Mostly Positive Con-

sequences for Employees and Employers,” *CPA Practice Management Forum* (December 2007): 19. “Organizations that offer flexible working arrangements are, and will continue to be, employers of choice. ... Employees consistently rank flexible schedules high on their list of desired benefits; employers who are reluctant to offer these popular perks will find themselves falling short in the bidding wars for talent.” S. Meisinger, “Flexible Schedules Make Powerful ‘Perks,’” *HRMagazine* 52(4) (April 2007): .S. Meisinger, “Flexible Schedules Make Powerful ‘Perks,’” *HRMagazine* 52(4) (April 2007): 12.

Although alternative work arrangements can be highly beneficial for both employers and employees, we need to examine the underlying factors that are driving the increased utilization of alternative work arrangements in many different workplaces. One important factor reflects the needs and desires of workers. “Many people today are seeking flexibility at work. Parents ... may want more time for family. Students hope to fit employment into a busy class schedule. And some people look for work after retirement. Whatever their situation, they’re not alone in wanting a job that’s a better match for their lives.” E.M. Torpey, “Flexible Work: Adjusting the When and Where of Your Job,” *Occupational Outlook Quarterly* (Summer 2007): .E.M. Torpey, “Flexible Work: Adjusting the When and Where of Your Job,” *Occupational Outlook Quarterly* (Summer 2007): 14.

Younger workers and those nearing retirement age are two particular segments of the workforce that can be meaningfully targeted by employers offering various alternative work arrangements.

Younger workers are entering the workforce with different expectations than previous generations of workers. Whereas their parents were work-centric, most members of Generations X and Y give priority to their personal lives; or at the very least they desire to balance their work lives and personal lives. S. Klie, “Flexibility a Growing Global Issue,” *Canadian HR Reporter* 20(19) (November 5, 2007): .S. Klie, “Flexibility a Growing Global Issue,” *Canadian HR Reporter* 20(19) (November 5, 2007): 11. Sharif Khan, vice-president of human resources at Microsoft Canada, says, “Gen X and Gen Y are coming into the workplace with the expectation that they’re going to be treated as individuals, [who] ... want

to be able to fit their life and their work together comfortably, as opposed to focusing on work and dealing with life after the fact." S. Klie, "Flexibility a Growing Global Issue," *Canadian HR Reporter* 20(19) (November 5, 2007): .S. Klie, "Flexibility a Growing Global Issue," *Canadian HR Reporter* 20(19) (November 5, 2007): 11.

Another important demographic group in the workforce consists of those individuals nearing retirement. "Baby Boomers are reaching retirement age. While many Boomers may choose to stretch their retirement date based on some combination of lifestyle choice and recent market developments, many are opting for less-demanding positions or reduced workloads." L. Murphy, "Shining the Brass Ring — Making Partnership Attractive to the New Generation," *CPA Practice Management Forum* (January 2007): .L. Murphy, "Shining the Brass Ring — Making Partnership Attractive to the New Generation," *CPA Practice Management Forum* (January 2007): 5. "By 2020, 16 percent of the U.S. population will be age 65 and over, up from 12 percent in 1999. ... Yet leaders of many organizations ignore aging workforce issues despite the potential problems they see coming, and some damage seems likely to occur before the issues receive appropriate attention." J.M. Phillips, M. Pomerantz, and S.M. Gully, "Plugging the Boomer Drain," *HRMagazine* 52(12) (December 2007): .J.M. Phillips, M. Pomerantz, and S.M. Gully, "Plugging the Boomer Drain," *HRMagazine* 52(12) (December 2007): 54. "[T]he size of the Baby Boomer demographic group exceeds current graduating classes, and replacing their experience will be a challenge for most firms." L. Murphy, "Shining the Brass Ring — Making Partnership Attractive to the New Generation," *CPA Practice Management Forum* (January 2007): .L. Murphy, "Shining the Brass Ring — Making Partnership Attractive to the New Generation," *CPA Practice Management Forum* (January 2007): 6.

Many nations have experimented successfully with various flexible work programs; and indeed, in some countries laws have been enacted to make alternative work arrangements more accessible to employees. Although the United States Congress has not enacted such legislation for the private sector, it has taken an important step in supporting alternative work arrangements for Federal government employees. The *Telework Enhancement Act of 2010* (H.R. 1722) One Hundred Eleventh Congress of the United States of America at the Second Session, "Telework Enhancement Act of 2010 (H.R. 1722)," U.S. Government Printing Office, <http://www.gpo.gov/fdsys/pkg/BILLS-111hr1722enr/pdf/BILLS-111hr1722enr.pdf> (accessed July 18, 2011).

One Hundred Eleventh Congress of the United States of America at the Second Session, "Telework Enhancement Act of 2010 (H.R. 1722)," U.S. Government Printing Office, <http://www.gpo.gov/fdsys/pkg/BILLS-111hr1722enr/pdf/BILLS-111hr1722enr.pdf> (accessed July 18, 2011). was passed by both houses of Congress and then signed into law by President Barack Obama in early December 2010. "The Act provides a framework for agencies to better leverage technology and to maximize the use of flexible work arrangements, which will aid in recruiting new Federal workers, retain valuable talent and allow the Federal government to maintain productivity in various situations—including those involving national security and other emergency situations." J. Berry, "Memorandum for Heads of Executive Departments and Agencies," United States Office of Personnel Management (December 13, 2010), <http://www.chcoc.gov/transmittals/TransmittalDetails.aspx?TransmittalID=3246> (accessed July 18, 2011). J. Berry, "Memorandum for Heads of Executive Departments and Agencies," United States Office of Personnel Management (December 13, 2010), <http://www.chcoc.gov/transmittals/TransmittalDetails.aspx?TransmittalID=3246> (accessed July 18, 2011).

Kate Lister, principal researcher at the Telework Research Network, poignantly observed that "[w]hile [the *Telework Enhancement Act of 2010* is] aimed at just the [F]ederal workforce, I think the passage of this bill will send an important message to private sector companies about the many benefits of telecommuting and other alternative work arrangements." Anonymous, "Citrix Online; Telework Enhancement Act Could Save Tax Payers \$15 Billion a Year Say Citrix Online and Telework Research Network," *Real Estate & Investment Week* (December 11, 2010): .Anonymous, "Citrix Online; Telework Enhancement Act Could Save Tax Payers \$15 Billion a Year Say Citrix Online and Telework Research Network," *Real Estate & Investment Week* (December 11, 2010): 732. However, the impact of the Great Recession may restrain the growth of alternative work arrangements in the private sector. A report from the Society for Human Resource Management "found that some businesses have 'reined in support for alternative work arrangements, with new initiatives essentially on hold and existing programs under review.'" J. Walker, "Even with a Recovery, Job Perks May Not Return," *The Wall Street Journal* (Online) (April 5, 2010), <http://online.wsj.com/article/SB10001424052702304017404575165854181296>

256.html (accessed July 18, 2011). J. Walker, "Even with a Recovery, Job Perks May Not Return," *The Wall Street Journal (Online)* (April 5, 2010), <http://online.wsj.com/article/SB10001424052702304017404575165854181296256.html> (accessed July 18, 2011).

The future of alternative work arrangements certainly is not certain!

DISCUSSION QUESTIONS

- 1 How can employees benefit from alternative work arrangements? How can employers benefit from alternative work arrangements?
- 2 What are some of the possible negative outcomes for employers and/or employees regarding alternative work arrangements?

3 What types of factors are influencing organizations to consider using alternative work arrangements? Explain how alternative work arrangements can address the problems/issues that are raised by these factors.

4 Do you think the *Telework Enhancement Act of 2010* will be useful for the Federal government and its employees? Do you think it will have a beneficial impact for America in general? Explain your answer.

5 Should the availability of alternative work arrangements for private sector employees in the United States be mandated by law? Why or why not?

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