



# FLEX-WORK PROGRAMS THAT ACTUALLY WORK

By Frances Brooks Taplett, Matt Krentz, Jennifer Garcia-Alonso, and Leila Hoteit

**J**UST ABOUT EVERY ASPECT of work has changed in the past decade or so, but one thing remains the same: companies still require that most people do most of their work at the office. This inflexible and increasingly outdated approach holds companies back, and for organizations that don't make needed changes the problem will only get worse.

Our research shows that flexible-work options—giving employees a say in when, where, and how much they work—is a key lever in retaining female employees. Yet to view these programs as just a gender diversity measure is to underestimate their power. Flexibility is increasingly in demand by men as well; it's a trend that's growing because of both demographic changes (millennial men are far more likely than previous generations to want flexible work options) and the shift to a gig economy. In other words, companies that use flexible work solely as a means of boosting gender diversity are missing the full picture. Our research shows that women at companies with no flexible work option are 20% more

likely to seek a new job at another company in the next three years—and men in the same situation are 30% more likely to move on. (Of course, that disparity may be due in part to women's inclination to make the best of any situation in which they find themselves.)

Seen in this light, flex work is becoming a business imperative. The payoff is significant in terms of gender diversity but also in terms of retention, employee engagement, and a company's ability to differentiate itself in the war for both male and female talent. Companies that don't embrace flexibility will be left behind. For those that understand its power, we have identified six steps that lead to success.

## When Face Time Is Overvalued, Women Pay the Price

Traditional, always-in-the-office work models can be challenging for many employees, but particularly for women. The rise of dual-career couples, a culture of always-on work (fueled by technology), and other fac-

tors mean that many employees feel overstretched in their efforts to meet all their work, family, and personal obligations. In most families, women still bear the heaviest burden in caring for children and ailing parents and in running the household. Women in dual-career households are 1.9 times more likely than their spouse to have primary responsibility for everyday chores. If something has to give, it's their job—which is why many women step off the career track, at least temporarily.

A Center for Work-Life Policy survey of women with advanced degrees or high-honors undergraduate degrees found that among those who had left work, 69% would not have done so had their workplace offered more flexible work arrangements. This is a big loss to companies, which sacrifice a major source of talent and fall further behind in boosting gender diversity (especially in senior roles). To be clear, flex-work models don't necessarily mean that participants work less—they just have some say in when and where they work.

Companies clearly understand the value of gender diversity, which leads to increased innovation and better performance. And companies are investing in measures to improve. A 2018 BCG survey of roughly 16,500 employees in 14 countries found that 98% of companies have some form of gender diversity program in place.

Yet there's a disconnect between what companies offer and what employees want. In that survey, both men and women ranked flexible-work models as the second-most effective intervention to increase gender diversity, out of a total of 31. (In several countries, including Australia and the UK, flex-work models were ranked first; in the overall global sample, antidiscrimination policies were ranked first.) But only 34% of female respondents said that their company has a flexible-work program in place. (Of course, a company could have such a program without its female employees knowing about them, but that lack of awareness would itself be a problem.)

## Not Just for Women—and Not Just for Parents

In fact, flexible work is becoming more important for both women and men. A Pew study found that 60% of working mothers feel that balancing work and family is difficult, 52% of working fathers feel the same, and many of both step back from, or off, the career track as a result. That trend is likely to gain momentum because of demographic shifts. BCG research has found that millennial men are more likely than men of previous generations to be involved at home and to take on some domestic responsibilities so their wives can work. They're also more willing to adjust their own ways of working to accommodate colleagues who work on flexible terms.

Flexibility has become so important to employees that many say they would change jobs to get it. Global Workplace Analytics found that more than 80% of the US workforce would like to work remotely at least part-time. Another survey, by Gallup, found that 37% of workers would switch jobs to accomplish this, and 51% of workers say they would switch jobs if they found one that offered flexible working hours.

Young people place an even greater premium on flexibility. These employees want to advance their careers but do not want work to be all-consuming. They want to spend more time on private projects such as continuing their education, devoting time to social issues, or pursuing their passions.

The advantages of flexible work for employees are clear. But companies also benefit. Offering flexible work can help companies attract the best talent and retain those people once they're onboard. Reducing turnover, in turn, reduces the cost and organizational friction involved in replacing staff. That effect is compounded for women on track for senior-leadership roles, where most companies realize they have significant work to do in creating more gender-balanced executive teams. Overall, higher engagement and satisfaction mean a more motivated and productive workforce. (In some cases, flex work also allows companies to reduce their real estate costs

because they no longer need to provide space for every employee every day.)

Flexible-work models also push organizations to get better at measuring performance on the basis of outcomes and output, rather than face time or the degree to which employees speak up in meetings or claim credit for their achievements (two metrics that give men an inherent and unfair advantage). In this way, they can help eliminate bias from decisions about promotion and advancement.

More broadly, offering flexible work sends an explicit signal to employees that company leaders understand their challenges and trust them to do their best work in whatever way they think they can be most productive. It creates a partnership that benefits both employees and the organization and is perceived by both sides as a source of value.

## Six Imperatives for Flex-Work Programs

Based on our research, here are six imperatives to make flexible-work programs truly effective. Some deal with implementation, while others deal with culture. But all are crucial for success.


**1. Make sure that flexible work doesn't hinder employees' advancement opportunities.** First—and most important—employees who take advantage of these programs shouldn't be stigmatized for doing so. After all, flexible work won't be

successful if it boosts retention but not advancement. Companies need to remove any unconscious biases that pigeonhole employees based on their perceived commitment to their careers. For example, they can communicate cases of employees at all levels working under flexible terms and still succeeding at the organization. This applies to promotions, bonuses, key assignments, and other incentives. (See the sidebar “Walking the Talk: BCG's Flex-Work Journey.”)

**2. Involve employees in setting up the policy.** In many organizations, the flex-work policy gets written by a small group of HR leaders. Then it gets launched and everyone wonders why no one uses it. Support across the company, from leadership to line management, is critical when the program is being developed. Companies should engage employees at all levels—and across business units, functions, and geographic regions—to set a collective vision for how the policy should function.

**3. Be flexible about flexibility.** There is no one-size-fits-all model, and companies should offer a variety of options for when, where, and how much employees work, depending to their circumstances and the company's business priorities. (See the exhibit.) For example, part-time work or a job-sharing arrangement may be attractive to an employee with young kids or an elderly parent who needs a period of sustained care. Another employee may need to relocate, making remote work more appealing. And an employee with a

### Successful Companies Have Flex-Work Policies in Place Across Multiple Dimensions

	When people work	Where people work	How much people work
 <p><b>FLEXIBLE- WORK MODELS</b></p>	<ul style="list-style-type: none"> <li>• Flexible-work schedule with variable start and stop times</li> <li>• Option for longer breaks</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible office location</li> <li>• Remote work from home or any other location</li> </ul>	<ul style="list-style-type: none"> <li>• Part-time</li> <li>• Job sharing</li> <li>• Leave of absence</li> </ul>

Source: BCG analysis.

## WALKING THE TALK: BCG's Flex-Work Journey

Consulting is a tough field, with client-facing projects often involving long hours and travel. In an effort to support a wider range of work models and situations, BCG formally introduced two programs in 2014 that are available to all consulting staff with more than two years at the firm. One is FlexLeave, which allows employees to take a two-month leave of absence—for any reason—while retaining their position and benefits. In 2018, one in seven consultants across all levels made use of the program, in a steady increase over the past several years.

The second program is FlexTime, and it supports day-to-day flexibility. FlexTime allows people to work at a reduced capacity in whatever arrangement they prefer. Some take a full day off each week, others take two half-days, and still others take reduced hours each workday. Critically, employees who opt for FlexTime don't lose ground in terms of their career track. For instance, an employee who works at 80% capacity would still receive 90% credit for tenure at the firm, which is factored into future promotion decisions. In some countries, more than half of female employees in upper management have taken advantage of the program, and it has led to increased retention.

Men participate in FlexTime as well. For example, Alexander Kluger, a principal in Perth and father of five, works 80% of each week: "Flex has made a big difference, and not only to allow me spending more time with my kids as they grow up," he says. "It has also helped me grow into my leadership role as it forced me to plan, prioritize, and empower my teams more." Elliot Vaughn, a partner in London, works part-time so that he can follow his passion outside of BCG. Vaughn founded a nonprofit called GiveOut that secures funding from individual donors for LGBTQI causes worldwide. "I'm quite certain that because of the balance I've created—finding a way to incorporate work I am passionate about—my career at BCG is better than ever," he says.

In addition to FlexLeave and FlexTime, BCG supports individuals who need other arrangements, with options such as short-term disability and flexible staffing, and it continuously looks to leverage digital technologies to enable flex-work models, such as video conferencing, remote working, and related solutions.

sick family member—or one who's simply in need of an extended vacation—may opt for a leave of absence.

Ryan, a global tax and consulting service based in Dallas, provides a good example. Ten years ago, the firm introduced myRyan, a work environment in which performance is measured on the basis of results instead of hours worked. Employees have flexible schedules and can choose their location. Flextime is now used by 100% of employees, remote working by 90%, and Ryan has been named one of *Fortune* mag-

azine's best places to work for the past three years. (For another example, see the sidebar "SAP Makes Flexible Work Part of Its Corporate Culture.")

**4. Make sure the program works on a day-to-day basis.** If the program doesn't work at a practical level, benefiting the business as well as individual employees, it will fail. We know that it's possible to reach both those goals: 86% of Dell's employees who participate in its remote-work program believe they are as or more productive than they would be if they

## SAP MAKES FLEXIBLE WORK PART OF ITS CORPORATE CULTURE

At SAP, the German enterprise application software giant, flexible-work programs are no longer an innovative program but a routine part of the company's culture. SAP offers a variety of options for employees, including flextime, remote work, and sabbaticals, among others. Any open position in Germany, the company's home market, can be filled by a full-time or part-time employee. The company also has a formal "work from anywhere" program that lets employees operate from any location with a reliable Internet connection. According to a survey that SAP conducted in Germany, employees work 26% of their time from home, and 79% say that working remotely improves their quality of life.

SAP also offers a flex program that many organizations face difficulties with: job sharing. Since 2018, all management positions can be shared by two individuals, who determine between them how to break down key responsibilities.

The company routinely wins awards for its work environment. In 2019 alone, it was named a LinkedIn Top Company in five markets (Germany, the US, Japan, Mexico, and China), and FlexJobs, a website for people seeking flexible-work options, added SAP to its list of the top 100 companies worldwide. "Flexibility has always been part of our DNA. Embedding it in the corporate culture is the key enabler to make flexible-work models succeed," says Stefan Ries, SAP's chief HR officer. "Our culture is characterized by mutual trust and individual freedom. Our employees are our most important asset and we want them to thrive. Flexibility is an enabler for this—as it supports working when, where, and how is best for every employee on an individual level"

worked in the office each day. And 93% felt that working remotely makes them better team members.

To ensure that employees stay connected, companies need to invest in IT and other resources. Communication and change management are also critical, with frequent assessments and adjustments over time. Line managers need to be involved in and supportive of the program and clearly aligned with their team members.

**5. Ensure that the program is "reason neutral" and is used by men.** Flex-work programs need to be available to and utilized by both women and men. They should not be gender-specific or designed to support one particular situation (such as a woman's return to the workforce) to the exclusion of others. It should therefore be neutral regarding an employee's reasons

for wishing to work under flexible terms. And men should be actively encouraged to use the program, which will help remove any gender-based stigma associated with it.

**6. Ensure that employees in senior-leadership roles use the program.** If most of the people who use a flexible-work program are junior female employees in the HR department, the program isn't working. Instead, it's critical that senior leaders—both men and women in key P&L and operational roles—actively participate. This sends a powerful signal that flexible work does not take a person off the track to advancement.

Carnival Australia, part of the global Carnival cruise line, offers a "nine-day fortnight" program, which allows employees to squeeze their standard hours for every two-week period into nine working days, in-

stead of the usual ten. Initially, CEO Ann Sherry encouraged others to take advantage of the program but did not do so herself. She soon realized, however, that she would need to be a role model if the program was to be seen as a real option for ambitious employees. She started working nine days, and almost immediately others did, too. Norms changed quickly, and Sherry now cites the program as one of the company's most powerful tools for retaining staff.

**N**OT ALL FLEXIBLE-WORK programs are feasible for all industries. But every company can incorporate more flexibility for employees into its operating model. This will lead to a happier workforce and also help organizations unlock their true potential.

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