

Executive Summary – 2008 CFO Perspectives on Work Life Flexibility

Methodology

BDO Seidman, LLP, a leading professional services firm, and Work+Life Fit, Inc. a national work life flexibility consulting firm, co-sponsored the **2008 CFO Perspectives on Work Life Flexibility** study to gauge CFO points of view on work life flexibility's potential impact on business growth. The national telephone survey, conducted by a third-party research firm, examined the opinions of a random sample of 100 chief financial officers at companies with at least 5,000 employees located across the US. For the purposes of this survey, work life flexibility is defined as having adequate time for what is important to you both personally and professionally, as well as flexibility in how you allocate that time.

Study Overview

Work life flexibility as a strategy to attract and retain employees receives the most attention, especially in the accounting industry where talent competition remains strong. However, business growth, bottom-line savings and personal work life fit in today's complex, "always on," "do more with less" global competitive environment require organizations to pull back the lens and consider the impacts of work life flexibility that go beyond talent.

Flexibility in where, when and how work is done can improve workflow planning and coordination, as well as client service across geographies and time zones. It can

maximize investments in technology and real estate, reduce environmental impact, and lower healthcare costs. And flexibility can help employees, at all levels, better direct their work life fit to meet their needs as well as the needs of the business. A recent study by BDO Seidman, LLP and Work+Life Fit, Inc. found that a majority of CFOs do look beyond the talent-related impacts of work life flexibility and see many, but not all, of the other business benefits. More than half have increased their personal use of work life flexibility over the past few years. However, a wide gap emerges from the study's findings between CFO awareness of the potential impacts of work life flexibility and the strategic action being taken inside of their organizations that would translate this awareness into business results.

Highlights of *CFOs Perspectives on Work Life Flexibility*:

Bottom line Impact Beyond Talent: Almost all of the 100 CFOs surveyed understand that work life flexibility is a talent management strategy, with 90 percent and 88 percent saying it has a "high" or "moderate" impact on improving retention and recruitment, respectively. More remarkable is the fact that a majority of chief financial officers recognize "high to moderate" business benefits from work life flexibility that go beyond talent, including improved employee productivity (75%), differentiation from competitors (72%), minimizing environmental impact (68%) and reducing health care costs (53%).

CFOs surveyed were less likely to believe that work life flexibility can reduce real estate costs (34%) and enhance customer satisfaction (34%). This is somewhat surprising given the potential real estate cost-savings from having a portion of your workforce telecommute or shift their hours, and the potential for improving customer service by using flexibility to reduce turnover and extend customer service coverage across time zones.

Awareness, but No Formal Approach: Even though a majority of CFOs recognize the broad business impact of work life flexibility, less than half (39%) report that their organizations offer a formal approach to flexibility in the form of policies or procedures. While ad hoc flexibility in where, when and how work is done may exist in the other organizations, the lack of a formal approach is indicative of a disparity between the awareness of impacts and the strategic infrastructure currently in place to translate that awareness into business results.

With Formal Approach, CFOs See Impact on Profitability and Non-Talent Drivers: Within the organizations that do have a formal approach to work life flexibility, 75% of CFOs said work life flexibility is “very important” or “somewhat important” to future profitability. And when this same group was asked to identify the most important driver for flexibility in their organization, a majority (59%) chose non-talent related drivers including the increased amount/complexity of work (28%) and competition (21%), and globalization (10%). The remaining 36 percent cited the war for talent.

Steady Use of Flexibility in Economic Downturn: Among the companies with work life flexibility policies and procedures, most CFOs (87%) predict the use of flexibility will either increase or remain the same despite the economic downturn.

Leader Mindset—Flex Perk/HR Program, Not Business Strategy: Translating awareness into action begins with the mindset that work life flexibility is a strategy for business success. However, having a formal approach to flexibility doesn’t guarantee that leaders will see it as a business strategy. Almost two-thirds (62%) of CFOs in companies with flexibility policies and procedures report that their management teams see flexibility as an

informal employee perk or human resources program. Only one-third (33%) feel their leaders believe it’s a business strategy to manage talent, resources and workflow.

For Flex to Succeed, Business Leadership Must Champion, Not HR Alone: Regarding the responsibility for flexibility, a solid majority (75%) of all 100 CFOs surveyed agree that for work life flexibility to succeed, it’s “very important” for business unit leaders to be involved and supportive. Further reinforcing the importance of direct business line involvement, close to two-thirds (65%) felt that work life flexibility cannot be successful if the human resource department is the only champion. These findings again highlight the awareness-action gap within the CFOs’ organizations that will influence whether the recognized impacts of work life flexibility translate into results. Historically HR has been given primary, if not sole, responsibility for championing work life flexibility in most organizations. And the direct involvement of business unit leaders in the work life flexibility strategy development and implementation process has been limited.

Flexibility as Downsizing Strategy: Approximately a third (38%) of CFOs report that their organizations had reduced their workforce in recent years. While employee lay-offs were most common, almost a third (30%) of CFOs innovatively used flexibility as a workforce reduction strategy that allowed them to stay connected to employees through contract project-based work (24%), reduced hours with full benefits (3%) and unpaid sabbaticals with full benefits (3%).

Overcoming Common Organizational Obstacles to Flexibility: Organizational obstacles to work life flexibility about which CFOs report a high level of concern primarily relate to implementation. In addition to senior management not being convinced of the benefits of work life flexibility (37%), CFOs cite having to offer flexibility to all or no employees (45%), concerns employees will abuse flexibility (32%), and reduced productivity (32%) as being the obstacles that will cause the most difficulty. Interestingly, few consider a lack of perceived need for work life flexibility (15%) or a lack of familiarity with the work life flexibility concept (9%) to be high-level obstacles.

CFOs' Personal Work Life Flexibility: A majority of CFOs (53%) reported an increased use of personal work life flexibility during the past several years, with 14 percent saying the increase was substantial. More than 80 percent reported being satisfied with their personal use of work life flexibility with 31 percent saying they were very satisfied. The majority of CFOs surveyed report a "high" or "moderate" use of flexibility in their hours (63%) followed by working from other locations/telecommuting (27%). Most interesting, however, is the finding that approximately a quarter of CFOs (26%) have, at some point, reduced the average number of hours they worked by 5 to 10 hours per week, with (16%) reducing their schedule by at least 5 hours per week and the remaining (10%) reducing it by at least 10 hours.

Overcoming Common Personal Obstacles to Flexibility:

When asked what would keep them personally from pursuing work life flexibility, the majority of CFOs surveyed cited common obstacles such as "face time" (76%), and "demands and workload of job" (72%)

followed by "concerns about other employees perceptions" (62%), and that "it could hurt my career" (58%). As evidence that a formal approach to flexibility does help individuals overcome personal fears related to flexibility, CFOs who work for organizations with flexibility policies and procedures were significantly less likely (67%) to say that "face time" would be a significant obstacle to pursuing work life flexibility than CFOs in companies without a formal approach (86%).

Finance-related Work and Sarbannes-Oxley not Obstacles to Flexibility:

CFOs don't see finance department-specific responsibilities or regulatory demands as flexibility obstacles. A majority of CFOs (52%) felt there was no difference in the ability of finance departments to use flexibility versus other functional areas, and 18 percent actually thought it would be easier for finance. Additionally, a majority (61%) also felt recent regulations, such as Sarbannes-Oxley, had no impact on the use of work life flexibility, with 15 percent reporting flexibility had actually increased as a result of recent regulations.

Visit <http://www.bdo.com/careers/flex/> to view a BDO Seidman video featuring executives and employees discussing work and life flexibility.

About BDO Seidman, LLP

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BDO Seidman serves clients through 37 offices and more than 400 independent alliance firm locations nationwide. As a Member Firm of BDO International, BDO Seidman, LLP serves multi-national clients by leveraging a global network of resources comprised of 626 Member Firm offices in 110 countries. BDO International is a worldwide network of public accounting firms, called BDO Member Firms, serving international clients. Each BDO Member Firm is an independent legal entity in its own country.

About Work+Life Fit, Inc.

Work+Life Fit Inc. is a consulting firm that specializes in developing innovative flexibility strategies for organizations and individuals. Clients include BDO Seidman LLP, Ernst &Young, Quaker, Lehman Brothers, Merrill Lynch and Microsoft, as well as thousands of individuals. CEO Cali Williams Yost is a former consultant at the Families and Work Institute and Bright Horizons Family Solutions, two of the industry's leading organizations. She is the author of the critically acclaimed *Work+Life: Finding the Fit That's Right for You* (Riverhead/Penguin Group, 2005), writes the *Work+Life Fit Blog* available at www.worklifefit.com and is a blogger for *Fast Company* magazine.