



Flexible Work Arrangements Implementation Guide

Employer resource for formalizing flexible work arrangements

AUGUST 2016



Contents

PAGE	
2	Introduction
3	Flexible Work Arrangement Basics
4	Steps to Implement Flexible Work Arrangements
5	Flexible Work Arrangements Program Operating Guidelines
6	Flexible Schedules
6	Compressed Work Week
7	Staggered Hours
8	FAQs: Compressed Work Weeks
11	Sample Flexible Work Arrangement Agreement Form

Introduction

Employers have an opportunity to improve their employees' commute experience, productivity and quality of work by allowing them to develop work schedules that meet both organizational needs and personal commitments. Flexible Work Arrangements offer employers ways to organize how, when and where work is performed.

Why formalize flexible work arrangements?

Many organizations use some elements of flexible work arrangements informally. Formalizing a program will:

- Provide a vehicle for communicating planning, implementation, monitoring (and measurement) and evaluation of the arrangements.
- Offer well-understood, consistent and equitable guidelines across participating organizational units.
- Allow managers to communicate acceptable and unacceptable behaviors to all employees (participants and non-participants).

This document offers guidance on formalizing practices and achieving characteristics of program success such as:

- A tested pilot with documented results.
- Visible and articulated top level commitment.
- Deliberate engagement of organizational stakeholders in the planning and execution process.
- Policies reflecting organizational values, management practices, and communication protocols.
- Flexible policies that can be adjusted based on pilot results.
- Transparency in communications to employees.

Resources in this Implementation Guide include:

- Steps to Implement Flexible Work Arrangements
- Sample Program Operating Guidelines
- Frequently Asked Questions about Compressed Work Weeks
- Sample Agreement

Flexible Work Arrangement Basics

What do flexible work arrangements look like?

Flexible work arrangements come in various forms. Some ways to implement it include:

- **Flexible Schedules.** Employees shift commute times to avoid peak congestion. Shifts as small as 15-30 minutes can dramatically improve the employees' experience of congestion during their commute.
- **Compressed Work Weeks.** Employees agree to work the same number of hours in fewer days (e.g. 40 hours in 4 days).
- **Staggered Work Hours.** Different employees stagger their starting and ending times by 15 minutes to 2 hours.

What can the arrangements do for employers and employees?

- Enhance recruitment and retention by appealing to the best talent.
- Potentially increase productivity and reduce absenteeism.
- Allow employees to meet both organizational needs and personal commitments, like accommodate child care, medical appointments or school.
- Contribute to organization's sustainability goals.

The importance of management commitment

Management's commitment to adoption of flexible work arrangements in both words and deeds is an essential element to the success of initial experiences in pilot initiatives and to longer-term and organization-wide implementation. Management support is one of the most crucial factors to realizing the policies' full benefits for an organization and its employees. Mid-level managers need to know that senior managers want pilot programs of the arrangements to be successful. Non-management employees will also look to leadership for informal and explicit signs that flexible work arrangements are important to their organization.

Steps to Implement Flexible Work Arrangements

Select one or more staff to coordinate. Coordinators should have decision-making ability to convene an internal steering committee and to serve as the main contact for pilot development and implementation.

Work with an internal committee (usually consisting of Human Resources and Management from participating departments) to develop a pilot program.

Develop policies and agreements for each flexible work arrangement option; clarify employee and employer roles and responsibilities; create parameters for selecting organizational units that may participate in pilot; determine how to handle holidays and vacation time; and consider other operational issues.

Assess costs and savings to determine any added savings or expenses as a result of program implementation.

Select employees based on criteria such as performance, tenure, grade and work style whose jobs are conducive to flexible work arrangements.

Introduce pilot programs to managers & employees to ensure a complete understanding of company policies and what it takes to be successful in managing and conducting work with flexible work schedules.

Implement and evaluate the pilot to assess impacts such as communication, technology, teamwork, productivity and morale.

Monitor and evaluate the pilot using performance metrics and employee and manager surveys and focus groups.

Expand use of programs as warranted, based upon the results.

Flexible Work Arrangements Program

Operating Guidelines

This section first provides suggested general operating guidelines for all types of flexible work arrangements.

Example Operating Guidelines for All Types of Arrangements

- Management may cancel the program at any time and revert to a conventional 5-day, 40-hour work week schedule.
- Before the program begins within any department, the Human Resources Department hosts an orientation to department management, its supervisors, and its employees. This orientation will include:
 - A review of the company's commute options strategy (assessing employee commute behavior and proposing more efficient transportation modes)
 - What the company hopes to accomplish through a program
 - Definitions of flexible work arrangement concepts
 - The enrollment process
 - Time reporting
 - Q&A about the program

Supervisor responsibilities

- Ensure that participating employees adhere to policy and operating guidelines.
- Define operating requirements to ensure achievement of the unit's functional objectives in cooperation with employees in the work unit.
- Identify critical functions and tasks and associated coverage requirements or schedules for completion.

Employee responsibilities

- Ensure responsibility for required coverage. In some cases, this could require returning to conventional work days until an adequate schedule can be identified.
- Help resolve conflicts between job and personal time requirements.
- Ensure supervisor agreement if exceptions to the agreed-upon schedule are necessary.
- Complete timesheets in accordance with present procedures.

Eligibility and Participation

- Eligibility for the program is determined by department management.
- Every employee within selected departments in the program is eligible to participate.
- Although every employee is eligible and encouraged to participate in the program, it is understood that, because of operational needs of the department, this may not be possible.

- Department management has the right to determine which employees will participate in the program and to make changes to the schedule as required.
- Department management may excuse employees with compelling hardship from participating in the program.
- Those who abuse the policy will be removed from the program and scheduled to work a conventional schedule. After 30 days, the employee may be reinstated to the program pending supervisor approval.

Example Operating Guidelines for Specific Types of Flexible Work Arrangement Programs

The following are additional example operating guidelines for specific types of programs including flexible schedules, compressed work weeks, and staggered hours.

Flexible Schedules

Flexible Schedules gives employees the option of changing starting and ending times provided that job and total time requirements are met.

Example Operating Guidelines

- Employees may determine their own work hours within the framework established by management.
- Full-time employees choosing to participate in the flexible schedules program will work 5 days a week, 8 hours per day. No carryover of hours from day to day is permitted.

Compressed Work Week

A compressed work week is defined as a work week schedule which permits employees to finish their usual number of working hours in fewer days per pay period.

- Under the 4/40 schedule, employees work their usual number of weekly hours in 4 days and are off on the 5th day. This may manifest as four 10-hour days in a week.
- Employees on a 9/80 schedule work their usual number of hours in a two-week pay period in 9 days rather than 10. This may manifest as eight 9-hour days and one 8-hour day.

Example Operating Guidelines

- Management reserves the right to prescribe schedules for certain operations in order to ensure coverage of core work hours.
- Employees will be granted their preferred days off, whenever possible.
- All staff will be available at least one day per week for meetings, which currently provide the foundation for policy briefing and standardization of activities.
- Overtime (if required) will be scheduled on employee's normal day off.

Dealing with Holidays

- Holidays represent 8 hours of leave with pay. Any employee working a 9 or 10-hour day will need to use vacation time to make up the difference. If the holiday falls on an employee's regular 4/40 or 9/80 day off, the 8 hours will be credited as additional vacation time.

- If a holiday falls within a biweekly pay period, then working employees shall be given leave with pay for each holiday occurring within the biweekly pay period. Leave is calculated at the rate of one-tenth (1/10) of an hour for each hour compensated during the biweekly work period in which the holiday or holidays occur, not to exceed eight (8) hours of leave with pay for each holiday.

Example: employees on a 4/40 work schedule will charge 8 hours holiday and 2 hours vacation for each holiday that occurs on a 10-hour workday. For employees on a 9/80 work schedule, when a holiday falls on a 9-hour day, 8 holiday hours and 1 vacation hour shall be charged.

- Any employee whose regularly scheduled day off falls on a paid assigned holiday shall be credited with vacation leave hours equivalent to one-tenth of an hour for each hour compensated during the biweekly work period not to exceed eight (8) hours of vacation leave for each holiday.

Example: when a holiday falls on the scheduled day off of employees on a 4/40 work schedule or on a 9/80 work schedule, they will receive 8 hours credited to their vacation bank.

- Regular full-time and part-time employees who are required to work on a paid assigned holiday, and are eligible for overtime pay, in addition to receiving straight time payment for said holiday.

Example: employees on a 4/40 work schedule who work 10 hours on a holiday will earn 10 hours of pay at time and a half plus 8 hours of straight time. Employees on a 9/80 work schedule who work 9 hours will earn 9 hours at time and a half plus 8 hours straight time.

Dealing with Vacation Days

For each full vacation day taken during the compressed work week program, employees will be charged 10 hours on the 4/40 or approximately 9 hours on the 9/80 work schedule.

Staggered Hours

A staggered hours program establishes a schedule that staggers employees' starting and ending times by 15 minutes to 2 hours.

Example Operating Guidelines

- Management will determine the available arrival and departure time options in order to most effectively achieve the objectives of the staggered hour program.
- Employees will be asked of their preferences from the offered arrival and departure times. Whenever possible, these will be granted.
- Employees will continue to work the same number of hours each day as they worked before the program began.

FAQs: Compressed Work Weeks

Employer Questions

What are compressed work week schedules?

Compressed work weeks allow employees to work more hours per day but work fewer days per week. One example is the 4/40 program in which an employee works four 10-hour days and takes the fifth day off. This allows employees to avoid rush hour and can reduce their commute time by 20 percent.

Another example is a 9/80, whereby employees can work eight 9-hour days, one 8-hour day and take the tenth day off. In a 9/80 schedule, employees have a three-day weekend every other week. Compressed work weeks have a positive impact on morale, productivity and job satisfaction for the employee and companies are able to recruit and retain valuable skilled workers by offering such strategies.

Is it important to have a written policy on compressed work weeks for my company?

A written policy is essential. It provides the available options and the basic information employees need to participate. The written policy should incorporate eligibility requirements, restrictions, monitoring and procedures to participate. Example operating guidelines for Compressed Work Weeks are available on pages 6-7 of this guide.

What if all of my staff wants to work compressed work weeks with Fridays off? We need to staff the office every day of the work week. How do I rate the needs of the requesters to decide who deserves this more and who less?

Not everyone needs to have the same day off. Other organizations with experience with compressed work week programs have reported that understaffing on certain days has rarely arisen, even though it is assumed that it will be a serious problem. If similar proposals for days off are submitted, objective criteria, such as seniority, special skills or specific office needs, may resolve these conflicts. Often, a group discussion and team approach helps.

How are holidays and paid time off calculated under a compressed work week program?

Under a compressed work week program, holiday, sick and vacation time can be confusing. Employees who work 10-hour days and get a day off every week, for example, will get “cheated” if their regularly scheduled day off falls on an official holiday that all staff receives anyway, such as Thanksgiving. Consider the following methods to avoid inequities in holiday, sick and vacation time:

- Reverting back – Require employees to take the first day off before a holiday if it falls on their regularly scheduled day off, and work an additional two hours the day after.

- Credit/Debit – If a holiday falls during the work week, although they would have worked 10 hours, you pay only eight; the balance of two hours is pulled from their vacation or personal holiday hours. Conversely, if the holiday falls on their scheduled day off, eight hours are credited to their holiday/vacation hours.

How do we address management issues when employees are working a compressed work week program?

- Establish core times and core days if inter-departmental or all-company meetings are regular or essential.
- Involve company accountants in developing the policy to expedite accounting for payroll, holiday pay, vacation, overtime, absences, etc. Train managers on policies and procedures.

What are the requirements for implementing a Compressed Work Week program in California?

In order to implement a compressed work program, California law requires approval by 2/3rds vote of a company's affected employees (California Labor Code Section 500-558). Below are the steps to hold a vote and begin implementation:

Compressed Work Week Implementation Process

- **STEP 1** Define the work group(s)
 - Work Unit
 - Division
 - Department
 - Job Classification
 - Shift
- **STEP 2** Provide all eligible staff in workgroup with a written proposal.
- **STEP 3** Hold a secret ballot election.
- **STEP 4** If approved, document and distribute the new schedule and program details.
- **STEP 5** Notify the Division of Labor Statistics and Research within 30 days of the vote.

How do you avoid overtime for a 9/80 program?

Once a vote allows for Compressed Work Week implementation, changes need to be made to payroll to prevent additional hours on longer days from being logged as overtime. Avoiding the necessity for overtime payments in this situation requires a non-traditional method of defining workdays and workweeks. Establish the beginning of the workweek for day shift employees between the fourth and fifth hours of work on any day of the week.

For example, you could start and end the workweek at noon on Fridays. Under this set-up, employees work nine hours each day except on alternate Thursdays when employees could work eight hours and on alternate Fridays when employees do not work. With the workweek beginning and ending at noon on Fridays, this allows some of the Friday hours to be worked in one workweek, and some in the next workweek.

Setting up non-traditional workweeks is especially important for hourly, non-exempt staff. Based on the Federal Labor Standards Act, non-exempt staff should maintain the same number of hours worked weekly during the revised schedule as well as when more traditional hours are worked. Overtime pay is required for non-exempt staff who work in excess of normal work week hours up to forty hours a week.

Employee Questions

My friend and I work for different departments of the same organization. She was recently changed to a compressed work week, working four days instead of five. I brought up the subject with my supervisor about a similar arrangement for myself, but was turned down. Is this fair?

Alternative work schedules, including compressed workweeks, are not an across the board benefit for employees. Managers and supervisors know the operations of their unit(s) best and are responsible for final decisions on how to get the work accomplished. Keep in mind that supervisors and managers have the authority to say yes or no to a flexible arrangement, or to postpone consideration of a compressed work week program to another time. Since every job, worker and situation is different; it cannot be assumed that the same decision is appropriate for two similar positions.

How can I work a compressed work week schedule if I have trouble keeping up with my workload now and I work over fifty (50) hours a week?

While some flexible work arrangements, such as compressed work, may not be feasible for your situation, other flexible work options may work well. For example, your work may be appropriate for a telework arrangement and you would benefit from saved commuting time or an opportunity to focus on a special project. This will not reduce your hours worked, merely change where the work is done.

Sample Flexible Work Arrangement Agreement Form

[edit this form to fit your program]

Purpose. The Board of Directors for the <enter Company Name> has adopted a Commute Options Program. One of the key components of this program will be to reduce the number of trips to facilities by its employees through the implementation of alternative work arrangements.

Definitions. Flexible Work Arrangements include flexible schedules, compressed work week, or staggered work hours.

Flexible schedules give the employees the option of changing their starting and ending time on a periodic, open-season basis within the framework established by management

A *Compressed Work Week* is defined as a work week schedule which permits employees to finish their usual number of working hours in fewer days per pay period, either by working the normal weekly hours in four days (4/40), the normal biweekly hours in nine days (9/80) or three 12-hour work days (3/36).

A *Staggered Work Hours* program staggers employees' starting and ending times by 15 minutes to 2 hours.

(Variations in the selected program(s) will be determined by department management.)

Conditions. When a flexible work arrangement is implemented, the following conditions will apply:

- The pilot program will be from <xx/xx/xx> to <xx/xx/xx>.
- The Department may cancel the program at any time and revert back to the 5 day 40-hour schedule.
- Eligibility to the pilot program is determined by department management.
- Overtime, if required, will normally be scheduled on employee's day off.
- On a compressed work week program, use of a full vacation day will be charged 10 hours on the 4/40, approximately 9 hours on the 9/80 and 12 hours on the 3/36.
- Employees with compelling hardship reasons for not participating must put in a request to management to be excused.
- Preference in selecting a compressed work week day off or flextime and staggered hour starting and ending time will be given to employees with ridesharing arrangements, day care situations, or health concerns.

- Holidays represent 8 hours of leave with pay. Any employee working a 9 or 10-hour day will need to use vacation time to make up the difference. If the holiday falls on an employee's regular 4/40, 9/80 or 3/36 day off, the eight hours will be credited as additional vacation time.
- Employees may be required to complete surveys at the 3-month and 6-month points in the pilot to evaluate the effects of the program.

I, (please print) _____ have received, read, and understand the above pilot program plan and agree to participate in (please circle):

- (a) Flexible Schedules
- (b) Compressed work week 4/40 (Four-day work week)
- (c) Compressed work week 9/80
- (d) Compressed work week 3/36
- (e) Staggered work hours

Employee Signature

Date

Supervisor Signature

Date

Department Manager Signature

Date