



The Growing Demand for Flextime - and why employers can't afford not to offer it!

Brandon, Manitoba

April 11, 2018

AGENDA

⋮



- ▶ Industry trends & workplace culture
- ▶ Workforce Analysis
- ▶ What are you measuring? Costs...
- ▶ Menu of flextime options



cpr

Corporate People
Responsibility Ltd.®

Industry Trends & Workplace Culture



Market Comparison

New World



Market Leader

- Performance based bonus program
- PTO / self funded leaves
- Comprehensive benefits
- Learning and growth opportunities
- Respectful, supportive work environment
- Indigenous reconciliation
- Diversity all people
- Rewarding and challenging work
- Pensions
- EE built employment contracts
- HSA's

Market Match

- Base salaries
- Performance based merit increases
- Work life balance
- Flexibility
- Vacation and other leaves
- Advancement opportunities
- Rewards & Recognition

Old World



Public Perception



- Cutting edge
- Inspiring & cool
- High performance
- High tech
- Extravagant
- Waste of money
- Lollygagging
- The future



- The “good old” days
- Hard working
- Dedicated
- 9 to 5
- Command and control
- Unproductive
- Draconian
- Irrelevant

Workplace culture

Every organization has its own culture - translates to “the word on the street”

- ▶ Physical - “footprint”
- ▶ Virtual - “the experience”
- ▶ If leaders don’t set the thermostat, someone else will set it, and you probably won’t like the temperature!



Workplace Culture – Organizational Design

- ▶ Frame - built to code = employment standards
 - ▶ Insulation - protection = policies
 - ▶ Furnace - engine = environment
 - ▶ Plumbing - intake/drain = remove waste
 - ▶ Electrical - power = communication
 - ▶ Entrance - welcome = “public perception” / attraction
 - ▶ Living Room - gathering place = retention
 - ▶ Kitchen - measurements of ingredients = measurement of results
 - ▶ Den - library = learning & development
 - ▶ Patio - outdoor = leaves
-
- ❑ Functioning house = safe, healthy, fun & productive
 - ❑ Dysfunctional house = toxic behaviours & actions that pollute the environment



Workforce Analysis



Workforce Analysis - Demographic Shifts

- ▶ Boomers retire
- ▶ All demographic groups combined will not even come close to replacing the boomers
- ▶ Employers market - 10 applicants for 1 job
- ▶ Employee Market - 10 jobs for 1 applicant



Scary Stat:

- 6 out of 10 Canadians hate their job



Top talent moves on.....



“Steady Eddies” at risk.....

Poor performers stay put!



Impact of unhappy workforce:



Maclean's article by Macqueen, Patriquin, Intini (2014) stated:

- ▶ workplace mental health issues are costing the Canadian economy an **estimated 33 billion a year** in lost productivity
- ▶ Nationally, 35 million work days are lost among 10 million workers



Health Canada reported:

- ▶ the annual cost of depression and distress is **14.4 billion**; treatment at **6.3 billion**; and lost productivity at **8.1 billion**
- ▶ Estimated cost to employers: **22 billion a year**



Forbes 2015 article by Michael Blanding reported:

- ▶ Workplace stress responsible for **190 billion** in annual U.S. health care costs



Dept. of Economics, University of Warwick

- ▶ Unhappy employees cost American business over \$300 billion each year

What are you measuring? Costs....



What are we measuring?

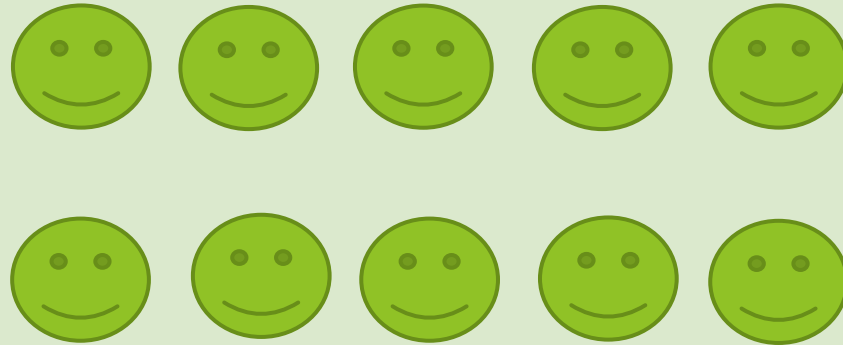
- Results? →
- OR “bums in seats”? ↘



Public Perception - Arm yourself with Facts!

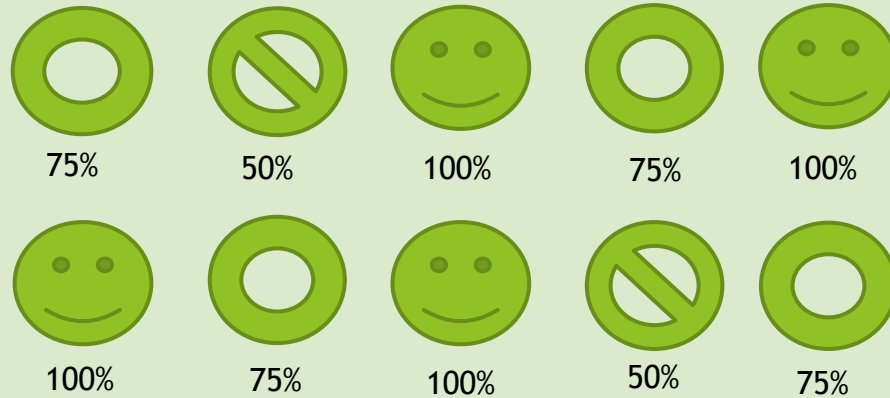
Measuring - Return on Investment

Salary Budget = 100% \$ Spent



Measuring - Return on Investment

Measurement = 80% of \$ Realized
= 20% of Salary Unrealized



 = employee functioning at 90 - 100%


 = employee functioning at 70 - 80%


 = employee functioning at less than 60%


Add up percentages & divide by # of employees

Measuring - What's your estimated return?

Salary Budget = 100% \$ Spent

 = # employees giving 90 - 100% _____ x average of 95% = _____

 = # employees giving 70 - 80% _____ x average of 75% = _____

 = # employees giving less than 60% _____ x average of 50% = _____

Total # ee's _____ Sum of above = _____ divide by #ee's = _____ % Realized

____% realized - 100% = % salary dollars lost x average salary = \$_____ Unrealized

Measuring - Calculating Dollars & Cents

Basic Formulas to Calculate Your Estimated Costs

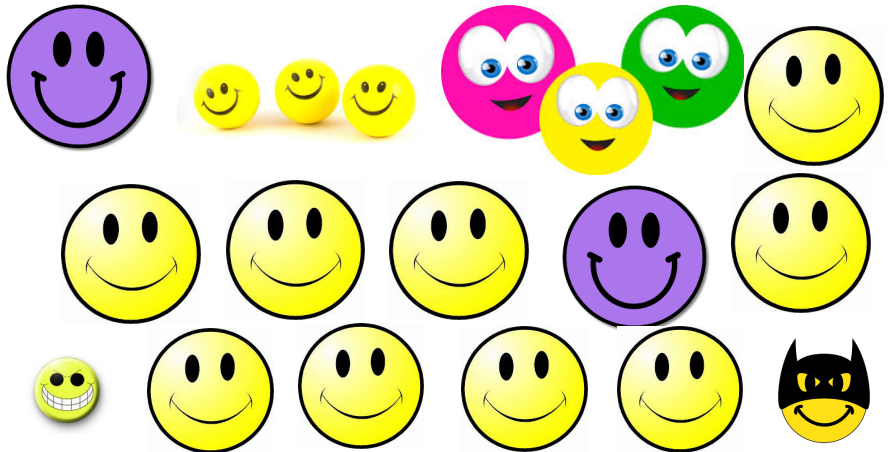
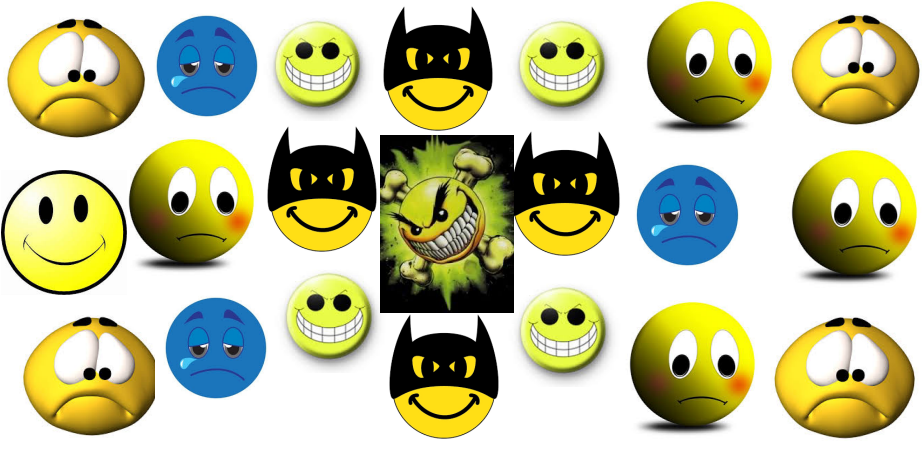
- ▶ If turnover is at 10% and the industry average is 5%:
 - ▶ Add Admin salary resignations = \$ _____ per annum x 1.5 = \$ _____ ;
 - ▶ PLUS Add Professional salary resignations \$ _____ x 2.5 = \$ _____ ;
 - ▶ PLUS Add Management salary resignations \$ _____ x 3 = \$ _____ .
 - ▶ TOTAL salaries = \$ _____ @ 50% above industry average = \$ _____
total costs incurred above competitors.

Measuring - Calculating Dollars & Cents

Basic Formulas to Calculate Your Estimated Costs

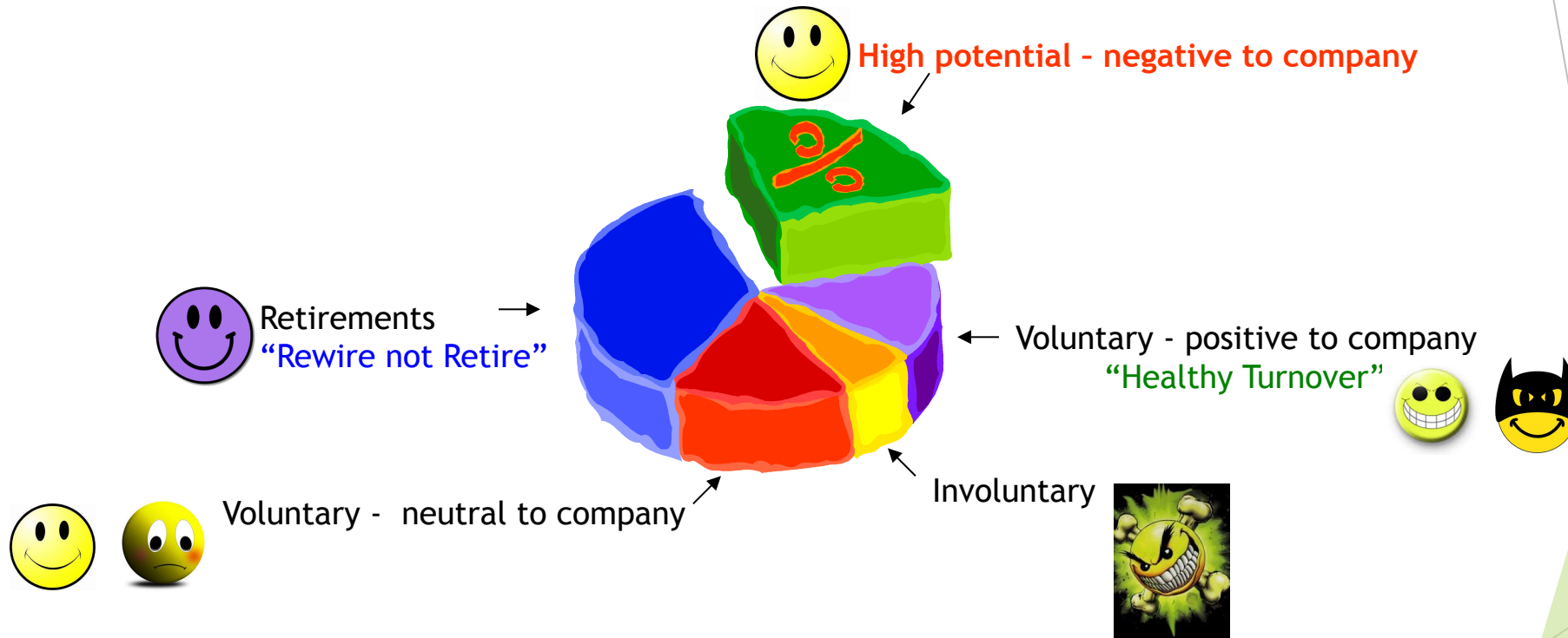
- ▶ Average number of sick leave days per employee ____ minus 3 days per employee (typical in high performing organizations) = ____ number of average sick leave days above high performing organization x average salary rate (total salary budget divided by number of employees) = \$_____ in excess costs incurred.
- ▶ “Jerk Factor”: for each “jerk” you employ the cost is \$175,000 per year in lost productivity, problem resolutions, discussions, etc., plus their salaries!

Measuring - The Jerk Factor Impact in the Workplace

Healthy	Toxic
	

Measuring - Turnover

- 95% of resources spent on 5% of problem employees that are never satisfied; or;
- 5% of resources spent on 95% of employees



Menu of flextime options



Flextime Options - tips & benefits



- ▶ TIP - Be consistent across the organization
- ▶ TIP - Work requirements must be met i.e. Money Market Trader - markets open at 7am
- ▶ TIP - Key to retention / high value benefit for employees and low cost for employers

- ▶ BENEFIT: Drives a "fluid workforce" efficient cost & resource management
- ▶ BENEFIT: Reduces costs for both employer and employee
- ▶ BENEFIT: Widens the talent pool
- ▶ BENEFIT: Reduces "Presenteeism"

Flextime Options

- ▶ Compressed work week(s)
- ▶ Banked time
- ▶ PTO
- ▶ Flexible hours
- ▶ Bonus week
- ▶ Remote / work from home
- ▶ Performance incentive bonus days (unionized)
- ▶ Flextime
- ▶ Job share
- ▶ Part time (0.9, 0.7, etc.)
- ▶ Self-funded leaves / leave without pay

Compressed work week(s)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Examples: consistent number of hours worked

- ▶ Work 4 days versus 5 days in a week @ 40 hours weekly
- ▶ Work 9 days (versus 10) in a two week cycle @ 80 hours bi-weekly
- ▶ Work 19 days in four week cycle @ 160 hours in 4 weeks
- ▶ Year-round or during designated months

Benefits:

- ▶ Extended service hours for organizations
- ▶ Work-life balance for employees

Banked Time



Examples:

- ▶ Organization requires overtime to complete project or initiative
- ▶ Employees bank time @ time & half
- ▶ Establish a “cap” on number of banked days to manage

Benefits:

- ▶ Reduced salary costs
- ▶ Effective resource management
- ▶ Flexibility for employees

PTO - Paid Time off



Example:

- ▶ Consolidate all leave banks (sick leave in or out)
- ▶ One “bucket” of time
- ▶ Employee manages

Benefits:

- ▶ Reduced administration
- ▶ Employee ownership & accountability
- ▶ “fair” distribution of work load and time off

Flexible Hours



Examples:

- ▶ Organization sets core office hours (i.e. 10am to 2pm - all staff in office)
- ▶ Employees schedule start time (i.e. 7am to 3pm or 10am to 6pm)

Benefits:

- ▶ Extended service hours for organization
- ▶ Flexibility for employees to manage personal commitments

Bonus Week



Example:

- ▶ Summer months are very busy for the organization
- ▶ Winter months quiet
- ▶ Offer incentive for employees to take vacation in winter by offering a bonus week of vacation

Benefits:

- ▶ Reduces need for summer or temporary staff and reduces staffing costs for the organization

Remote / Work from Home



Examples:

- ▶ Employee works at home or in a remote location (vacation destination)
- ▶ Scheduled (1 day a week / 1 day a month) or unscheduled (snow storm / childcare)

Benefits:

- ▶ Maintain productivity manage work requirements
- ▶ Employee flexibility

Performance Incentive - bonus days (Unionized or non-union) environments

Examples (1 time bonus on an annual basis):

- ▶ Level 6 performance rating = 3 PTO days
- ▶ Level 5 performance rating = 2 PTO days
- ▶ Level 4 performance rating = 1 PTO day
- ▶ Levels 1 to 3 performance rating = 0 PTO days



Benefits:

- ▶ Incentive in unionized environment to drive higher performance standards
- ▶ Non-cash incentive to drive performance

Flextime



Examples:

- ▶ Organization requires extra effort on occasions, employee contributes
- ▶ Employee requires time off during the day to attend to personal matters, organization contributes

Benefits:

- ▶ Win / win
- ▶ Give more, you get more

Job Share



Examples:

- ▶ Two employees share one full time job
- ▶ Employees figure out schedule: half and half, $\frac{3}{4}$ to $\frac{1}{4}$, etc.

Benefits:

- ▶ Employees can cover each other off for vacation time, sick time, etc.
- ▶ No loss of productivity

Part Time



Examples:

- ▶ Employee works 0.9, 0.75, 0.50, etc.
- ▶ Permanent schedule or only during slow calendar months

Benefits:

- ▶ Flexibility for employees
- ▶ Reduces salary and benefit costs

Self Funded Leaves / Leave without pay



Examples:

- ▶ Employee contributes salary into a self-funded leave program to take a “sabbatical”
- ▶ Employee takes approved leave without pay

Benefits:

- ▶ Flexibility for employees to take extended travel, go back to school, etc
- ▶ Reduces salary and benefit costs

Tips to Remember:

- ▶ Employees are the 'boss' of the union;
- ▶ Flextime is at the request of employees;
- ▶ Don't negotiate flextime options into the Collective Agreement, have a policy or simple guidelines as these work arrangements also need to stay flexible!
- ▶ Clearly communicate the policy or guiding principles with all employees. Keep it simple, outline concepts not actual arrangements.

Guiding principals:

- ▶ Employee performance standards must be met to participate in flextime;
- ▶ Job requirements must be met at all times and can not put the employer at risk;
- ▶ The employer maintains the right and sole authority to change or alter flextime options at any time, but give employees appropriate notice.



- ▶ Where there is a will, there is a way;
- ▶ Let employees figure it out;
- ▶ Be creative;
- ▶ Do the right things, for the right reasons;
- ▶ There are a million combinations!

Questions / Discussion

