

Business Value of Alternative Work Arrangements

The use of alternative work arrangements is beginning to become more common in Canadian organizations. Alternative work arrangements (AWA) represent a complete range of work options such as variable work hours, modified work weeks, regular part-time, job sharing, phased retirement and teleworking. Some AWAs such as variable work hours are wide spread while others such as phased retirement and teleworking are just starting to become more common.

Having worked as a consultant in the area of alternative work forms for the past five years it is interesting to note the common issues that exist in many Canadian organizations. The most common is the lack of a formal approach to AWA decision-making which is causing many organizations to only pay "lip service" to the AWA concepts and therefore not achieve the true potential.

Many organizations allow "special case" situations where an employee approaches management to work an alternative work arrangement and management approves the arrangement to handle the "exceptional" circumstance. This management strategy has led to the approving of an AWA based on personal reasons with the business benefits being secondary. Under these circumstances it is difficult for a manager to make effective business decisions so most choose to either reject the request or allow it to occur informally.

This type of personal issue-based decision-making is obviously not a proper human resources practice. The key to success for organizations is to make the decision for sound business reasons not because one employee's personal situation is more important than another's. When you can make the business-based decision you create a fair and equitable way of evaluating AWA requests. However, before you can do this you need to understand some of the business benefits.

The most common benefit from AWA is the flexibility it provides the organization. For example, an employee who is working a modified work week (4 days at 10 hours/day) should be able to perform some valuable portions of their job outside of the regular working day which may assist other employees in the work team. Another example of flexibility is the concept of "modified work cycle". Consider an employee whose workload is erratic. She might work long hours for a few weeks during peak times and very short weeks during times when there is less work. This approach allows the organization to keep a valued employee, handle the erratic workload (which in many cases cannot be controlled) and to allow the employee to earn a consistent wage while being flexible in the days they work.

Another common business benefit is the opportunity for enhancing customer service. I recently worked with a client who provides a service to clients across Canada. Unfortunately they were not able to provide access to their customer service desk until 11:30 a.m. eastern time (8:30 a.m. pacific time). Requests to have employees start at 6:00 a.m. were not well received as this meant getting up at 4:30 a.m. and in many cases the public transit was not available at these early times. In analyzing the situation we soon discovered that, on average, the customer service employees lived further from the regular office than most other employees. By implementing a telework program the organization was able to have a few of its customer service employees start working from home at 6:00 a.m. to service eastern customers. The result was success for all involved. The employees were able to avoid the commute to the office by working at home 2 - 3 days per week and the employer was able to significantly improve the level of customer service which had a direct impact on the bottom-line.

Improved productivity is also a common business benefit from AWAs. Numerous studies have shown that teleworkers perform concentrated work at home should be able to improve their productivity by 15 to 25%. In addition, those on job-share arrangements can improve the productivity of the shared position by exploiting the talents of two individuals and by ensuring that there is always coverage (no lost time due to vacation or illness as the job share partner is available to cover these periods).

Other benefits include the opportunity to reduce your office space costs by having those who are not in the office full-time to either utilize smaller workstations or share existing workstations. AWAs can also result in reduced absenteeism,

improved recruiting and retention, improved job satisfaction and enhanced opportunities to support diversity within the organization.

As you can see, alternative work arrangements are not solely about the personal benefits. There are significant business benefits which should be the primary focus of the organization. However, you should not completely overlook the personal benefits. These benefits such as: reduced stress; better balance of work and family; greater freedom, control and enjoyment in the employee's personal life; improved morale; and direct personal cost savings are extremely important to your employees.

The end result is that an effective AWA program will be one where the organization and the employee both directly benefit. This type of "win-win" situation is rare in business today but is certainly achievable in this area.

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