



# What's working with flexible working

Global HR Virtual Conference

November 17, 2020



## Today's speaker



### **Christina Boiler**

Partner, NA Leader for Global Mobility

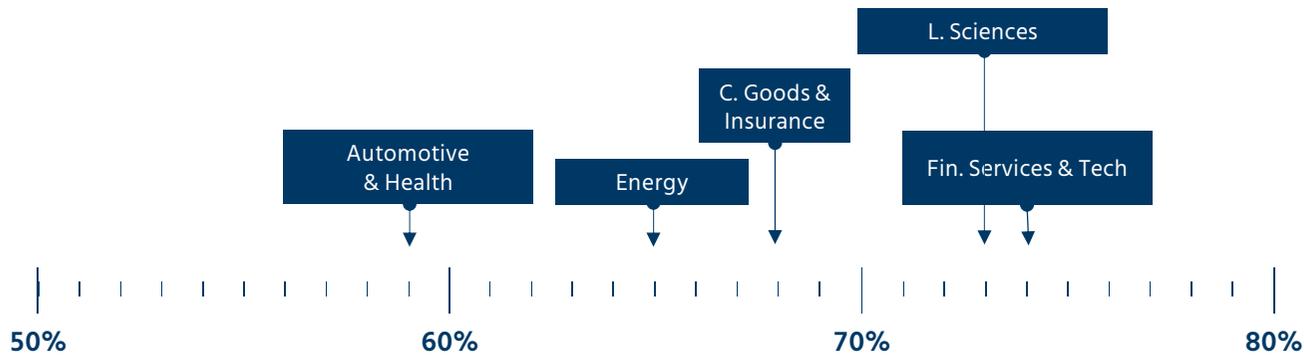
# Permanent flexibility

## Pre-COVID, who was ready?

**87%** of companies say flexible working is a focus for them in 2020

**32%** say “we have a flexibility policy but it is not widely promoted

**65%** - “I feel trusted to work flexibly”



Only **15%** of all companies consider themselves industry leaders in flexible working

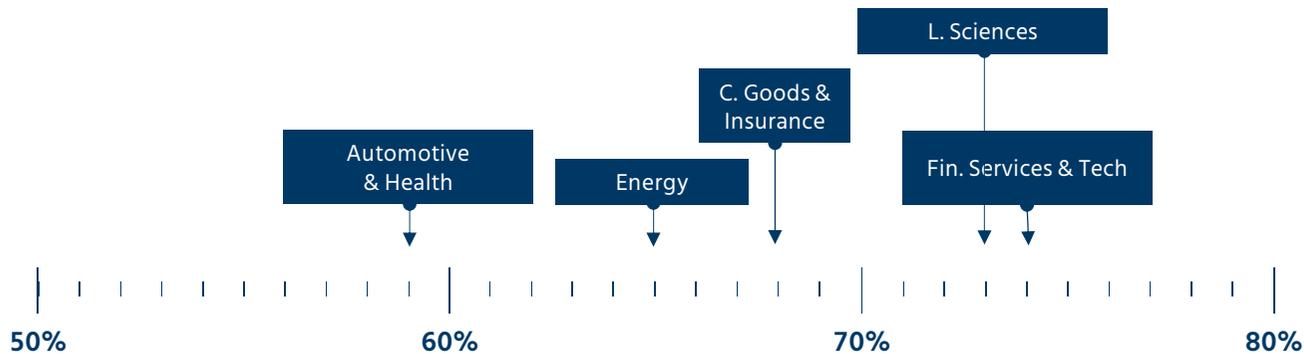
# Permanent flexibility

## Pre-COVID, who was ready?

**87%** of companies say flexible working is a focus for them in 2020

**32%** say “we have a flexibility policy but it is not widely promoted

**65%** - “I feel trusted to work flexibly”



Only **15%** of all companies consider themselves industry leaders in flexible working

### So what would make the most difference?

Training for managers in enabling flexible working	<b>46%</b>
Visible instances of career progression for flexible workers	<b>46%</b>
More trust between the organization and its employees	<b>42%</b>
Ability to measure and reward contribution	<b>41%</b>
Better technology to enable flexible working	<b>39%</b>
Training for individuals to make flex work	<b>36%</b>
Job redesign to enable flexible working	<b>28%</b>
Executive-led mandate	<b>13%</b>

# The new shape of work is flexible



**Nearly 90% of organizations** are planning to implement post-pandemic changes to flexible working

Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 10/28; 170 responses



## Plans are being shaped now



Copyright 2020 Mercer. All rights reserved.

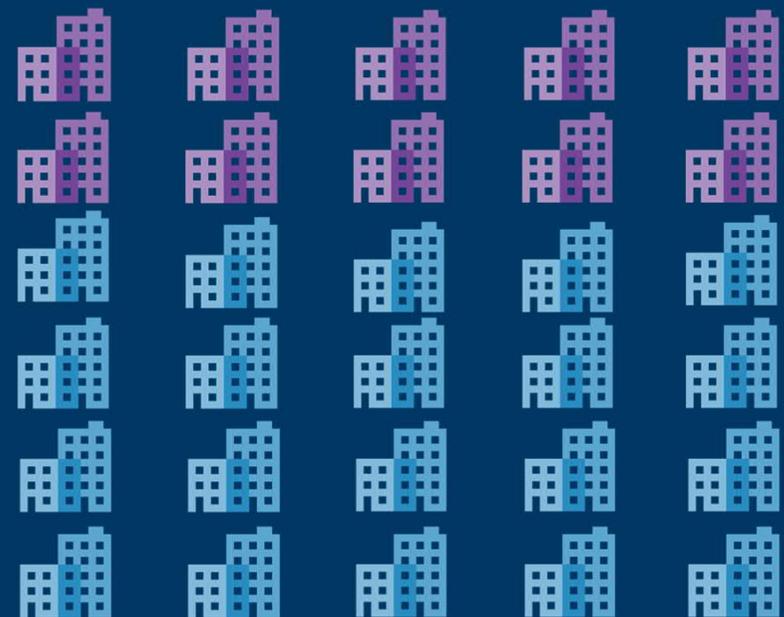


# A seismic shift in remote working: half or more of workforce remote

**Pre-COVID, 1 in 30**



**Anticipated post-COVID, 1 in 3**



Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 10/28; 168 responses



# Business drivers are clear



<sup>1</sup>Cleo, Return to Work Member Survey, April 2020

<sup>2</sup>Bloom, Liang, Roberts & Ying, 2013

<sup>3</sup>Wharton School at the University of Pennsylvania

<sup>4</sup>2017 State of Telecommuting in the US Employee Workforce



## Support and retain caregivers

One in five working parents said that either they or their partners are considering leaving the workforce to care for their children<sup>1</sup>



## Engagement and performance

Researchers from Stanford University found call center employees working remotely were 13% more productive, more satisfied, and less likely to quit<sup>2</sup>



## Expanded talent pool

A distributed workforce enables greater sourcing of hot skills and diverse critical talent that previously might have been out of reach



## Reduce real estate and labor costs

Total occupancy costs of corporate real estate represent five to eight percent of gross sales, or 40-50% of net income<sup>3</sup>

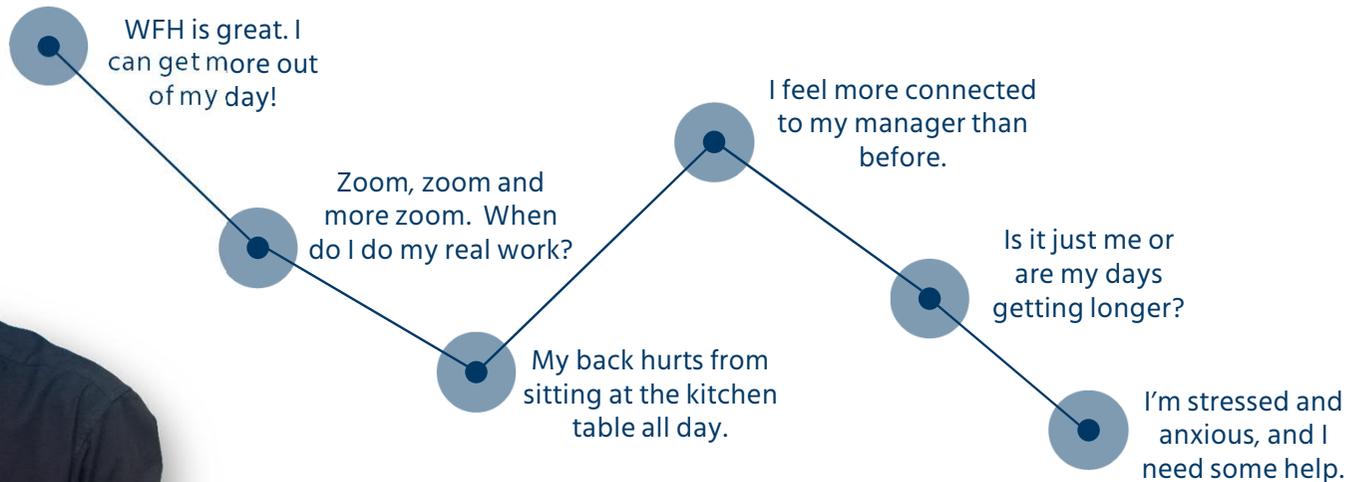


## Sustainability

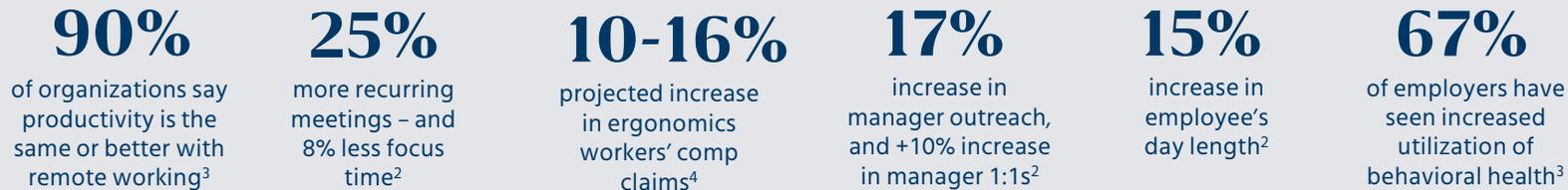
Existing telecommuters (3.9M) reduce greenhouse gas emissions by the equivalent of taking over 600,000 cars off the road for a year<sup>4</sup>

# The flexible work experience so far

Nearly half of employers have more than 75% of their workforce remote during the pandemic.<sup>3</sup>  
 These employees have seen ups and downs...



...And likewise employers have seen mixed results



Some components impacting the current environment will not sustain post-pandemic



- Social distancing will not be the norm
- Disruption in social support systems will abate (e.g., schools, eldercare)
- Employees will have the opportunity to flex between remote and in-person collaboration

# The future of flexible working

Flexible working is about more than remote working. **Inclusive flexibility** ensures that **all jobs can flex** when needed – the key is identifying in **which dimension**.



 **where**  
location & infrastructure

## Amir, engineer

"I collaborate with my team a few days a week at the office, but otherwise work from home!"



 **when**  
hours and scheduling

## James, technician

"I work 40 hours a week, but vary the days and times I work to meet the needs of my family."



 **how**  
scaling, technology

## Liz, accountant

"I work 60 hours per week during busy seasons, but scale back to 30 hours per week the rest of the year."



 **what**  
job content and sharing

## Darnell, nurse manager

"I share my case load with another manager, and work a reduced schedule to meet my personal needs."



 **who**  
alt. workforce, automation

## Hannah, designer

"I work on demand on projects that fit my interests across multiple employers. I'm my own boss!"



Poll Question

**Which dimensions are your organization focused on?**

# Flexibility is increasing across multiple dimensions

DIMENSION	TYPE	TREND	COVID-RELATED EXPANSION
 <b>WHERE</b>	FT Remote working	●	65%
	PT Remote Working	●	67%
 <b>WHEN</b>	Flextime	●	53%
	Alternative shifts/schedules	●	37%
	Compressed workweek	●	21%
 <b>WHAT</b>	Part-time	●	17%
	Job sharing	●	4%
	Phased/Flexible retirement	●	9%
 <b>HOW</b>	Fluctuating workweek	●	7%
 <b>WHO</b>	Contract/gig/freelancing	●	8%
	Internal talent marketplace	●	18%

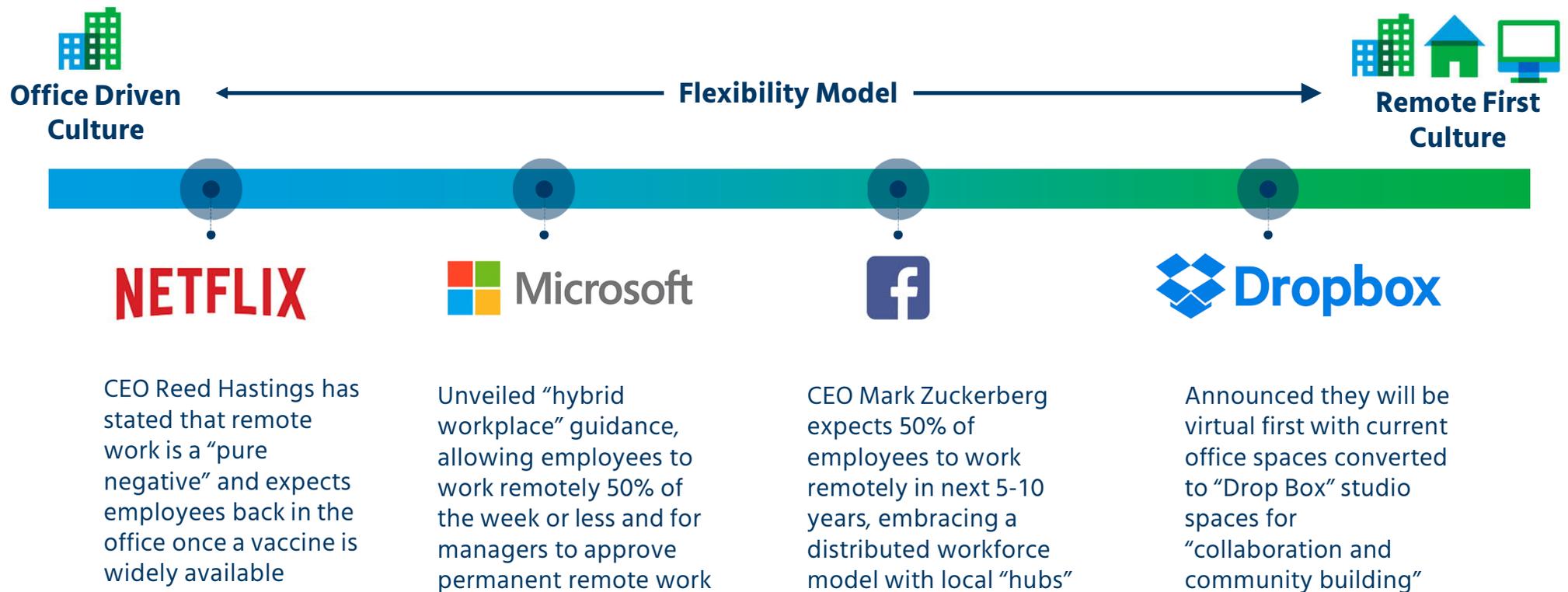
*Planned post-COVID retraction*  
 Full-time: 30%  
 Part-time: 15%

### Legend

---

- **High increase (20%+)**
- **Moderate increase (>10%)**
- **Minimal Change (<10%)**

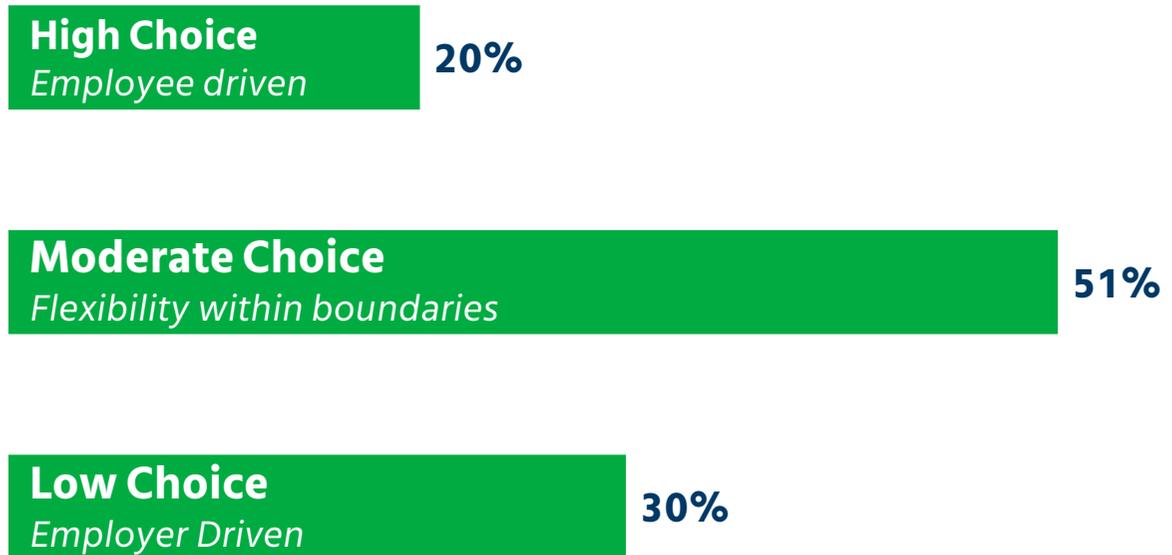
# There's no one size fits all – many models are emerging



Source: Public company disclosures

# Employee choice matters

## Role of employee choice in selecting flexible work arrangements to meet their needs



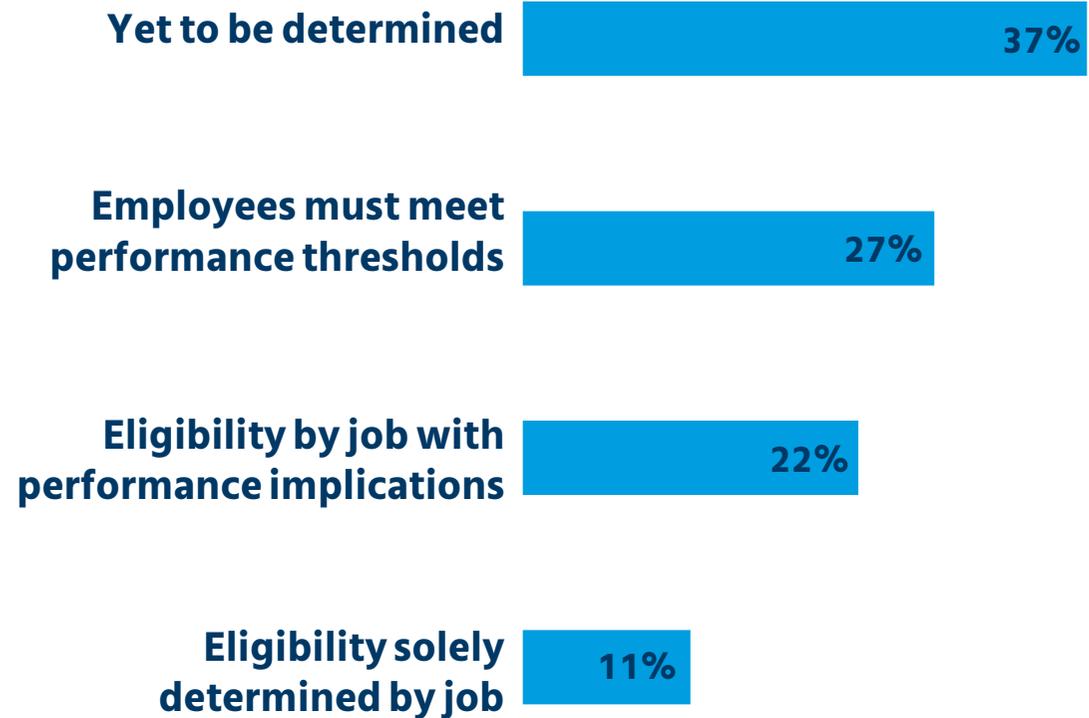
Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 10/28; 168 responses



A study by Stanford researchers found that employee choice to an environment best suited for them (remote vs. office) was critical to maximizing productivity gains

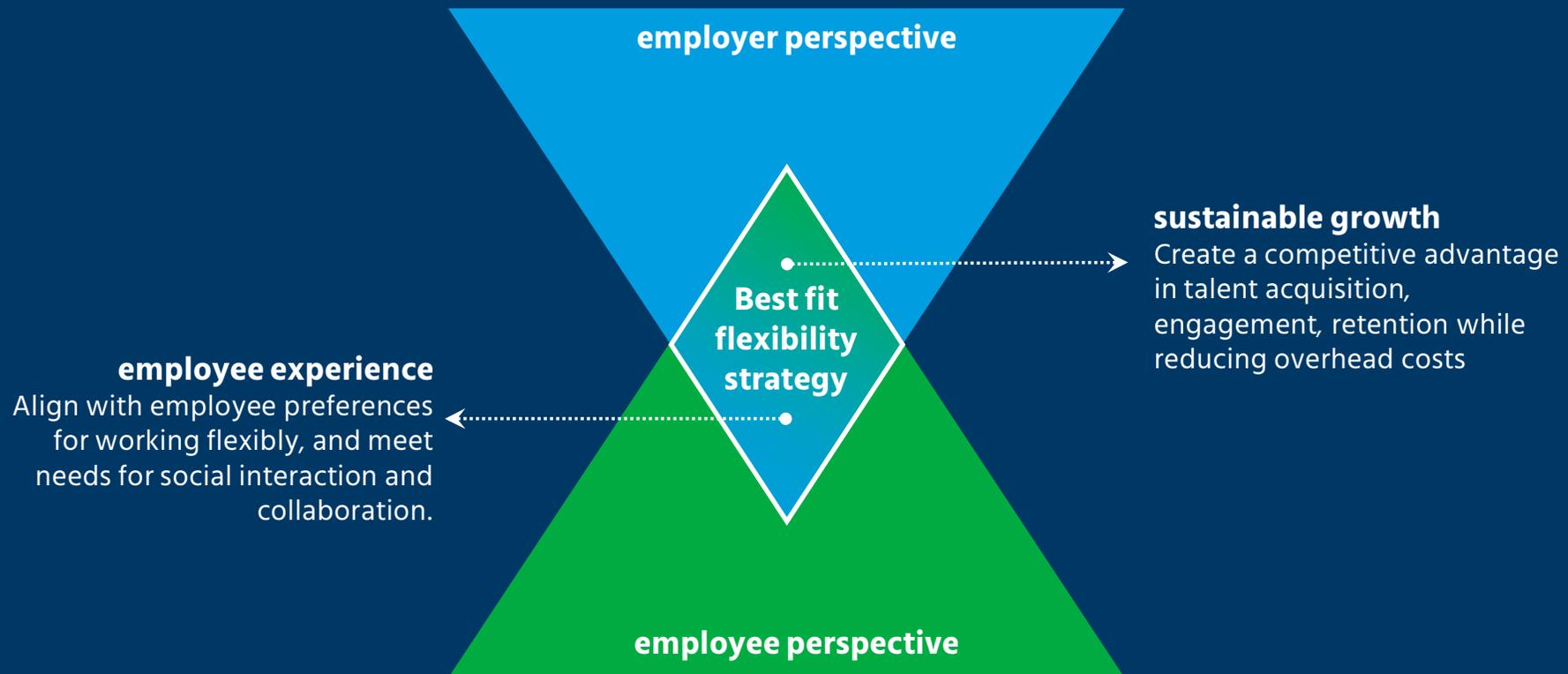
Source: Bloom (2013)

# Is flexibility a right or a privilege? The jury is still out

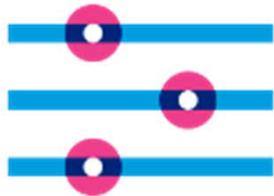


Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 10/28; 165 responses

# A balanced approach to flexibility will be critical for success



# Three critical questions to drive flexibility at scale



## What flexibility is possible?

Assess jobs across the five dimensions of flexible work



## What flexibility is desirable?

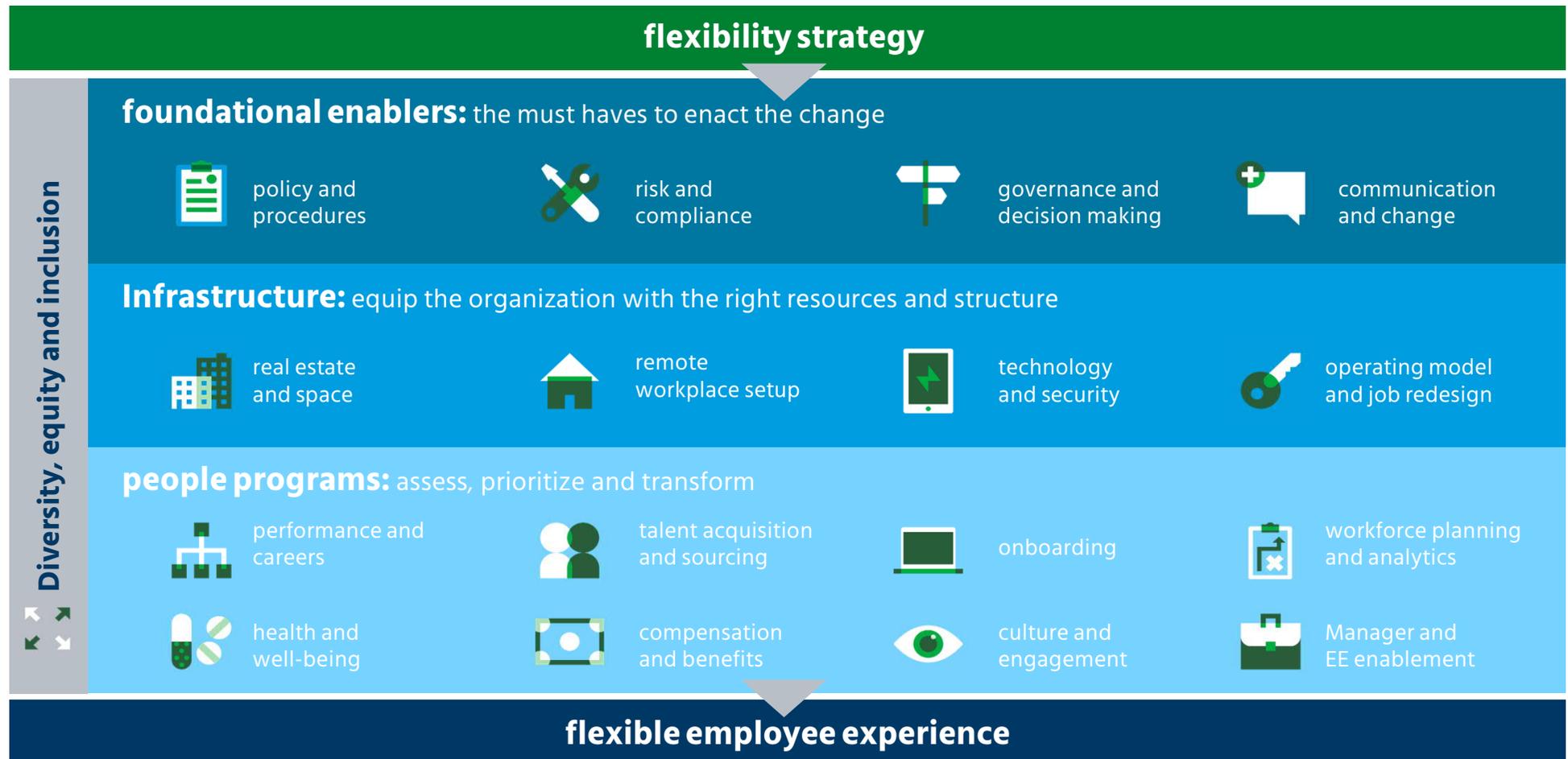
Understand leader and employee attitudes and preferences



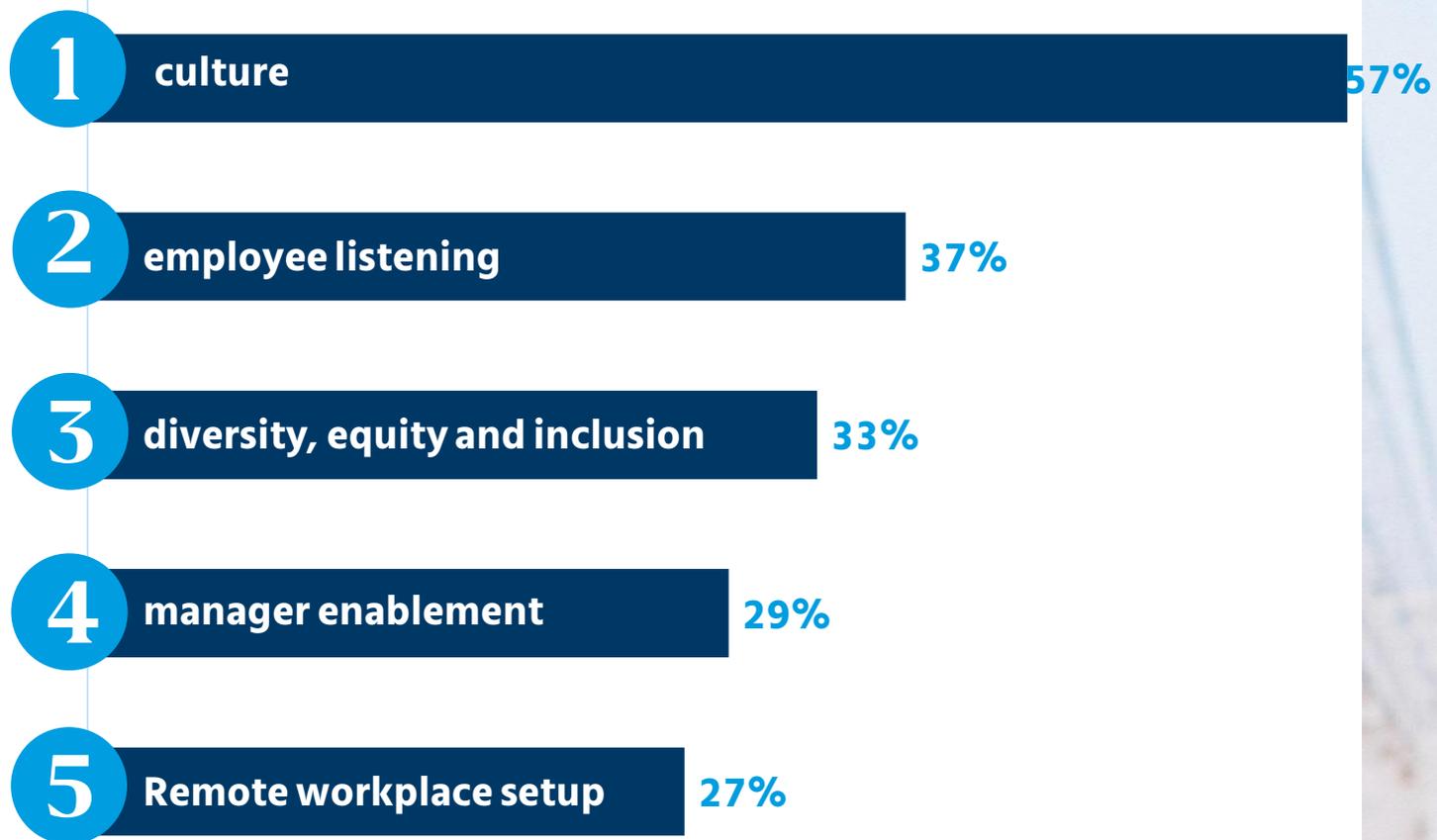
## What flexibility is sustainable?

Assess need for change to policies, programs and infrastructure

# Sustainable flexibility at scale requires transformational change



## Top 5 priorities for sustainable execution



Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 10/28; 168 responses



ALDI AIS Proposal

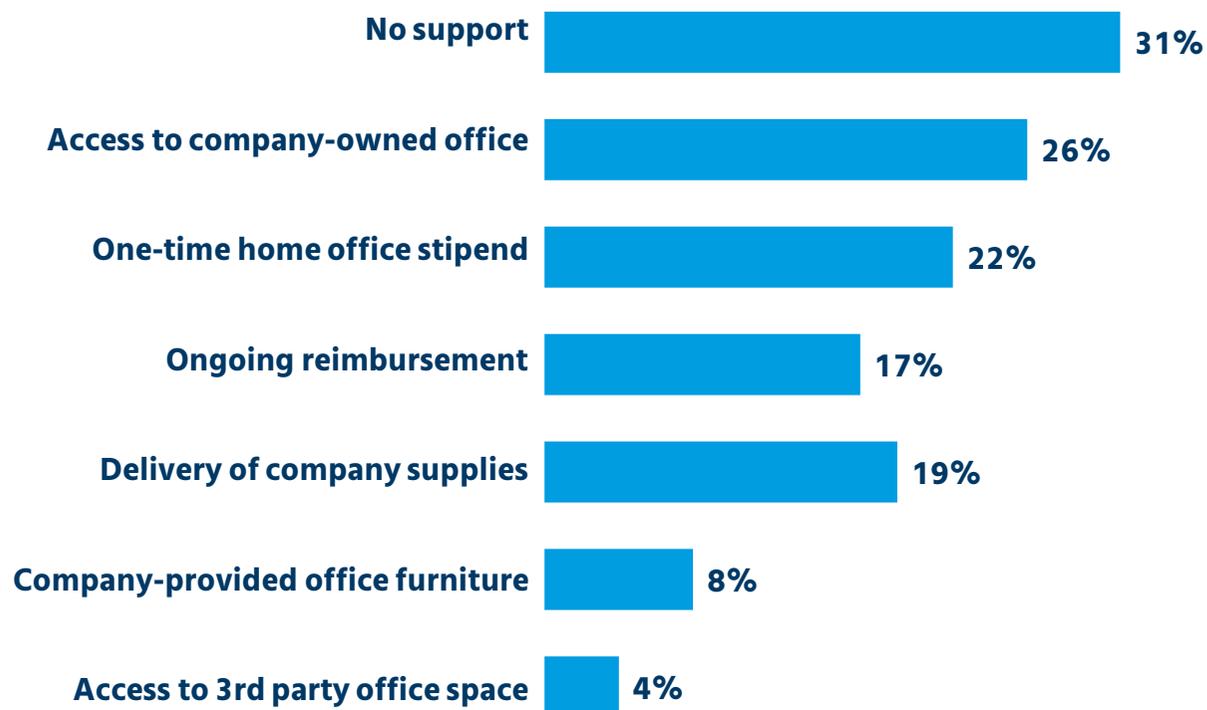
Copyright 2020 Mercer. All rights reserved.



Poll Question

**What is your top priority  
when executing your flex  
strategy?**

## Support for remote workers is an evolving space



Mercer COVID Survey #8: Flexibility, Inclusion, and Pandemic Impact. US Only Data as of 10/26 168 responses



Source: Public company disclosures

Copyright 2020 Mercer. All rights reserved.

# \$300

median home office stipend / reimbursement  
n=29

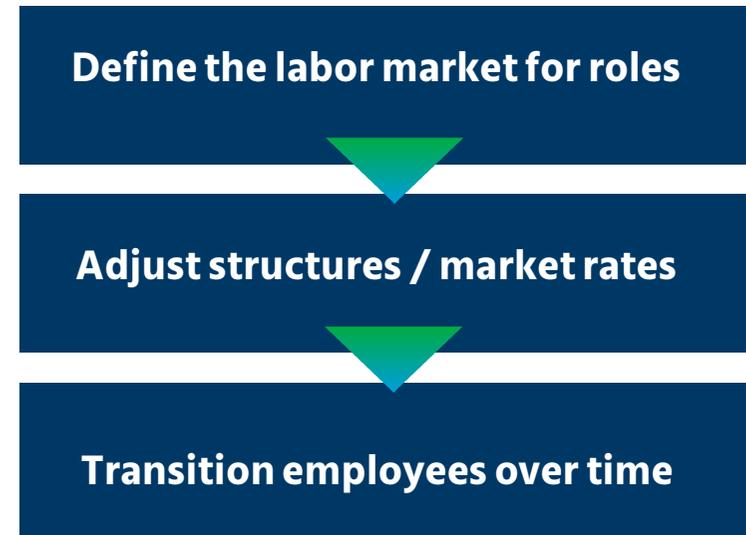
# \$50

Median ongoing expense reimbursement (internet, supplies, etc.)  
n=11

# Will compensation change given remote work? Not so fast...

Most organizations have not yet decided how they will establish the market for remote workers, but few anticipate pay cuts, as of now

- 36%** Yet to be determined
- 39%** No pay adjustments for employees who move
- 12%** No adjustment, but pay may be flagged
- 10%** Possible adjustment if substantially above market
- 3%** Employees will receive a pay cut if moving to a lower cost market



## Actions you can take: building your flexibility model sustainably



**Start shaping your strategy** – employees will be seeking answers sooner rather than later



Explore an inclusive approach that embraces **flexibility for all**, even if remote working is not an option



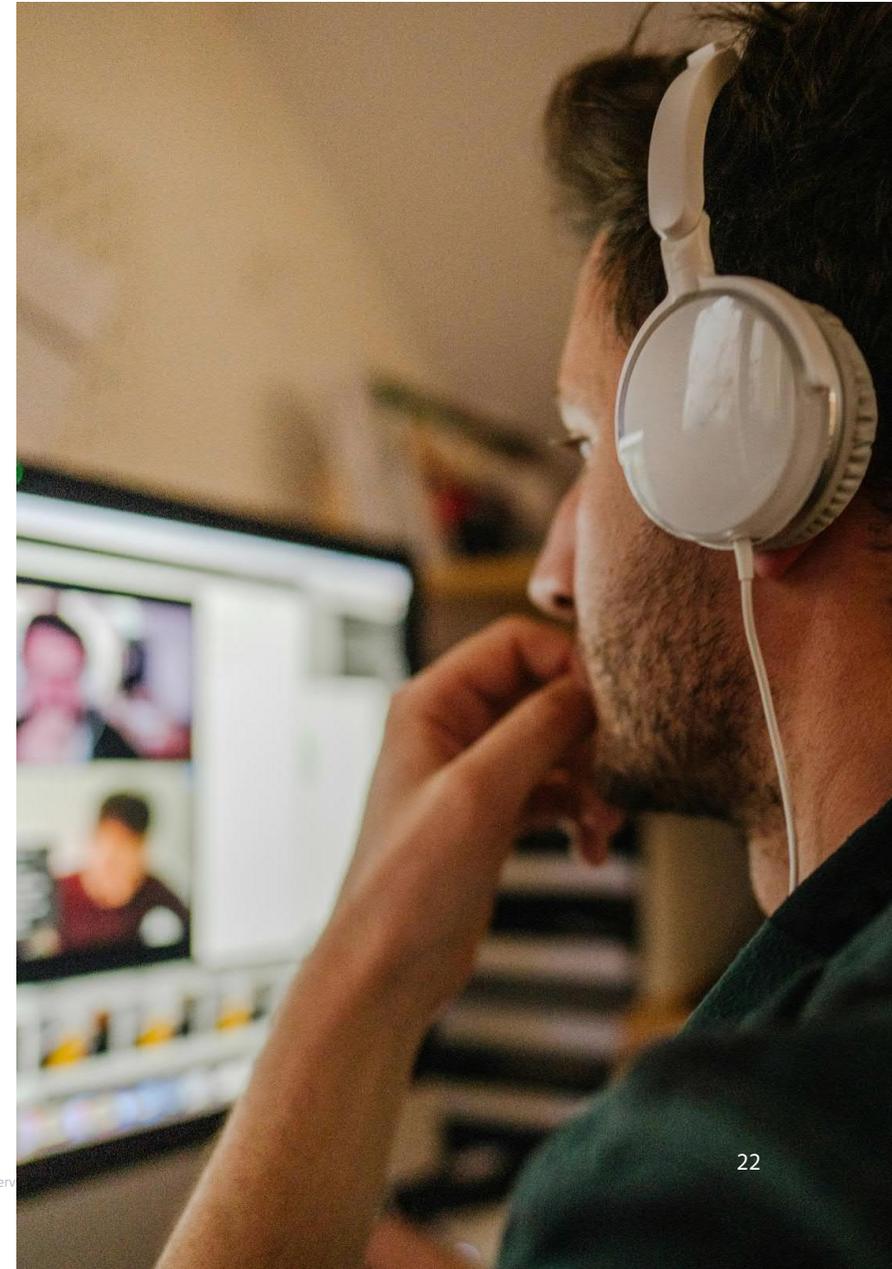
**Engage with leaders AND employees** on the desirability for flexibility to maximize productivity



**Build your foundation** – Policy, risk and compliance, governance and communication are critical



**Assess and prioritize changes** to your infrastructure and people programs to sustain flexibility for the long term



# How we can help



## Discovery

Insights to drive action from employees, jobs, and market practices

## Design

Building your future state strategy and policy for flexible working

## Execution

Building a roadmap for sustainable change and the actions to achieve it

# questions?



# Make your way back to the main plenary

For a our next session with  
Dan Klein, Mercer & Heather Frank,  
Elanco



welcome to brighter

#MercerEvents

# thank you

for allowing us to be your trusted advisor in these uncertain times

Mercer is not engaged in the practice of law, and the content is not intended as a substitute for legal advice. Accordingly, you should secure the advice of competent legal counsel with respect to any legal matters related to this document or the content.

Mercer is not engaged in the practice of medicine and the content herein is not intended as a substitute for medical advice.

Mercer and its affiliates make no representations whatsoever about any third party website that you may access through this document. By including links to such websites in this document, Mercer and its affiliates do not endorse or accept any responsibility for such websites' content or use or indicate that Mercer or its affiliates are affiliated in any way with such websites' owner. Mercer and its affiliates do not investigate, verify, monitor, or endorse such websites. In addition, the access to such third party websites through this document does not imply that Mercer and its affiliates are affiliated with or otherwise endorse any third parties, that Mercer and its affiliates are legally authorized to use any trademark, trade name, logo, or copyright symbol displayed in or accessible through the links, or that any linked site is authorized to use any trademark, trade name, logo, or copyright symbol of Mercer or its affiliates.