

FINDING YOUR TRADE OFF: A GUIDE TO WORKFORCE FLEXIBILITY

When it comes to flexibility at work, employers and employees are not always on the same page.

THE PUSH



- 87% of workers offered at least some remote work embrace the opportunity and spend an average of three days a week working from home.¹
- After pay and career growth, the third most popular reason for a job hunt is a flexible working arrangement.¹
- In a recent survey, 43% of respondents noted flexible working hours helped them be more productive, and 30% said the same about less or no commuting time.²



THE PULL

- A 2022 report found that 50% of leaders already require or plan to require, full-time in-person work in the next year.³
- A 2023 report predicts that 90% of companies will return to the office by the end of 2024.⁴
- From a global perspective, 65% of CEOs at multinational companies said the “ideal” working environment would be in-office full time by 2025.⁵

So, how can employers and employees reach a compromise? Identifying what type of flexibility employees prefer and value, and what they might be willing to give up to get (or keep) it, is the first step.

EVALUATION

When imagining what could work for your population and prospective employees, keep in mind the following data points collected from a recent Spring Consulting Group and Alera Group survey⁶:

Preferences

- 65% or more employees would prefer additional paid time off (PTO) days over other types of flexibility like location, flexible days, or flexible hours.
- Salaried employees put more preference on flexible location than hourly employees.
- Preference for flexible days vs. flexible hours is the same, even across job types (e.g., desk job, job site, working with people vs. equipment, etc.).

Values

- More than 50% of participants would take 2.5-3% less pay to get five additional PTO days.
- The majority of survey respondents would take a 2% pay cut to keep flexible days.
- Over 50% of employees that already have work location flexibility and use it three or more days a week would take a 4.5% reduction in pay to keep that benefit.
- 8 out of 10 participants view paid parental/family care leave as an indicator of a supportive employer.

CONSIDERATIONS FOR NEW OR REVISED POLICIES

Once you provide a benefit, it is hard to take it back. Start your process by considering the types of jobs and the extent they can be performed remotely, and the costs of time off to your organization. Review industry and company size benchmarks for PTO and paid parental/family care leave. Leverage the data above to determine the financial feasibility of offering additional PTO days, introducing or improving paid parental/family leave, the productivity impact that might be involved, and the impact on morale specific to your company culture.

Instead of removing a benefit like flexible work completely, consider reducing the frequency of usage and offering more PTO in exchange. This could be done through a phased approach that applies to all employees, where flexibility usage is decreased according to a pre-determined schedule, and additional PTO days are added to employee banks.

Example

The ability to work remotely decreases from five days a week to three days a week to one day a week, and PTO days increases by two and five respectively. This could alternatively be done in accordance with employee choice of how many days a week they work remotely. For example, employees are given the choice to remain a remote worker (for no additional PTO), return to the office for two days a week (for two additional PTO days), or work in the office every day (for five additional PTO days).

In addition, consider how paid parental/family care leave could be incorporated into your strategy. For companies that already offer it, perhaps the duration of leave could be increased. If it is not currently in place, consider an appropriate pay and duration framework, develop a policy, and implement a communication plan to indicate employee and well-being support.

For recruitment and attraction of new employees, consider additional PTO over salary, not only in your initial offer, but also negotiations that follow to finalize terms. Recognize the financial value that people place on it, in alignment with your flexibility strategy. Also, remember to communicate the details of your paid parental/family care leave policy, and bundle it in with your overall offer to demonstrate a supportive culture.

References

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