

flexibility is the key to executive retention

By Patrick Cadman

Double-income families, women having children later in life and increasing calls for work-life balance have changed the executive landscape. “Flexibility” has become the key word for retention strategies.

Companies seeking to retain top people are offering incentives that are more about juggling hours than higher salaries. Executives are also resisting heavy travel schedules and demanding more family time. Gone are the days when a good mother or father meant being a “good provider” who spent long hours in the office and on the road – often at the family’s expense.

Companies are slowly realizing that failing to provide a flexible workplace can lead to executive burnout, the loss of key executives and high replacement costs.

An example of best-practice flexibility is given in *Off-ramps and On-ramps – Keeping Talented Women on the Road to Success*, by Sylvia Ann Hewlett (published by Harvard Business School Press and distributed in Australia by McGraw-Hill).

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Business today needs to allow trusted executives to deliver on their accountabilities, rather than just counting their hours.

Case study – Ernst & Young

Hewlett cites Ernst & Young's policy, which allows men and women at all levels to choose from a range of flexible work arrangements, including:

- Compressed work weeks, where a full-time workload is condensed into fewer than five days
- Flextime, which allows variation in the start and end of the standard work day
- Reduced-hour schedules, where employees can work fewer days a week or fewer hours each day
- Short-term seasonal arrangements, offering a full or reduced schedule for less than six months during the year
- Job sharing, with two people voluntarily dividing the job responsibilities of one full-time position
- Tele-commuting, or performing a job from a site other than the office (usually from home)

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Couples, Not Women

In an interview for this article, Coles and AXA Asia Pacific Holdings director Patty Akopiantz says flexibility is becoming more of an issue for couples rather than women, particularly at the senior executive level.

“It’s not about women needing flexible hours but about families,” she says. “I know that when Ernst & Young introduced family-flexible hours that men also started raising their hands and asking for consideration.”

Akopiantz gives the example of a modern couple where one is successful – perhaps a partner in a law firm or investment bank – and the other is in a less-demanding career.

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“You see more couples taking the decision together as to who is going to be more intensive about their career and who isn’t.”

Akopiantz says the biggest difficulty for companies is not being able to see how flexibility works.

“They ask questions like, ‘What happens if there is an emergency? Or what happens if there’s a car accident? Or if we convene a meeting at 8am?’ They feel the business is going to fall apart or it’s going to be really inconvenient for them.”

Another option is working from home. Working from home can be a great way to achieve more balance, but women need to make sure they have the resources to do it properly.

She says hours are not necessarily the issue, but how the work is structured in order to allow flexibility. Part-time work is an obvious option, but it needs to be thought through well.

“If you’re going to work only four days a week, you have to figure out what are you are not going to do. You can’t have the same job description and expect yourself to be more efficient. You either need to reduce the scope of work or get more resources.”

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“If an executive is going to work one day from home, a key question is, ‘Do you have childcare?’ If the answer is ‘no’, you need to discuss how the work is going to be accomplished.”

Afraid Of Precedent

Woolworths executive Diane Grady, who achieved notoriety in a former role with McKinsey by becoming the first partner globally to work reduced hours to care for her two children, says companies are afraid of setting a precedent for shorter working hours.

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She says companies need to come to terms with the fact that aspiring executives of both sexes are now seeking more flexible working options.

“The starting point needs to be that if this person is a valuable employee and someone we want to keep, we should be prepared to try to find an arrangement that suits the company and the person,” Grady says. “If managers have the authority to offer flexible arrangements, then usually something can be worked out.”

She says the other key is to focus on the job rather than “face time” – to look at the outcomes needed by the company rather than worrying if the executive is in the office at 7.30am.

Woolworths Human Resources Director Julie Coates says that 20 per cent of the company's executive staff is female and the key to retaining them is to provide flexible options while they have family responsibility.

“The solution is not the same for every employee. It’s important that we manage this on a case-by-case basis and enable our managers to come up with flexible solutions like job-sharing and reduced or flexible hours with a plan to return people to full-time work when they are ready.”

“During 2005 – 2006 we had 20 of the female executives go on parental leave – and we have returned 100 per cent of them,” she says.

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Coates says that when Woolworths CEO Michael Luscombe was asked in an interview about the ideal ratio of women executives in a company, he replied that the natural number would be 50 per cent. “To help us retain and develop more women executives, we continue to implement flexible working principles, mentoring programs, career resilience training and a number of initiatives to support working parents through family transition.”

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Better-performing Executives, Better Business

At Heidrick & Struggles we believe that employers who are truly serious about retaining their smartest executives – those individuals who demonstrate flexible thinking and innovation in their work lives – must meet the challenge arising from today's new lifestyle and workstyle patterns.

Companies need to abandon the unfortunate limiting belief that work flexibility is not for people serious about their careers or their employers.

The most successful companies of the future will be those that target high-performing executives who enjoy over-achieving and work, but who also still enjoy a rich family life.

Better-balanced people can only lead to better-balanced workplaces and better-performing businesses.

Companies must begin to think of executive careers as a pathway of multiple work and life decision points rather than a straight climb up the ladder. Every fully trained executive you lose is potentially another leader your competitor gains.

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Patrick Cadman is a Partner with Heidrick & Struggles in Sydney. He specialises in General Manager, Managing Director, Sales and Marketing searches across a broad range of Consumer businesses, including FMCG, Retail and Media.