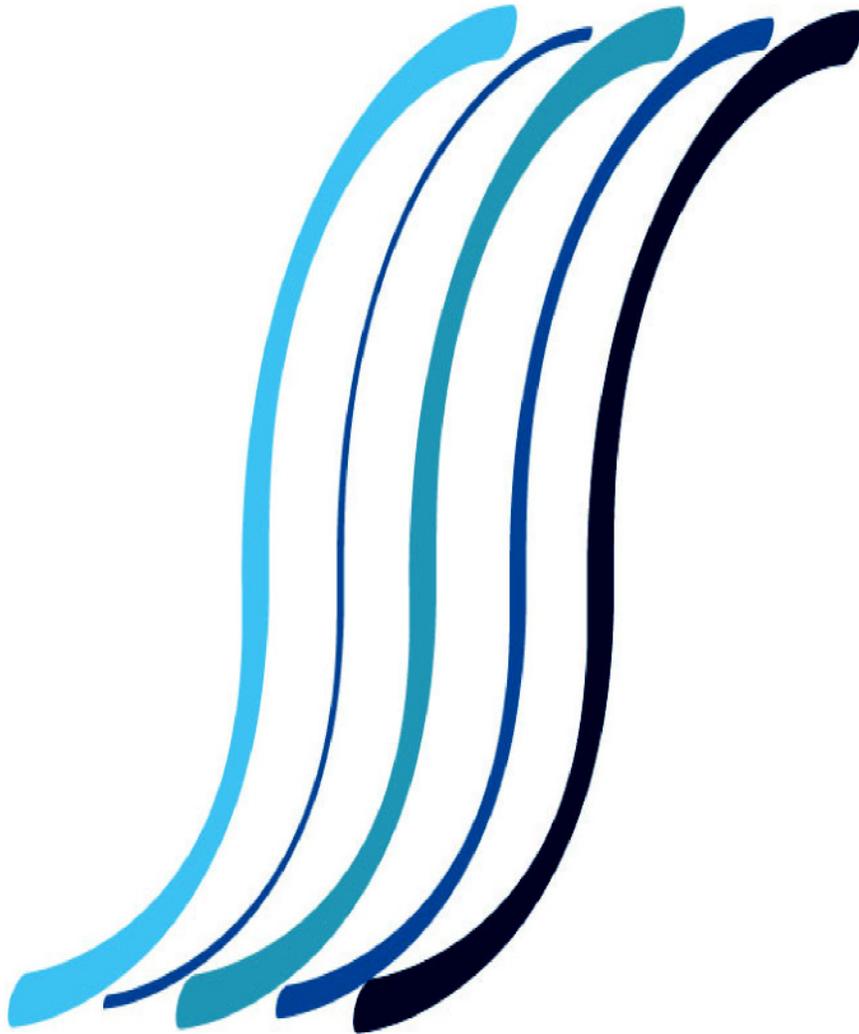


# The New Career Paradigm:

## Flexibility Briefing



American Business Collaboration



*This study was commissioned by:*



**Deloitte.**

**ExxonMobil**



*Johnson & Johnson*



***“To do together what none of us can afford to do alone”***

For more information, please contact:

The American Business Collaboration  
for Quality Dependent Care  
Administered by WFD Consulting  
55 Chapel Street  
Newton, MA 02458

Phone (800) 447-0543, ext. 8721  
Email: [abcinfo@wfd.com](mailto:abcinfo@wfd.com)  
Web Site: <http://www.abcdependentcare.com>

Copyright © 2007 WFD Consulting. All rights reserved.



## The New Career Paradigm Flexibility Briefing

### INTRODUCTION

#### The Study

To better understand what's driving today's job choices—and how these patterns affect companies' recruitment and retention efforts—The American Business Collaboration for Quality Dependent Care (ABC)<sup>1</sup>, with support from the Sloan Foundation, funded a study of U.S. corporate employees. WFD Consulting conducted the study which sought to identify the workplace factors most critical to job satisfaction and personal fulfillment, and to understand whether these factors make a difference in employees' decisions to join or leave an employer.

#### The Sample

A national study was conducted in summer 2006 using a Harris Interactive on-line survey panel. All told, 2,775 exempt and non-exempt employees working in medium and large corporations participated.

#### Reports and Briefings

The study's 2006 report, "The New Career Paradigm: Attracting and Retaining Critical Talent," provides a broad overview of the findings and is available on the ABC website at [www.abcdependentcare.com](http://www.abcdependentcare.com). A series of briefings is planned to provide more in-depth discussion of various study topics. The current briefing is the first in the series and focuses on the study's findings related to workplace flexibility.

### RESPONDENT PROFILE

Among the 2,775 respondents in the study, about 4 in 10 work in corporations of 500-999 employees, about 2 in 10 in corporations of 1,000 to 4,999 employees, and 4 in 10 in corporations with 10,000 employees or more. Respondents span the age spectrum, and 46% are women and 54% men. Fifty-four percent are non-exempt workers and 46% are exempt workers. The data are weighted by gender, age, education, race/ethnicity, region, household income, company size, industry, and "propensity" (to correct for attitudinal and behavioral differences between those who are on-line versus off-line).

---

<sup>1</sup> The American Business Collaboration for Quality Dependent Care (ABC) is a collaboration of several "Champion" companies partnering to ensure that their employees have access to quality programs and services to help them manage their work and personal responsibilities. At the time of this study, the Champion companies included Abbott Laboratories, Deloitte & Touche USA LLP, Exxon Mobil Corporation, The IBM Corporation, Johnson & Johnson, PricewaterhouseCoopers LLP, and Texas Instruments.



**FLEXIBILITY OVERVIEW: WHO’S GOT IT, WHAT KIND, AND WHO IS SATISFIED?**

Overall, almost two-thirds of respondents (64%) report using some type of flexibility in their current job on a regular or occasional basis, but this varies by job category. While 72% of exempt employees report using some type of flexibility, fewer non-exempt employees—58%—report using it. Occasionally adjusting hours is the most frequently cited type used by exempt and non-exempt workers alike, followed by flexible start/end times.

**TABLE 1  
Types of Workplace Flexibility Used  
By Job Category**

	<b>Overall</b>	<b>Exempt</b>	<b>Non-Exempt</b>
Flexible start/end times	33%	42%	25%
Telecommuting	14%	27%	2%
Compressed work week	6%	6%	7%
Part-time or other reduced hours arrangement	8%	4%	12%
Job share	1%	2%	1%
Phased-in retirement	1%	1%	1%
Occasionally adjust hours as needed to take care of personal matters	52%	59%	46%

The use of flexibility varies by industry. In the New Career Paradigm Study, respondents in hi-tech companies, consulting, and insurance report higher utilization compared to workers in retail, energy, and manufacturing.



**TABLE 2**  
**Use of Flexible Work Options**  
**By Industry**

Hi-Tech: Electronics Manufacturing, Software, and Services	83%
Consulting: Business or Technology	77%
Insurance	77%
Pharmaceuticals/Medical Products	70%
Health Care	68%
Banking, Credit, Investment Services	65%
Professional Services: Accounting, Law	62%
Retail	59%
Energy	55%
Manufacturing	49%

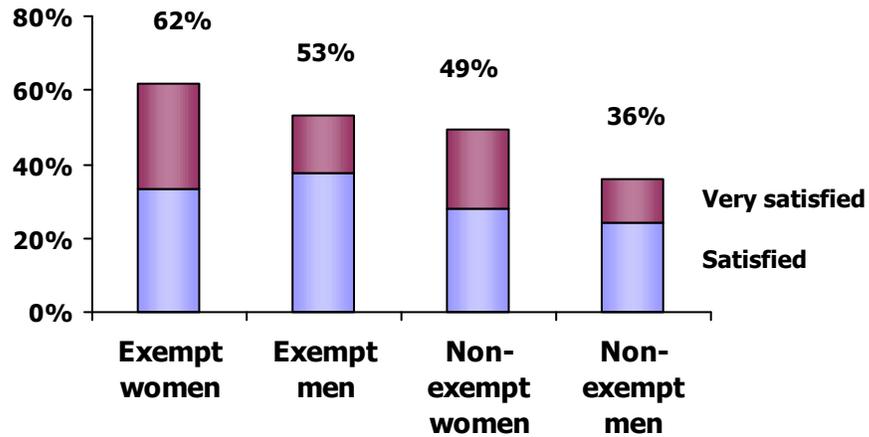
Two different questions provide insight into employees’ satisfaction with the flexibility they have at work. Respondents were asked to indicate their satisfaction with each of 25 workplace characteristics,<sup>2</sup> one of which asked about opportunities to work flexibly.<sup>3</sup> About half (49%) of respondents report that they are *satisfied* or *very satisfied* with flexible work options in their current job. This varies by gender and job category, however, with exempt women being the most satisfied and non-exempt men the least (see Figure 1). Women are more likely than men to say they are very satisfied with flexible work options.

<sup>2</sup> The 25 workplace factors are listed in Appendix A.

<sup>3</sup> This item is: Flexible work options (i.e., formal arrangements—such as flexible start/end times, telecommuting, job share, reduced hours, compressed work week—or occasional flexibility work from home or adjust hours to attend to personal/family needs).

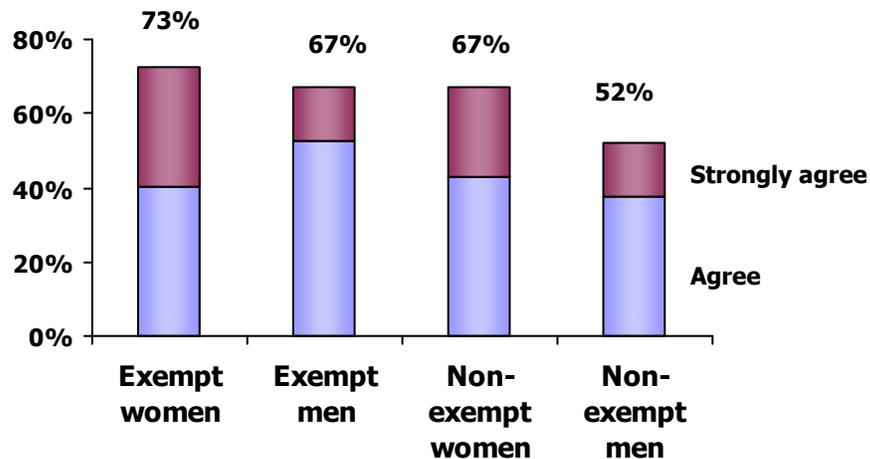


**FIGURE 1**  
**Satisfaction with Flexible Work Options**  
**By Gender and Job Category**



A second question asked respondents to indicate their level of agreement with the statement, "I have the flexibility I need in my work schedule." Almost two-thirds (64%) of respondents *agree* or *strongly agree* that they have the flexibility they need but again this varies by gender and job category. Non-exempt men are the least likely to say they have the flexibility they need. Women are more likely than men to strongly agree that they have the flexibility they need.

**FIGURE 2**  
**"I Have the Flexibility I Need in My Work Schedule"**  
**By Gender and Job Category**





Among individuals who use a flexible work option, about three quarters (77%) report that they have the flexibility they need in their work schedule. Table 3 displays the percent of individuals reporting that they have the flexibility they need among those using each type of flexible work option.

**TABLE 3**  
**% Reporting They Have the Flexibility They Need**  
**For Each Type of Flexibility Used**

Flexible start/end times	82%
Telecommuting	86%
Compressed work week	76%
Part-time or other reduced hours arrangement	79%
Job share	96%
Phased-in retirement	71%
Occasionally adjust hours as needed to take care of personal matters	78%
None	43%

Those who use occasional flexibility, the most common arrangement, are of special interest; 78% of these users report having the flexibility they need in their work schedule. For these individuals, a little bit of flexibility goes a long way! Among users of flexible start/end times—the next most common arrangement—82% report having the flexibility they need. Finally, while only 14% of respondents are telecommuters, 86% of this group report having the flexibility they need.

Recall that 36% of respondents do not use any type of flexible work option. Among this group, 43% report having the flexibility they need, 25% are neutral, and 32% say they do not have the flexibility they need.

### **HOW IMPORTANT IS FLEXIBILITY?**

As described earlier, respondents were asked to indicate their satisfaction with each of 25 workplace factors. In addition, they were asked to indicate the importance of each item to their satisfaction with work. By a five to one margin, respondents identified workplace flexibility as *important*, *very important*, or *extremely important* to their satisfaction with work. Women place higher importance on workplace flexibility than men, and exempt workers rate it more highly than non-exempt workers.

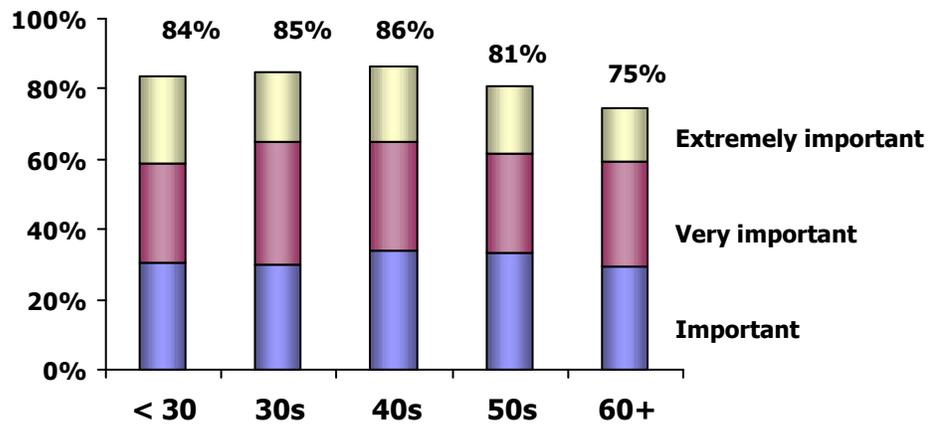


**TABLE 4**  
**Importance of Workplace Flexibility**  
**By Gender and Job Category**

	Overall	Exempt Women	Exempt Men	Non-Exempt Women	Non-Exempt Men
Extremely important	21%	30%	14%	27%	15%
Very important	31%	29%	37%	30%	25%
Important	32%	31%	36%	28%	33%
Slightly important	12%	10%	10%	10%	20%
Not at all important	4%	< 1%	4%	6%	7%

Examining the importance of flexibility for different age groups, we find that younger workers value flexibility somewhat more than older workers. In Figure 3, we see that workers under 50 are more likely than workers 50 and older to rate flexible work options as *important*, *very important*, or *extremely important* to their satisfaction with work. Note also that while 25% of respondents under 30 cite flexibility as *extremely important*, only 16% of respondents 60 and older feel as strongly about the importance of flexibility.

**FIGURE 3**  
**Importance of Flexible Work Options**  
**By Age**





In order to get a better understanding of which are the most important characteristics of the workplace, respondents were asked to identify the top two factors that are most important to their satisfaction with work.<sup>4</sup> When the top responses are analyzed, a hierarchy emerges. Compensation and job stability factors rise to the top as most important to job satisfaction: salary (49%), job security (20%), and benefits (19%). After these factors are identified, the ability to manage work and personal responsibilities takes center stage: work/life balance (13%) and flexibility (11%). Close on the heels of these factors are a variety of factors about the nature of the work and development opportunities for workers: meaningful work (10%), advancement opportunity (9%), and opportunity to learn and grow (8%). Finally, an employee’s manager emerges as important to satisfaction with work (7%). As Table 5 displays, exempt and non-exempt workers report the same general hierarchy of factors with a few exceptions. For exempt women, flexibility is tied with meaningful work in terms of importance, and for exempt men, flexibility is tied with advancement opportunities. For non-exempt women, benefits play a critically important role.

**TABLE 5**  
**Most Important Factors Contributing to Job Satisfaction**  
**By Gender and Job Category**

	<b>Overall</b>	<b>Exempt Women</b>	<b>Exempt Men</b>	<b>Non-Exempt Women</b>	<b>Non-Exempt Men</b>
<b>Compensation &amp; Job Security</b>					
Salary/Wage	49%	44%	48%	53%	48%
Job Security	20%	16%	22%	16%	25%
Benefits	19%	13%	14%	26%	22%
<b>Managing Work &amp; Personal Responsibilities</b>					
Work/Life Balance	13%	16%	14%	12%	11%
Flexibility	11%	15%	13%	10%	9%
<b>Nature of Work &amp; Developmental Opportunities</b>					
Meaningful work	10%	15%	11%	8%	6%
Advancement Opportunities	9%	8%	13%	8%	8%
Opportunity to Learn & Grow	8%	14%	7%	4%	8%
<b>Management</b>					
Immediate Manager	7%	7%	9%	7%	7%

<sup>4</sup> By limiting individuals to only two choices, responses are constrained by the overwhelming importance of salary/wage, benefits, and job security. Rankings of other factors—including flexibility—may be diminished as a result.



Looking across the life cycle, the general hierarchy of important workplace factors holds for older and younger workers alike, with a few variations (see Table 6). For employees under 30, it is striking that salary/wage outdistances other workplace factors by a wide margin. Also, while work/life balance rivals job security and benefits in importance for this age group, flexibility is somewhat less prominent. Flexibility holds somewhat greater importance for employees in their thirties than for other age groups, perhaps because these tend to be the early years of parenting.

**TABLE 6**  
**Most Important Factors Contributing to Job Satisfaction**  
**By Age**

	Overall	< 30	30s	40s	50s	60+
<b>Compensation &amp; Job Security</b>						
Salary/Wage	49%	58%	46%	50%	47%	38%
Job Security	20%	14%	20%	17%	28%	23%
Benefits	19%	14%	17%	18%	28%	20%
<b>Managing Work &amp; Personal Responsibilities</b>						
Work/Life Balance	13%	15%	14%	11%	11%	14%
Flexibility	11%	10%	14%	10%	11%	11%
<b>Nature of Work &amp; Developmental Opportunities</b>						
Meaningful Work	10%	13%	10%	9%	7%	10%
Advancement Opportunities	9%	13%	12%	8%	7%	2%
Opportunity to Learn & Grow	8%	5%	10%	10%	5%	4%
<b>Management</b>						
Immediate Manager	7%	8%	5%	10%	6%	9%

Having narrowed respondents' choices to their top two, we wanted to understand how strongly held these preferences are. That is, while flexibility is among the two most important factors to job satisfaction for about one in ten respondents, how salient is this feature of one's job? We asked respondents if they would leave their current employer to find improvement in their flexible work options. Among those who cited flexibility as one of the top factors for satisfaction, almost one fifth are seriously thinking about leaving their employer for improved access to flexibility.



**TABLE 7**  
**Considering Leaving Current Employer for Improvement**  
**In Flexibility\***

Am seriously thinking about it and have taken action	9%	} 17%
Am seriously thinking about it but have not taken action	8%	
Have thought about it frequently	8%	
Have thought about it occasionally	31%	
Have not thought about it	45%	

\*Among those who indicated that flexibility is one of the top two factors in their job satisfaction.

## IMPACTS OF FLEXIBILITY

### Employee Commitment

The New Career Paradigm survey included the WFD Commitment Index, a seven-item validated scale used to measure employee engagement and discretionary effort. Items probed respondents' satisfaction with work, willingness to join the company again, loyalty, willingness to recommend the company, level of effort, willingness to work extra hours, and agreement with company goals. Because of the established linkages of employee commitment with productivity and retention, the Commitment Index is a valuable measure for examining flexibility.

When users and non-users of flexibility are compared, respondents who use some type of workplace flexibility report higher commitment ratings than those who do not use a flexible work option (6.12 versus 5.01,  $t=7.16$ ,  $p<.001$ ). Table 8 compares commitment scores for individuals using the more prevalent types of flexibility. Significantly higher commitment scores are revealed for those using flexible start/end times, telecommuting, and occasional flexibility.



**TABLE 8**  
**Commitment Scores for**  
**Prevalent Types of Workplace Flexibility**

	<b>Average Commitment Score for Flex Users</b>	<b>Average Commitment Score for Non-Users</b>	
Flexible start/end times	6.24	5.47	***
Telecommuting	6.57	5.58	***
Compressed work week	6.14	5.69	ns
Part-time or other reduced hours arrangement	5.64	5.73	ns
Occasionally adjust hours as needed to take care of personal matters	6.29	5.11	***

ns=not significant, \*\*\* p < .001

Figure 4 provides a snapshot of flexibility for respondents of different ages in the New Career Paradigm study. The five points on the chart represent employees under 30, in their thirties, forties, and fifties, and those sixty and older. The points identify average satisfaction with flexibility plotted against the correlation of satisfaction with employee commitment. Values that are higher on the x-axis (commitment) indicate that for a particular age group, flexibility should be a corporate priority because of its high correlation with employee commitment. If the data point is low on the y-axis (satisfaction), average satisfaction with flexibility is low and most likely requires attention (especially if the data point is high on the x-axis). If the data point is high on the y-axis, it is an organizational strength.

In this study, satisfaction with flexibility tends to be low. Recall that only 49% of respondents indicate that they are satisfied or very satisfied with their flexible work options. This is confirmed in Figure 4, where average satisfaction is seen to be 3.5 or less.<sup>5</sup> Relatively speaking, employees under 30 tend to be somewhat more satisfied with the flexible work options available to them, and employees in their 50s are the least satisfied. Note that the correlation between satisfaction with flexibility and commitment is high for all groups (r=.37 or higher). This represents an opportunity for organizations. Improved satisfaction with flexibility could yield benefits to both the individual and the organization.

<sup>5</sup> The y-axis represents the five-point satisfaction scale in which 1=very dissatisfied, 2=dissatisfied, 3=neither satisfied nor dissatisfied, 4=satisfied, and 5=very satisfied. A mean of 3.5 indicates a score that falls below the "satisfied" level.



**FIGURE 4**  
**Average Satisfaction with Flexibility**  
**Versus Correlation with Commitment**  
**By Age**

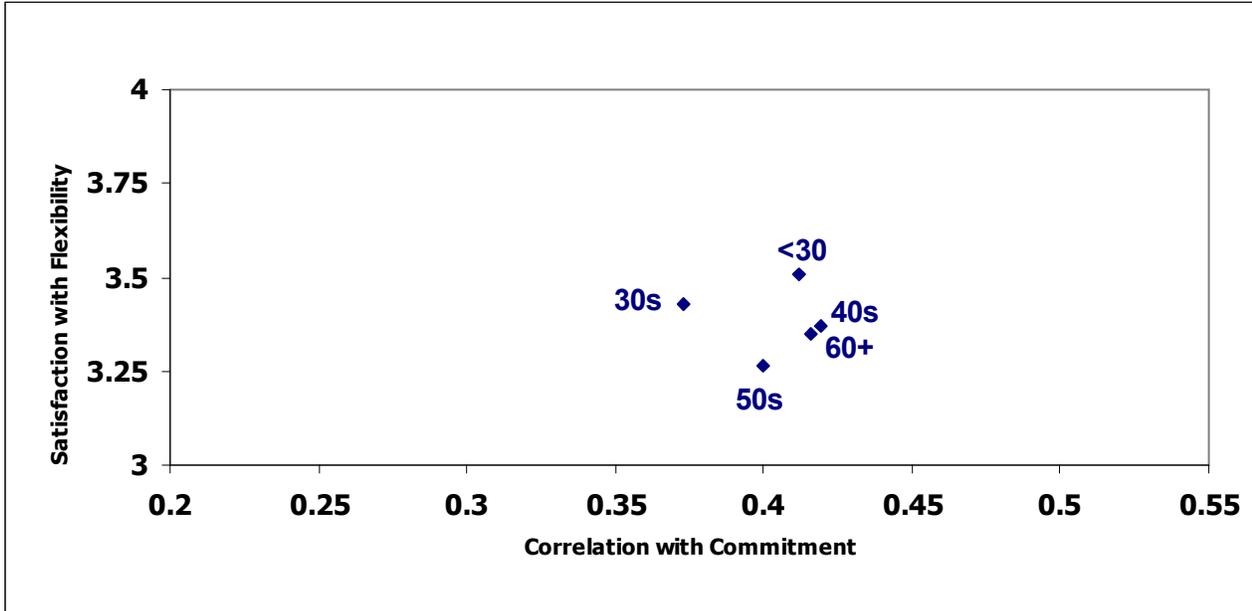
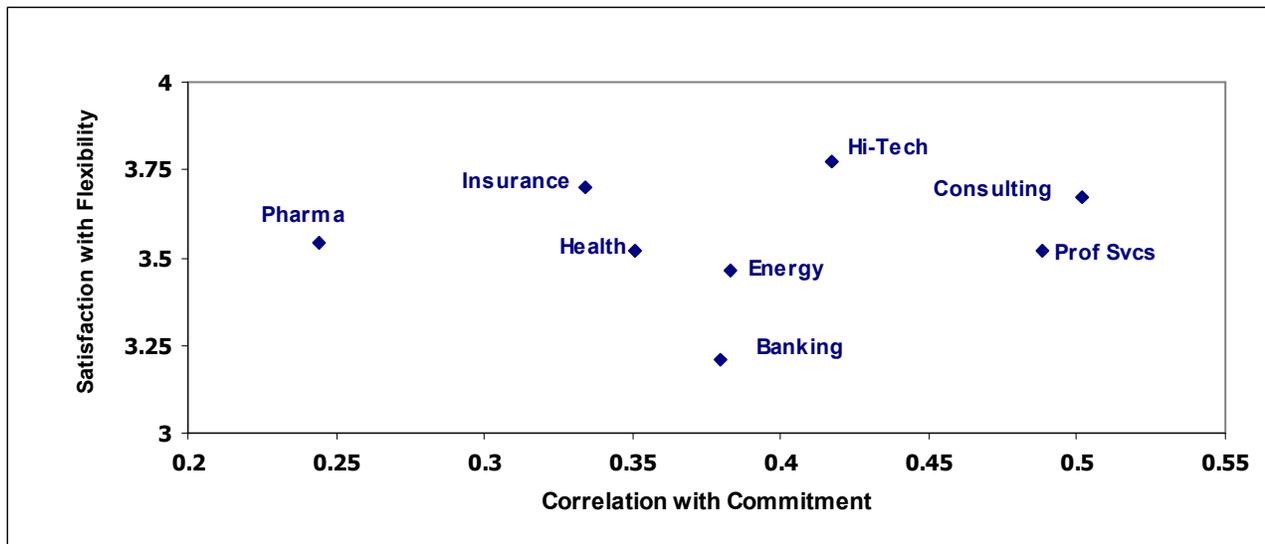


Figure 5 provides another snapshot of flexibility, this time by industry. Notice that flexibility is particularly prized in consulting and professional services, as evidenced by the very high correlations with commitment. Flexibility seems to enjoy more effective implementation in hi-technology, insurance, and consulting where satisfaction is higher compared to other industries, especially banking.

**FIGURE 5**  
**Average Satisfaction with Flexibility**  
**Versus Correlation with Commitment**  
**By Industry**





**Employee Resilience**

Another outcome measure of interest is employee resilience, that is, employees’ ability to work under pressure and effectively manage work and personal responsibilities. The New Career Paradigm Study included four items to measure employee resilience: confidence in ability manage pressures of work, having enough energy to accomplish important tasks, ability to spend times on things that are important, having a fulfilling life outside of work.

Study participants who use some type of workplace flexibility report higher resilience ratings than those who do not use a flexible work option (3.69 versus 3.16,  $t=6.11$ ,  $p<.001$ ). Table 9 compares resilience scores for individuals using the more prevalent types of flexibility. Significantly higher resilience scores are revealed for those using flexible start/end times, part-time or other reduced hours arrangement, and occasional flexibility.

**TABLE 9  
Resilience Scores for  
Prevalent Types of Workplace Flexibility**

	<b>Average Resilience Score for Flex Users</b>	<b>Average Resilience Score for Non-Users</b>	
Flexible start/end times	3.72	3.40	***
Telecommuting	3.49	3.51	ns
Compressed work week	3.70	3.49	ns
Part-time or other reduced hours arrangement	4.21	3.44	***
Occasionally adjust hours as needed to take care of personal matters	3.70	3.30	***

ns=not significant, \*\*\*  $p < .001$

**Recruitment**

To understand what contributes to an individual’s decision to accept an employment offer, the study asked “recent joiners”—those who had signed on with their current company within the last three years—about the most important factors in their decision. As Table 10 demonstrates, the findings generally mirror the factors most important to job satisfaction described earlier. Notable in these findings, however, is that exempt women elevate the importance of work/life balance and flexible work options over benefits and job security; however, the opportunity to learn and grow along with advancement opportunities trump all of those factors. For exempt men, while work/life balance is prominent in the decision to join their company, flexible work options factor much lower. Among non-exempt workers, flexibility plays a more prominent role in women’s decision to take a job than it does for men.



**TABLE 10**  
**Most Important Factors in Decision to Join Present Company**  
**By Gender and Job Category**

	<b>Overall</b>	<b>Exempt Women</b>	<b>Exempt Men</b>	<b>Non-Exempt Women</b>	<b>Non-Exempt Men</b>
<b>Compensation &amp; Job Security</b>					
Salary/Wage	56%	58%	50%	55%	62%
Benefits	19%	11%	10%	20%	26%
Job Security	15%	6%	11%	15%	22%
<b>Managing Work &amp; Personal Responsibilities</b>					
Work/Life Balance	13%	15%	18%	16%	6%
Flexibility	13%	16%	10%	15%	10%
<b>Nature of Work &amp; Developmental Opportunities</b>					
Opportunity to Learn & Grow	13%	20%	17%	9%	10%
Advancement Opportunities	12%	19%	12%	10%	10%
Meaningful Work	9%	11%	15%	7%	5%
Job Challenge	7%	4%	16%	6%	3%

**Retention**

The New Career Paradigm report includes an analysis of predicted turnover (i.e., intention to leave one’s present company in less than three years). Seven scales were created to be used in statistical models to capture satisfaction with various job dimensions:

- Compensation (salary/wage, benefits)
- Development (advancement opportunity; opportunity to learn and grow; education and training; performance feedback; career development/mentoring/coaching)
- Job meaning (meaningful work, company mission)
- Job autonomy (autonomy/control over work, having decision-making authority)
- Contribution (job challenge, fully utilizing my abilities, having my opinion valued)
- Workplace relationships (collaboration and teamwork; quality of colleagues; company culture; workforce diversity; social relationships at work; authenticity/being myself at work)
- Schedule control (flexibility, workload, work/life balance)



Additionally, a variable was included to indicate whether the respondent reported having the flexibility s/he needs in his/her work schedule.

As the report describes, schedule control—which includes satisfaction with flexibility—is one of the strongest predictors of expected tenure. Here are some findings from the statistical models related to worker flexibility:

### **For early career workers (under 30 years of age)**

- Those who report having the flexibility they need are 21% less likely to plan on leaving despite being dissatisfied with compensation;
- Those who do not have the flexibility they need and are dissatisfied with job meaning are twice as likely to plan on leaving;
- Those who are dissatisfied with schedule control (flexibility, workload, work/life balance) are more likely to plan on leaving, especially if they are a non-exempt worker (81% more likely to leave) or a male (81% more likely to leave).

### **For mid-career workers (30-49 years of age)**

- Parents who are dissatisfied with their schedule control (flexibility, workload, work/life balance) are twice as likely to plan on leaving;
- Non-parents who are dissatisfied with their schedule control (flexibility, workload, work/life balance) are ten times more likely to plan on leaving.

### **For late career workers (50+ years of age)**

- Those who do not have the flexibility they need and are dissatisfied with job meaning are 48% more likely to plan on leaving.



### CONCLUSIONS

Among the corporate respondents in the New Career Paradigm Study, two out of three report using some type of flexible work option (either formal or informal). Flexibility is more commonly used by exempt workers and more commonly found in specific industries including hi-technology, consulting, and insurance.

Flexibility is highly valued among study participants—84% rate it as *important*, *very important*, or *extremely important* to their satisfaction with work yet only 49% are satisfied with the flexibility they currently have. Women more than men, and exempt workers more than non-exempt workers, rate flexibility as important. When forced to choose, work/life balance and flexibility follow in importance after the essential elements of salary/wage, job security, and benefits, beating out meaningful work, advancement opportunities, opportunity to learn and grow, and one's immediate manager. Clearly, work/life balance and flexibility hold a prominent place in this hierarchy.

Besides the sheer importance placed on flexibility by respondents, several outcome measures demonstrate the value of flexibility in the workplace. Users of workplace flexibility exhibit higher commitment to their organization as well as greater resilience, two factors associated with greater effectiveness and productivity at work. Additionally, as demonstrated by models developed to predict turnover, those who are more satisfied with their schedule control (which includes access to flexibility), are less likely to plan on leaving their organization in the next three years. Also, having the flexibility one needs can mediate other negative job factors such as dissatisfaction with compensation and dissatisfaction with job meaning.

Finally, satisfaction is highly correlated with commitment for employees across the age spectrum: those under 30 to those 60 and older. Ensuring satisfaction with workplace flexibility may be especially important, however, to recruiting and retaining younger and older workers, and women, key populations in the critical talent pool.



## APPENDIX A

### Importance of and Satisfaction with 25 Job Characteristics

- ❖ Advancement opportunity
- ❖ Job challenge
- ❖ Meaningful work
- ❖ Opportunity to learn and grow
- ❖ Education and training
- ❖ Career development, mentoring, coaching
- ❖ Performance feedback
- ❖ Autonomy (control over work)
- ❖ Salary/wage
- ❖ Benefits
- ❖ Job security
- ❖ Immediate manager
- ❖ Fully utilizing my abilities
- ❖ Having my opinion valued
- ❖ Collaboration and teamwork
- ❖ Workload
- ❖ Work/life balance
- ❖ Having decision-making authority
- ❖ Quality of colleagues
- ❖ Social relationships at work
- ❖ Authenticity/being myself at work
- ❖ Company mission
- ❖ Company culture
- ❖ Workforce diversity
- ❖ Flexible work options (i.e., formal arrangements—such as flexible start/end times, telecommuting, job share, reduced hours, compressed work week—or occasional flexibility to work from home or adjust hours to attend to personal/family needs)



The ABC is a collaboration of leading-edge companies  
dedicated to creating real solutions to critical workplace issues.

For more information, please contact:  
The American Business Collaboration for Quality Dependent Care  
Administered by WFD Consulting  
55 Chapel Street  
Newton, MA 02458

Phone: (800) 767-9863 ext. 8721  
E-mail: [abcinfo@wfd.com](mailto:abcinfo@wfd.com)  
Web site: <http://www.abcdependentcare.com>