

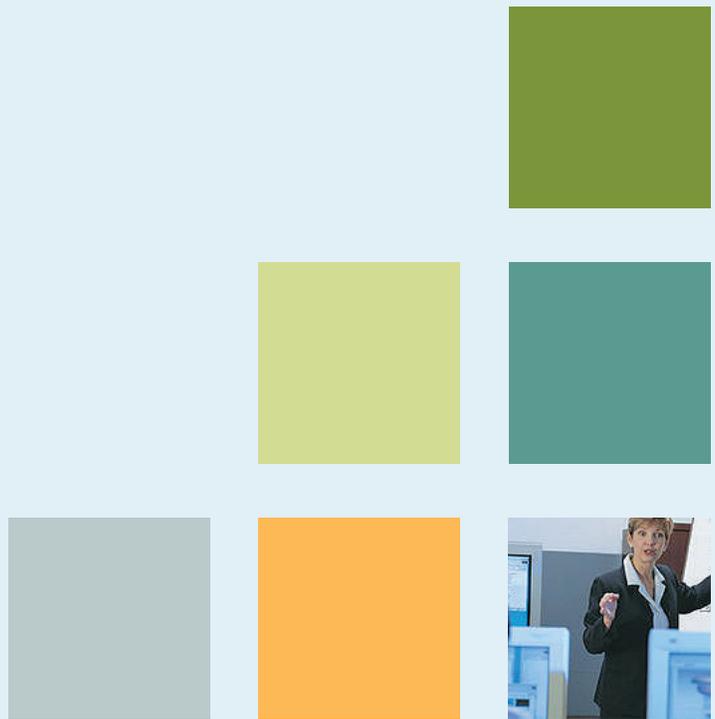
SHRMTM

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

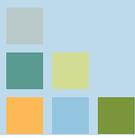
The Case for Flexibility

Santo D. Marabella, D.S.W. & Alysa D. Lambert, Ph.D.

Employee and Labor Relations



EMPLOYEE AND
LABOR RELATIONS



The Case for Flexibility

Teaching Notes

This instructor's guide provides a roadmap and information to assist teachers. The student workbook appears as a separate section following the teaching notes.

Purpose of the Study/Simulation

This case is targeted to undergraduate business majors in a human resource course. This case is designed as a supplement to a lesson/lecture on compensation and benefits, work/life balance and flexible work arrangements (FWAs) to advance students' knowledge, understanding and experience about these issues.

Learning Objectives

Students will learn about board governance and leadership; chain of command; flexible work arrangements; and resistance to change. Students will have the opportunity to apply HR theory to real-world situations to gain relevant insight about the ramifications of these policies on the employee and the organization. Finally, the case is set in the nonprofit sector to develop students' knowledge and awareness of the nuances of this sector, which is typically not a focus in most business courses.

Instructions on Conducting the Simulation

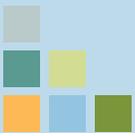
Students are presented with a scenario and an interactive simulation as a basis to discuss a nonprofit organization's struggle to compete with for-profit organizations to attract and retain a talented workforce. Specifically, this case focuses on employees' desire for flexible work arrangements and the employer's resistance to change in the way she manages her human resources. The case is designed for maximum participation in classes which vary in size and profile. The case is interactive and experiential and should create opportunities to engage students.

Students are introduced to the challenge through a vignette that describes the organization and the dilemma surrounding flexible work arrangements. A group of students will serve as members of the board's personnel committee to make recommendations to resolve this issue. The personnel committee will present its recommendation to the board for their consideration and decision. Following the simulation, students will participate in a debrief discussion guided by case questions. There are a variety of ways to address these questions – student presentations, small group discussions, take-home assignments, etc. Sample answers (common responses that an instructor might expect to hear during the debriefing) follow each question, but because several questions are based on individual judgment and experience, there are other correct answers as well.

Students are provided the following:

- a. The scenario outlining the HR issue and actions preceding the simulation.
- b. Roles for all key simulation participants including the executive director, board chair, personnel committee members, board of directors and consultants.
- c. Pre-simulation assignment including a roster of suggested readings.
- d. Background on nonprofit boards (PowerPoint handout).
- e. The simulation.
- f. Debrief questions.

To make this the best possible learning experience, students should research the topic. Their successful participation depends on reading some of the resources provided on the suggested reading list. Because many of the sources are books or articles, students should be given a few days to prepare.



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Recommended steps:

1. Introduce students to the scenario.
2. Assign students to the board of directors. The number of board members is flexible, but there should always be an odd number of total board members (this includes the chair of the personnel committee).
3. Assign research topics based on role assignments.
4. Conduct the simulation. At the end of the simulation, call for a board vote. The board can vote to accept, reject, or accept with modifications the recommendations, but they must explain the rationale for their actions.
5. Discuss the debrief questions.

This scenario will cover three class sessions (assuming that a typical class session is 1 to 1½ hours).

First class session:

- Introduce the case.
- Have students read the scenario.
- Select roles.
- Assign research topics.

Second class session:

- Conduct the simulation.

Third class session:

- Debrief.

Instructors can adjust the timeline to fit their course needs and schedule.

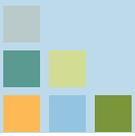
For more information about the value and use of simulation in the classroom, we suggest *A Guide to Using Simulations* produced by the United States Institute for Peace (www.usip.org); *Using Simulations to Promote Learning in Higher Education* (2002) by Hertel and Millis; *Pfeiffer Annuals* and *A Handbook of Structured Experiences* published by John Wiley & Sons, Inc.

SCENARIO

READ, Inc. (Reading to Enhance Adult Development) is a small (annual operating budget is approximately \$800,000) nonprofit organization whose mission is to teach adults to read and to help them manage the challenges associated with illiteracy. The organization provides literacy education and community enhancement programs throughout the Greater Lehigh Valley, Penn. area, a two-county, three-city region with more than 400,000 residents. READ, Inc. employs nine full-time staff and manages more than fifty volunteer tutors and trainers. Employees create and coordinate a variety of literacy programs and services for illiterate adults. Most of the programs are conducted by the full-time staff; volunteers serve as tutors.

READ, Inc. is governed by a volunteer board of directors, all of whom support the organization's mission and goals. Liza Daniels, a retired public school English teacher, is the organization's executive director (ED). Daniels has been with READ, Inc. for fifteen years, first as its program director for four years and its ED for the past nine years. Robbie LeBerta, a recent graduate with a master's degree in social work administration, has been the program director for the past eighteen months.

Daniels is responsible for the overall management of the organization and works directly with the board to ensure the mission is advanced and the organization's goals are achieved. While LeBerta is involved with the creation, planning, and evaluation of programs, he is primarily responsible for daily program activities and operations. (*For more background on the roles and responsibilities of these positions, refer to the PowerPoint handout, "Background on NFP Boards: A Primer".*)



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During a weekly staff meeting, LeBerta requests that READ, Inc. adopt a flexible work arrangement (FWA) program for full-time staff. LeBerta explains that as a single parent of a daughter in elementary school, it is often difficult to ensure her transportation from school, let alone participate in school activities (parent-teacher conferences, after-school activities). A more flexible schedule – such as working from 7:00am to 3:30pm with a half-hour lunch – would allow him to meet his parental obligations without neglecting his work.

Daniels expresses apprehension about implementing an FWA program because she is concerned about productivity losses. She feels that FWAs and this type of flexibility in a small organization such as READ, Inc. will lead to poor or less service to customers and more disruptions to operations. After all, she and her husband were able to raise their children and participate in many of their school activities. Daniels tells LeBerta she understands his dilemma but rejects his proposal without any deliberation.

Frustrated with the ED's lack of openness to consider the FWA proposal, LeBerta speaks with a board member who happens to be a personal friend. LeBerta does not launch a personal attack on Daniels, with whom he has enjoyed a mostly positive working relationship; he merely says that he thought her handling of the issue was unfair and that she was not sensitive or understanding of his reasons for the request.

At the next board meeting, before the meeting's agenda items can be addressed, the board member raises the issue of an FWA program for staff. He does not mention any names but says that given the variety of family/work balance challenges everyone experiences, he thinks it is an option READ, Inc. should seriously consider. The board chair and the ED exchange glances; it is obvious that neither knew this would be raised during the meeting. In fact, the board chair knows nothing of the program director's request to implement an FWA program at READ, Inc.

The chair thanks the board member for his comments. He explains that without more information and research, it is not possible to take any action on this issue. The chair asks Anna Bucconi, chair of the board's personnel committee, to take this issue to her committee and return to the next board meeting with a report and recommendation for the board to consider.

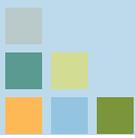
Following the board meeting, Bucconi gathers her committee members to plan their task to address an FWA program. She shares her idea on how to approach the matter. First, she wants the committee to meet with the ED for her perspective on why FWAs might be problematic. Secondly, she wants committee members and the ED to research the issue. Finally, she would like the committee to meet and deliberate on what they learned, and prepare their report and recommendation to the board by the next meeting (one month from now). Committee members and the ED agree that this is a reasonable approach.

A few days later, the committee meets with Daniels to discuss her concerns about implementing an FWA program. Daniels repeats what she said to LeBerta – that her concerns are primarily related to productivity loss in terms of service to customers and disruptions to operations that could occur as a result of the new flexibility.

ROLES

ED (Liza Daniels): The ED rejected the program for two reasons. Daniels feels that the implementation of such a program will reduce staff productivity, inhibit their ability to be successful, and reduce the quality of programs and services provided to their customers. The organization's mission is to decrease illiteracy in the area; to accomplish this, employees must provide services on the customer's schedule, not the other way around. Also, an FWA program will make communication among the employees more difficult since they will be working different schedules. Thus, the ED feels that an FWA program will only hurt the organization. She attends the board meetings and can give her input on the personnel committee's report and recommendations.

Board Chair: A member of the board of directors, the chair presides at board meetings, keeps order, and ensures that meeting agenda items are addressed and meeting objectives are achieved. The chair asks the personnel committee for their report and recommendations; facilitates a focused and productive discussion about the report; and calls for a vote when discussion is completed.



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Personnel Committee Chair (Anna Bucconi): A member of the board of directors, the personnel committee chair conducts the personnel committee meeting and leads the preparation of the report and recommendations on an FWA program at READ, Inc. (*Note to instructors: The report and recommendations are an oral presentation; it is optional for it to be a written document*). She presents the report and recommendations at the follow-up board meeting. During the deliberations, the chair ensures that these additional issues are addressed:

- The ED's resistance to change.
- The program director's run around the ED to a board member.
- Ways for the board to create an organizational environment that is responsive to staff needs wherever possible.

Personnel Committee Members: The committee consists of four non-board members plus the personnel committee chair (who is a board member). The committee members meet with consultants to learn about the advantages and disadvantages of an FWA program. They then meet with the personnel committee chair as a team to analyze the information; prepare a report on the information; and make a recommendation on whether READ, Inc. should implement an FWA program.

Board of Directors: The board consists of 9-21 members, depending on class size. The board conducts research on board governance; receives the report and recommendations from the personnel committee; and votes on the recommendations. The board can vote "for", "against" or "for with modifications". This can be done on the recommendations as a whole or on each recommendation separately.

Consultants: The consultants are all students in the class, except for those on the board of directors. Consultants study literature and research on:

- **Work/Life Balance.** What it is, why it is important and strategies used to achieve balance.
- **Flexible Work Arrangements.** The advantages, disadvantages and approaches.
- **Resistance to Change.** The categories of major resistance and approaches to manage resistance.

The consultants provide advice and information to the personnel committee on the topics they researched.

Pre-Simulation Assignment

Each class member should research one of the following topics:

1. **Nonprofit Boards.** The purpose, role and functions of boards of directors; the distinction between governance and management (this research should be conducted by the students who serve as members of the board of directors).

Recommended Readings:

Chait, R. P. & Taylor, B. E. (1989). Charting the territory of nonprofit boards. *Harvard Business Review*. 67(1): 44.

Drucker, P. F. (1989). What business can learn from nonprofits. *Harvard Business Review*. 67(4): 88.

Middleton, M. (1987). Nonprofit boards of directors: Beyond the governance function. In W. W. Powell (ed.) "The nonprofit sector: A research handbook". New Haven: Yale. 141-153.

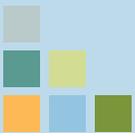
2. **Work/Life Balance.** What it is, why it is important, strategies used to achieve balance.

Recommended Readings:

Clark, S. C. (2001). Work cultures and work/family balance. *Journal of Vocational Behavior*. 58, 348-365.

Friedman, S. D., Christensen, P., & DeGroot, J. (1998). Work and life: The end of the zero-sum game. *Harvard Business Review* (November-December). 119-129.

Martinez, M. (1997). Work-life programs reap business benefits. *HRMagazine*. June 1997.



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3. Flexible Work Arrangements. Advantages, disadvantages and approaches.

Recommended Readings:

Hill, E. J., Hawkins, A. J., Ferris, M., & Weitzman, M. (2001). Finding an extra day a week: The positive influence of perceived job flexibility on work and family life balance. *Family Relations*, 50, 49-58.

Kossek, E. E., Barber, A. E., & Winters, D. (1999). Using flexible schedules in the management world: The power of peers. *Human Resource Management*. 38, 33-49.

Solomon, C. M. (1994). Work/family's failing grade: Why today's initiatives are not enough. *Personnel Journal*. 73, 72-87.

4. Resistance to Change. The categories of major resistance and approaches to manage resistance.

Recommended Readings:

Harvard business review on change. (1998). Harvard Business School Press.

Schramm, J. (2007). Managing change. *HRMagazine*. 52(3), 152.

Yemm, G. (2007). Encouraging successful change. *Management Services*. 51(1), 40-43.

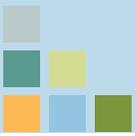
Any management or business textbook should provide information on Kurt Lewin's 3-Step Change Process. Please refer to the list of suggested readings as a starting point for the students' research.

SIMULATION

1. The simulation begins with personnel committee members meeting with the consultants.
 - a. The committee solicits input from the consultants about their research and asks for advice and ideas about FWAs.
 - b. The committee chair asks the consultants for input on addressing the ED's resistance to change; the program director's run around the ED to a board member; and ways for the board to create an organizational environment that is responsive to staff needs wherever possible.
2. The committee deliberates and prepares recommendations on the following issues. (Note: During these deliberations students serving on the board can be present but should not participate in the discussion.)
 - a. Whether READ, Inc. should implement an FWA program and if so, what general parameters or guidelines should be followed (not specific format, as that is a staff function).
 - b. Professional development for the ED regarding resistance to change and openness to staff input.
 - c. Professional development for the program director regarding appropriate approaches to advance proposals that do not circumvent the chain of command.
 - d. Strategies for the board to foster an organizational environment that is open and responsive to staff needs.
3. The board meets and the entire personnel committee presents their recommendations. The ED also participates in this meeting, as is typically the case in all nonprofit organizations. (Note: During this meeting, students serving in the roles of program director and consultants are present but do not participate in the discussion.)

The meeting agenda:

 - a. Board chair calls the meeting to order.
 - b. Board chair reminds board members of the meeting's purpose and provides an overview of the issues.
 - c. Board chair asks the personnel committee chair for her report and recommendations.
 - d. The board discusses the report and recommendations. If the ED does not contribute her comments on her own, the chair specifically asks for her thoughts and perspective on the report and recommendations.
 - e. The board votes on the recommendations (as a whole or on each recommendation separately).



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Additional Readings

Nonprofit Boards

- Carver, J. (1990). *Boards that make a difference*. Jossey-Bass.
- Carver, J. & Carver, M. M. (1996). *Carver guide 1: Basic principles of policy governance*. Jossey-Bass.
- Facts & Figures about Charitable Organizations. (2006, June 20). Independent Sector.
- Giving USA 2006. (2006). Giving USA Foundation.
- Greenleaf, R. K. (1970). *The servant as leader*. Robert K. Greenleaf Center.
- Houle, C. O. (1989). *Governing boards: Their nature and nurture*. Jossey-Bass.
- Kolzow, D. R. (1995). Smooth sailing with your board of directors. *Economic Development Review*. 13(3): 20-24.
- Marabella, S.D. (1994). Trustee education: Suggested curriculum for not-for-profit boards. *New Directions for Philanthropic Fundraising*. Jossey-Bass. 95-107.
- Marabella, S. D. (1991). Using exchange theory to enhance not-for-profit board participation. UMI Dissertation Service.
- Taylor, B. E. (1987). *Working effectively with trustees: Building cooperative campus leadership*. Association for the Study of Higher Education.
- Taylor, B. E., Chait, R. P., & Holland, T. P. (1996). The new work of the nonprofit board. *Harvard Business Review*. 74(5): 36-46.

Flexible Work Arrangements

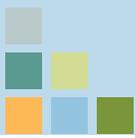
- Baltes, B. B., Briggs, T. E., Huff, J. W., Wright, J. A., & Neuman, G. A. (1999). Flexible and compressed workweek schedules: A meta-analysis of their effects on work-related criteria. *Journal of Applied Psychology*. 84(4), 496-513.
- Dalton, D. R., & Mesch, D. J. (1990). The impact of flexible scheduling on employee attendance and turnover. *Administrative Science Quarterly*. 35(2), 370-387.
- Golden, L. (2001). Flexible work schedules: Which workers get them? *American Behavioral Scientist*. 44(7), 1157-1178.
- Lee, M. D., MacDermid, S. M., Williams, M. L., Buck, M. L., & Leiba-O'Sullivan, S. (2002). Contextual factors in the success of reduced-load work arrangements among managers and professionals. *Human Resource Management*. 41, 209-223.
- Martinez, M. (1997). The proof is in the profits. *Working Mother*. May 1997, 27-30.
- Ralston, D. A. (1989). The benefits of flextime: Real or imagined? *Journal of Organizational Behavior*. 10, 369-373.
- Scandura, T. A., & Lankau, M. J. (1997). Relationships of gender, family responsibility and flexible work hours to organizational commitment and job satisfaction. *Journal of Organizational Behavior*. 18, 377-391.

Resistance to Change

- Bryan, A. (2002). *Adopting the process view: a case study of modeling change in the not-for-profit sector*. Idea Group.
- Cameron, E. (2004). *Making sense of change management: a complete guide to the models, tools & techniques of organizational change*. Koran Page.
- Jennings, D. A. (2004). Myths about change. *CPA Journal*. 74(4), 12-12.
- Pithily, A. (2003). Embrace change. *Canadian Manager*. 28(4), 27-28.
- McMurray, P., & Rosanne, S. (2005). *Leadership in a changing environment*. Telecommunications. 24(5), 30-36.
- Tidd, J. (2005). *Managing innovation: integrating technological, market and organizational change*. Wiley.

Work/Life Balance

- Anderson, S. E., Coffey, B. S., & Byerly, R. T. (2002). Formal organizational initiatives and informal workplace practices: Links to work-family conflict and job-related outcomes. *Journal of Management*. 28, 787-810.

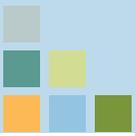


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- Fredriksen-Goldsen, K. I., & Scharlach, A. E. (2001). *Families and Work: New directions in the twenty-first century*. Oxford University Press.
- Friedman, S. D., & Greenhaus, J. H. (2000). *Work and Family - Allies or Enemies: What happens when business professionals confront life choices*. Oxford Press.
- Greenhaus, J. H., Collins, K. M., & Shaw, J. D. (2003). The relation between work-family balance and quality of life. *Journal of Vocational Behavior*. 63, 510-531.
- Kofodimos, J. R. (1993). *Balancing Act*. Jossey-Bass.
- Lockwood, N. R. (2003). *Work-life Balance: Challenges and Solutions*. Society for Human Resource Management.
- Nelson, D. L., & Burke, R. J. (2002). *Gender, Work Stress and Health*. American Psychological Association.
- Powell, G. (1999). *Handbook of Gender and Work*. Sage.
- Thomas, L. T., & Ganster, D. C. (1995). Impact of family-supportive work variables on work-family conflict and strain. *Journal of Applied Psychology*. 80, 6-15.

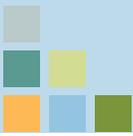
DEBRIEF QUESTIONS

1. Why is this case important? Do you think it highlights problems organizations may face and why?
 - 1) The case is important because it highlights issues that are relevant in today's world. Managing a career as well as family is challenging enough when two parents are involved but even more so in single-parent families (which are fairly common).
 - 2) Flexibility is a more viable option today largely due to technology. The Internet, e-mail and virtual private networks, for example, enable employees to be productive in locations other than their worksites.
 - 3) Resistance to change is a constant; some people are more or less resistant, depending on their perception of how the proposed change will affect them.
 - 4) "Pitching" proposals or promoting change is an art that requires practice and diplomacy. At times, the need for change becomes so personalized (and therefore, important) that protocol and following the proper chain of command can get lost or forgotten.
 - 5) Sustaining a work environment where employees feel that employers are responsive to employees' needs is more critical than ever because of all the changes and challenges employees face in their lives (e.g., childcare, eldercare). This does not mean everyone gets what they want all the time, just that employers show they truly care and are committed to helping meet employees' needs.
2. Why do you believe the ED immediately rejected the program director's idea?
 - 1) It is likely that the ED related the proposal to her personal experience. As a school teacher with a husband who also worked, she had both the financial and human (in terms of support and assistance) resources to manage career and family. When we are first presented with possible change, we assess its merits based primarily on our own experiences and the values they have shaped. To the ED, LeBerta's proposal may have seemed like a "cop-out" or an unwillingness to work hard to do what he needs to do as an employee and a father.
3. What should the ED have done when first approached by the program director about an FWA program?
 - 1) The ED should have recognized that she and her organization are operating in a very different society and culture than when she taught or even when she first arrived at READ, Inc. With this acknowledgement, she should have been able to separate herself (and her own experiences) from the program director's proposal and been more open to hearing his needs and rationale for the request.
 - 2) Since the ED is not knowledgeable about FWA programs, she was really not in a position to have made an informed (i.e., effective) decision about the proposal's merits. She should have asked the program director to provide her with data and information that would have addressed her concerns. What are FWAs? How do they work? How do they affect an organization's productivity? What are the challenges and benefits of implementing FWAs?



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4. Do you feel the program director was right in going to his friend on the board?
 - 1) We need to acknowledge the program director's frustration about how the ED handled this situation. He must have felt a lack of understanding and empathy by the way she dismissed his proposal. When our workplace is insensitive to our needs, we may choose approaches or take actions that are inappropriate, ineffective, unprofessional or all three.
 - 2) The program director's actions in this case were at least inappropriate and unprofessional. We might question how effective his actions were; after all, he did get his proposal to the board, who gave it a fair hearing. But at what cost? The affect on his working relationship with the ED may not be irreparable but it will most certainly be strained. Plus, what type of example did LeBerta set for the rest of the staff? Did his actions give employees carte blanche that anytime an employee disagrees with the ED, to find a sympathetic board member to bring the issue to the board's attention? His actions may have created a dangerous precedent.
5. What could the program director have done to pursue his idea without breaking the chain of command?
 - 1) A more appropriate, professional and effective approach would have been for the program director to be more prepared in making his "pitch" to the ED. Before meeting with her, he should have provided her with data and information that would have defined an FWA program; how it works; how it can affect an organization's productivity; and the challenges and benefits of implementing an FWA program.
 - 2) If after presenting this information, the ED still rejected his proposal, he could have asked for her rationale in making her decision. Then, he could have taken the objections she raised and tried to address them and allay her concerns. He could have done this through more research, which may have included inviting an organization (similar in size to READ, Inc.) with an FWA program to share their experiences with the ED and the personnel committee of the board. If she still objected to bringing the personnel committee in on the discussion, LeBerta could have continued with this approach.
 - 3) Finally, if the ED did not change her position about the proposal, LeBerta could have asked Daniels make the issue an agenda item for a future board meeting – one that if she did not want to present, he would be happy to present for their consideration.
 - 4) If none of these approaches changed the ED's position, it may be because an FWA program is truly unworkable at READ, Inc. or the ED is simply resistant to this type of change. In the latter case, LeBerta has three choices:
 - Resign his position, explaining that he perceives the working environment at READ, Inc. to be insensitive to work/family balance issues.
 - Accept her decision and continue to work as best he can, asking for flexibility for each instance that may arise (e.g., leaving early to attend his daughter's play at school).
 - Write a letter to the board chair explaining his proposal and documenting the process he pursued with the ED. This is a very risky option which could have political costs. This option is recommended only if LeBerta is adamant that there are more benefits than costs to the organization if it implemented an FWA program.
6. What could other organizations learn from understanding the issues READ, Inc. experienced?
 - 1) In general, resistance to change is a personal response that can have significant organizational costs. It is critical for employers to understand why their employees might be resisting a proposed change. The more the employer communicates with its employees about resistance to change, the more likely the resistance will be minimized.
 - 2) Dismissing employees' needs without fully understanding and being responsive to them has costs in terms of productivity, morale, and wasted energy and time.
 - 3) Generally speaking, circumventing protocol, chain of command and one's supervisor can have negative consequences for the individual employee and the organization. The exception, of course, is if the supervisor is engaged in illegal or unethical behavior.
 - 4) Presenting a proposal requires research, planning and thought. Just because an issue is important or relevant to you does not mean it has the same importance or relevance to others.



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- 5) When a well-prepared and well-presented proposal that constructively reflects on the merits and costs to the organization is presented, it will be respected and appreciated by employees even if they do not “get what they want.”

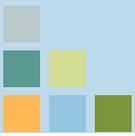
7. Now that you have read this case and participated in the simulation, how would you approach your manager about implementing an FWA or other work-life programs?
 - 1) I would be fully prepared. I would have relevant and complete (as much as possible) information and background supporting my proposal. I would submit this information to my manager before requesting a meeting. I would request a meeting with my manager. I would anticipate objections, questions and “what if” scenarios. In the meeting, I would briefly review my proposal and be sure that my demeanor does not become defensive or antagonistic. I would ask for questions and comments and respond as best I could. If there was an issue my manager raised that I could not fully or accurately address, I would say so and tell them I would follow up with the correct response – and I would follow-up promptly. If the manager clearly understood the content of my proposal and my rationale for presenting it, but did not accept the proposal, I would accept her or his decision. If they, like Daniels, were closed and resistant, I would try to understand and address the resistance. I would be very careful about escalating the issue beyond my manager unless I truly felt the manager was unfair or unreasonable.

8. Are FWA programs a viable option for all organizations? Why or why not?
 - 1) Flexibility is viable and essential for all organizations in the 21st century. The nature and patterns of responsibilities and competing forces (work and family) make flexibility important in managing today’s organizations and human resources. Flexibility needs to come from both sides, however, not just from the employer. Employees must be willing to make concessions. Whether a formal FWA program is feasible depends upon the individual organization. Only the employer knows what will or won’t work for its employees. Employers should consider how and if an FWA program might enhance employee productivity and morale.

9. From your experience with this case, how do nonprofit organizations differ from the for-profit organizations you have studied?

Nonprofits:

 - 1) Do not earn profit that is distributed to shareholders or stockholders. Any “profit” generated from fundraising or fee-for-services are reinvested into the organization to help it sustain and grow.
 - 2) Typically do not have large staffs or large budgets.
 - 3) Rely on a board composed of volunteers to govern the organization. These boards create vision, determine direction, and provide ultimate accountability and control.
 - 4) Like their for-profit counterparts, rely on a chief executive – often called an executive director, CEO or president – to manage the organization’s programs, services, budget and people.
 - 5) Provide important services and programs (without charge or at reasonable fees) that otherwise might not be provided and often improve the quality of life for individuals and groups in the community.
 - 6) Deal with the same types of human resource matters – resistance to change, issues with chain of command, need for flexibility – that for-profit businesses face. The difference is usually that nonprofits have fewer financial, material and human resources with which to address them.



The Case for Flexibility

10. How can employers help their employees accept and embrace change?
 - 1) Establish an organizational culture in which change is perceived as a constant, necessary and productive part of organizational life.
 - 2) Understand that there will be resistance to change depending on the effect of the change and the individual personality approaches to change. Causes for resistance vary widely and may include fear, apathy or a lack of recognition that the change is needed. Respect and be responsive to resistance, and customize how change is introduced and implemented.
 - 3) Whenever feasible and appropriate, give employees (particularly those most affected by the change) opportunities to participate in the development and implementation of the change.
 - 4) When a change must be imposed (and cannot be developed by the affected employees), give employees information to become educated about the change and time to prepare for the change. Wherever possible, avoid the “effective immediately” approach to change.
 - 5) Throughout the process – from announcement to evaluation – encourage and support dialogue between and among employees affected by the change, as well as other employees in the organization.

11. Do you believe you are resistant to change? Why or why not? Give some examples.
 - 1) Everyone experiences some resistance to change, but the degree of resistance varies. There seems to be a direct correlation between “the affect of change on me” and “my level of resistance to the change.” In other words, the more a change negatively affects a person, the more resistant that person is likely to be. The converse is true: The less a change negatively affects a person, the less resistant that person is likely to be. For example: I work on an assembly line for an auto manufacturer and we are informed that from now on, we are required to wear safety goggles. I already wear eyeglasses but am told I still have to wear the goggles over my glasses. I am likely to be more resistant to this change than the plant foreman who does not wear eyeglasses and spends half her time in the office, where goggles are not required.

The Case for Flexibility

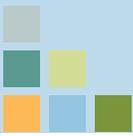
Santo D. Marabella, D.S.W. & Alysa D. Lambert, Ph.D.

Employee and Labor Relations

Student Workbook



EMPLOYEE AND
LABOR RELATIONS



The Case for Flexibility

Scenario

READ, Inc. (Reading to Enhance Adult Development) is a small (annual operating budget is approximately \$800,000) nonprofit organization whose mission is to teach adults to read and to help them manage the challenges associated with illiteracy. The organization provides literacy education and community enhancement programs throughout the Greater Lehigh Valley, Penn. area, a two-county, three-city region with more than 400,000 residents. READ, Inc. employs nine full-time staff and manages more than fifty volunteer tutors and trainers. Employees create and coordinate a variety of literacy programs and services for illiterate adults. Most of the programs are conducted by the full-time staff; volunteers serve as tutors.

READ, Inc. is governed by a volunteer board of directors, all of whom support the organization's mission and goals. Liza Daniels, a retired public school English teacher, is the organization's executive director (ED). Daniels has been with READ, Inc. for fifteen years, first as its program director for four years and its ED for the past nine years. Robbie LeBerta, a recent graduate with a master's degree in social work administration, has been the program director for the past eighteen months.

Daniels is responsible for the overall management of the organization and works directly with the board to ensure the mission is advanced and the organization's goals are achieved. While LeBerta is involved with the creation, planning, and evaluation of programs, he is primarily responsible for daily program activities and operations. *(For more background on the roles and responsibilities of these positions, refer to the PowerPoint handout, "Background on NFP Boards: A Primer".)*

During a weekly staff meeting, LeBerta requests that READ, Inc. adopt a flexible work arrangement (FWA) program for full-time staff. LeBerta explains that as a single parent of a daughter in elementary school, it is often difficult to ensure her transportation from school, let alone participate in school activities (parent-teacher conferences, after-school activities). A more flexible schedule – such as working from 7:00am to 3:30pm with a half-hour lunch – would allow him to meet his parental obligations without neglecting his work.

Daniels expresses apprehension about implementing an FWA program because she is concerned about productivity losses. She feels that FWAs and this type of flexibility in a small organization such as READ, Inc. will lead to poor or less service to customers and more disruptions to operations. After all, she and her husband were able to raise their children and participate in many of their school activities. Daniels tells LeBerta she understands his dilemma but rejects his proposal without any deliberation.

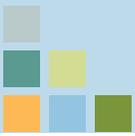
Frustrated with the ED's lack of openness to consider the FWA proposal, LeBerta speaks with a board member who happens to be a personal friend. LeBerta does not launch a personal attack on Daniels, with whom he has enjoyed a mostly positive working relationship; he merely says that he thought her handling of the issue was unfair and that she was not sensitive or understanding of his reasons for the request.

At the next board meeting, before the meeting's agenda items can be addressed, the board member raises the issue of an FWA program for staff. He does not mention any names but says that given the variety of family/work balance challenges everyone experiences, he thinks it is an option READ, Inc. should seriously consider. The board chair and the ED exchange glances; it is obvious that neither knew this would be raised during the meeting. In fact, the board chair knows nothing of the program director's request to implement an FWA program at READ, Inc.

The chair thanks the board member for his comments. He explains that without more information and research, it is not possible to take any action on this issue. The chair asks Anna Bucconi, chair of the board's personnel committee, to take this issue to her committee and return to the next board meeting with a report and recommendation for the board to consider.

Following the board meeting, Bucconi gathers her committee members to plan their task to address an FWA program. She shares her idea on how to approach the matter. First, she wants the committee to meet with the ED for her perspective on why FWAs might be problematic. Secondly, she wants committee members and the ED to research the issue. Finally, she would like the committee to meet and deliberate on what they learned, and prepare their report and recommendation to the board by the next meeting (one month from now). Committee members and the ED agree that this is a reasonable approach.

A few days later, the committee meets with Daniels to discuss her concerns about implementing an FWA program. Daniels repeats what she said to LeBerta – that her concerns are primarily related to productivity loss in terms of service to customers and disruptions to operations that could occur as a result of the new flexibility.



The Case for Flexibility

Roles

ED (Liza Daniels): The ED rejected the program for two reasons. Daniels feels that the implementation of such a program will reduce staff productivity, inhibit their ability to be successful, and reduce the quality of programs and services provided to their customers. The organization's mission is to decrease illiteracy in the area; to accomplish this, employees must provide services on the customer's schedule, not the other way around. Also, an FWA program will make communication among the employees more difficult since they will be working different schedules. Thus, the ED feels that an FWA program will only hurt the organization. She attends the board meetings and can give her input on the personnel committee's report and recommendations.

Board Chair: A member of the board of directors, the chair presides at board meetings, keeps order, and ensures that meeting agenda items are addressed and meeting objectives are achieved. The chair asks the personnel committee for their report and recommendations; facilitates a focused and productive discussion about the report; and calls for a vote when discussion is completed.

Personnel Committee Chair (Anna Bucconi): A member of the board of directors, the personnel committee chair conducts the personnel committee meeting and leads the preparation of the report and recommendations on an FWA program at READ, Inc. (Check with your instructor: The report and recommendations are an oral presentation; it is optional for it to be a written document). She presents the report and recommendations at the follow-up board meeting. During the deliberations, the chair ensures that these additional issues are addressed:

- The ED's resistance to change.
- The program director's run around the ED to a board member.
- Ways for the board to create an organizational environment that is responsive to staff needs wherever possible.

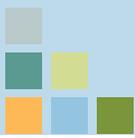
Personnel Committee Members: The committee consists of four non-board members plus the personnel committee chair (who is a board member). The committee members meet with consultants to learn about the advantages and disadvantages of an FWA program. They then meet with the personnel committee chair as a team to analyze the information; prepare a report on the information; and make a recommendation on whether READ, Inc. should implement an FWA program.

Board of Directors: The board consists of 9-21 members, depending on class size. The board conducts research on board governance; receives the report and recommendations from the personnel committee; and votes on the recommendations. The board can vote "for", "against" or "for with modifications". This can be done on the recommendations as a whole or on each recommendation separately.

Consultants: The consultants are all students in the class, except for those on the board of directors. Consultants study literature and research on:

- **Work/Life Balance.** What it is, why it is important and strategies used to achieve balance.
- **Flexible Work Arrangements.** The advantages, disadvantages and approaches.
- **Resistance to Change.** The categories of major resistance and approaches to manage resistance.

The consultants provide advice and information to the personnel committee on the topics they researched.



The Case for Flexibility

Pre-Simulation Assignment

Consult with the instructor to ensure all topics are covered. Then, each class member should research one of the following topics:

1. Nonprofit Boards. The purpose, role and functions of boards of directors; the distinction between governance and management (*this research should be conducted by the students who serve as members of the board of directors*).

Recommended Readings:

Chait, R. P. & Taylor, B. E. (1989). Charting the territory of nonprofit boards. *Harvard Business Review*. 67(1): 44.

Drucker, P. F. (1989). What business can learn from nonprofits. *Harvard Business Review*. 67(4): 88.

Middleton, M. (1987). Nonprofit boards of directors: Beyond the governance function. In W. W. Powell (ed.) "The nonprofit sector: A research handbook". New Haven: Yale. 141-153.

2. Work/Life Balance. What it is, why it is important, strategies used to achieve balance.

Recommended Readings:

Clark, S. C. (2001). Work cultures and work/family balance. *Journal of Vocational Behavior*. 58, 348-365.

Friedman, S. D., Christensen, P., & DeGroot, J. (1998). Work and life: The end of the zero-sum game. *Harvard Business Review* (November-December). 119-129.

Martinez, M. (1997). Work-life programs reap business benefits. *HRMagazine*. June 1997.

3. Flexible Work Arrangements. Advantages, disadvantages and approaches.

Recommended Readings:

Hill, E. J., Hawkins, A. J., Ferris, M., & Weitzman, M. (2001). Finding an extra day a week: The positive influence of perceived job flexibility on work and family life balance. *Family Relations*, 50, 49-58.

Kossek, E. E., Barber, A. E., & Winters, D. (1999). Using flexible schedules in the management world: The power of peers. *Human Resource Management*. 38, 33-49.

Solomon, C. M. (1994). Work/family's failing grade: Why today's initiatives are not enough. *Personnel Journal*. 73, 72-87.

4. Resistance to Change. The categories of major resistance and approaches to manage resistance.

Recommended Readings:

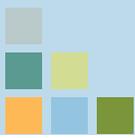
Harvard business review on change. (1998). Harvard Business School Press.

Schramm, J. (2007). Managing change. *HRMagazine*. 52(3), 152.

Yemm, G. (2007). Encouraging successful change. *Management Services*. 51(1), 40-43.

Any management or business textbook should provide information on Kurt Lewin's 3-Step Change Process.

Please refer to the list of suggested readings as a starting point for your research.



The Case for Flexibility

SIMULATION

1. The simulation begins with personnel committee members meeting with the consultants.
 - a. The committee solicits input from the consultants about their research and asks for advice and ideas about FWAs.
 - b. The committee chair asks the consultants for input on addressing the ED's resistance to change; the program director's run around the ED to a board member; and ways for the board to create an organizational environment that is responsive to staff needs wherever possible.

2. The committee deliberates and prepares recommendations on the following issues. *(Note: During these deliberations students serving on the board can be present but should not participate in the discussion.)*
 - a. Whether READ, Inc. should implement an FWA program and if so, what general parameters or guidelines should be followed (not specific format, as that is a staff function).
 - b. Professional development for the ED regarding resistance to change and openness to staff input.
 - c. Professional development for the program director regarding appropriate approaches to advance proposals that do not circumvent the chain of command.
 - d. Strategies for the board to foster an organizational environment that is open and responsive to staff needs.

3. The board meets and the entire personnel committee presents their recommendations. The ED also participates in this meeting, as is typically the case in all nonprofit organizations. *(Note: During this meeting, students serving in the roles of program director and consultants are present but do not participate in the discussion.)*

The meeting agenda:

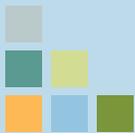
 - a. Board chair calls the meeting to order.
 - b. Board chair reminds board members of the meeting's purpose and provides an overview of the issues.
 - c. Board chair asks the personnel committee chair for her report and recommendations.
 - d. The board discusses the report and recommendations. If the ED does not contribute her comments on her own, the chair specifically asks for her thoughts and perspective on the report and recommendations.
 - e. The board votes on the recommendations (as a whole or on each recommendation separately).

Please refer to the list of additional readings as a starting point for your research.

Additional Readings

Nonprofit Boards

- Carver, J. (1990). Boards that make a difference. Jossey-Bass.
- Carver, J. & Carver, M. M. (1996). Carver guide 1: Basic principles of policy governance. Jossey-Bass.
- Facts & Figures about Charitable Organizations. (2006, June 20). Independent Sector.
- Giving USA 2006. (2006). Giving USA Foundation.
- Greenleaf, R. K. (1970). The servant as leader. Robert K. Greenleaf Center.
- Houle, C. O. (1989). Governing boards: Their nature and nurture. Jossey-Bass.
- Kolzow, D. R. (1995). Smooth sailing with your board of directors. *Economic Development Review*. 13(3): 20-24.
- Marabella, S.D. (1994). Trustee education: Suggested curriculum for not-for-profit boards. *New Directions for Philanthropic Fundraising*. Jossey-Bass. 95-107.
- Marabella, S. D. (1991). Using exchange theory to enhance not-for-profit board participation. UMI Dissertation Service.
- Taylor, B. E. (1987). Working effectively with trustees: Building cooperative campus leadership. Association for the Study of Higher Education.
- Taylor, B. E., Chait, R. P., & Holland, T. P. (1996). The new work of the nonprofit board. *Harvard Business Review*. 74(5): 36-46.



The Case for Flexibility

Flexible Work Arrangements

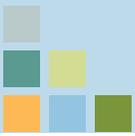
- Baltes, B. B., Briggs, T. E., Huff, J. W., Wright, J. A., & Neuman, G. A. (1999). Flexible and compressed workweek schedules: A meta-analysis of their effects on work-related criteria. *Journal of Applied Psychology*, 84(4), 496-513.
- Dalton, D. R., & Mesch, D. J. (1990). The impact of flexible scheduling on employee attendance and turnover. *Administrative Science Quarterly*, 35(2), 370-387.
- Golden, L. (2001). Flexible work schedules: Which workers get them? *American Behavioral Scientist*, 44(7), 1157-1178.
- Lee, M. D., MacDermid, S. M., Williams, M. L., Buck, M. L., & Leiba-O'Sullivan, S. (2002). Contextual factors in the success of reduced-load work arrangements among managers and professionals. *Human Resource Management*, 41, 209-223.
- Martinez, M. (1997). The proof is in the profits. *Working Mother*, May 1997, 27-30.
- Ralston, D. A. (1989). The benefits of flextime: Real or imagined? *Journal of Organizational Behavior*, 10, 369-373.
- Scandura, T. A., & Lankau, M. J. (1997). Relationships of gender, family responsibility and flexible work hours to organizational commitment and job satisfaction. *Journal of Organizational Behavior*, 18, 377-391.

Resistance to Change

- Bryan, A. (2002). Adopting the process view: a case study of modeling change in the not-for-profit sector. Idea Group.
- Cameron, E. (2004). Making sense of change management: a complete guide to the models, tools & techniques of organizational change. Koran Page.
- Jennings, D. A. (2004). Myths about change. *CPA Journal*, 74(4), 12-12.
- Pithily, A. (2003). Embrace change. *Canadian Manager*, 28(4), 27-28.
- McMurray, P., & Rosanne, S. (2005). Leadership in a changing environment. *Telecommunications*, 24(5), 30-36.
- Tidd, J. (2005). Managing innovation: integrating technological, market and organizational change. Wiley.

Work/Life Balance

- Anderson, S. E., Coffey, B. S., & Byerly, R. T. (2002). Formal organizational initiatives and informal workplace practices: Links to work-family conflict and job-related outcomes. *Journal of Management*, 28, 787-810.
- Fredriksen-Goldsen, K. I., & Scharlach, A. E. (2001). Families and Work: New directions in the twenty-first century. Oxford University Press.
- Friedman, S. D., & Greenhaus, J. H. (2000). Work and Family - Allies or Enemies: What happens when business professionals confront life choices. Oxford Press.
- Greenhaus, J. H., Collins, K. M., & Shaw, J. D. (2003). The relation between work-family balance and quality of life. *Journal of Vocational Behavior*, 63, 510-531.
- Kofodimos, J. R. (1993). Balancing Act. Jossey-Bass.
- Lockwood, N. R. (2003). Work-life Balance: Challenges and Solutions. Society for Human Resource Management.
- Nelson, D. L., & Burke, R. J. (2002). Gender, Work Stress and Health. American Psychological Association.
- Powell, G. (1999). Handbook of Gender and Work. Sage.
- Thomas, L. T., & Ganster, D. C. (1995). Impact of family-supportive work variables on work-family conflict and strain. *Journal of Applied Psychology*, 80, 6-15.



The Case for Flexibility

DEBRIEF QUESTIONS

1. Why is this case important? Do you think it highlights problems organizations may face and why?
2. Why do you believe the ED immediately rejected the program director's idea?
3. What should the ED have done when first approached by the program director about an FWA program?
4. Do you feel the program director was right in going to his friend on the board?
5. What could the program director have done to pursue his idea without breaking the chain of command?
6. What could other organizations learn from understanding the issues READ, Inc. experienced?
7. Now that you have read this case and participated in the simulation, how would you approach your manager about implementing an FWA or other work-life programs?
8. Are FWA programs a viable option for all organizations? Why or why not?
9. From your experience with this case, how do nonprofit organizations differ from the for-profit organizations you have studied?
10. How can employers help their employees accept and embrace change?
11. Do you believe you are resistant to change? Why or why not? Give some examples.