

Workplace Flexibility Case Study
RSM McGladrey and the Flexyear Option
by Ken Giglio

Company: RSM McGladrey (www.rsmmcgladrey.com)

Company profile: RSM McGladrey offers a variety of business services to mid-sized firms, including business and tax consulting, wealth management, retirement resources, payroll services and corporate finance. It is part of RSM McGladrey Business Services, which is a wholly-owned subsidiary of H&R Block. With more than 90 U.S. offices, the firm employs about 4,500 people, none of whom are represented by labor unions. Education levels vary greatly throughout the staff; some administrative employees have no college education while many professionals have advanced degrees or CPA licensures. Among entry level workers, 55% of RSM McGladrey employees are male, 45% are female. At the director level, just 24% are female.

Program profile: RSM McGladrey offers what it calls a Flexyear or “teacher contract” to its employees, which is essentially a program for part-year employment. While the schedule varies from employee to employee, a typical arrangement would be for an employee to work full-time hours during the company’s busiest time of the year, roughly from January through April. They would also work either full-time or part-time hours for most of the rest of the year while taking off during the summer months. Employees who work under this arrangement have their salary prorated over the course of a year, just as a teacher would. And, provided they work at least the equivalent of half-time over the course of the year, they qualify for all the same benefits that a full-time employee would receive. They also qualify for promotions and pay incentives, but Paid Time Off is prorated according to how much they work. There are currently about 30 employees on Flexyear schedules at RSM McGladrey. All employees are eligible to submit a request for a Flexyear schedule, or for some other type of flexible schedule. It is incumbent upon the employee to build the business case for their plan and explain how it would work. That request is then evaluated by supervisors and can either be approved or denied. That process may continue indefinitely until both parties are satisfied.

The Challenge: The highest levels of corporate leadership at RSM McGladrey decided to make a culture of workplace flexibility one of the company’s six top imperatives. With a comprehensive rollout, flexibility is seen more as a strategic business tool than as an employee initiative. As a result, the challenge is in establishing flexibility as a company-wide priority. In part, this comes from the realization that, prior to establishing its flexibility policy, the company identified WorkLife issues as the number one reason that employees were leaving RSM McGladrey.

Benefits to employees: Employees are able to work schedules that better fit their lives without sacrificing their careers (see example, below, in Personal Profile). They can work reduced hours for part of the year and/or take summers off, still be eligible for all the same benefits as full-time employees, and have a consistent income throughout the year.

Benefits to employer: RSM McGladrey began to overhaul its WorkLife strategy about 1 ½ years ago and develop ways to create a culture of business-based flexibility across all offices in the company. Exit surveys with departing employees showed that an inability to balance work and life was the number one reason people left the firm. In order to improve retention, use flexibility as a strategic business tool, and truly transform the culture, RSM McGladrey needed a robust approach. It now sees itself as doing more than simply offering flexible work options. With a more comprehensive approach to flexibility, it is encouraging employees and firm leaders at all levels to think differently about their work through trainings, interactive dialogue sessions, online tools, and support from the top. As a result, it is more successful in meeting its business needs, and employees say they are happier at work and feel more creative on the job. For one thing, many of the flexibility options now in place are the result of employee suggestions. Additionally, the firm is able to retain valued employees who are willing to work for less pay with greater flexibility. The company has begun to gather anecdotal evidence that its commitment to flexibility has allowed it to recruit new workers.

Lessons Learned: In rolling out the pilot for its Flexyear program, the company learned of the value of face-to-face training for the leaders of a business unit. It initially attempted to educate its partners via a one-hour web cast. In follow-up focus groups, many employees said they felt there wasn't enough leadership to give them confidence that the program would truly work. RSM McGladrey ended up having a partner retreat that included a discussion about their concerns about flexibility as well as a chance to challenge their thoughts and behaviors about when, how and where they do their work, helping the partners to gain a better understanding of their role in supporting the effort.

Personal profile: Michelle Hickox is a Director of Audit for RSM McGladrey's Financial Institutions Group in Dallas. She has been with the company since 2001, when the previous firm she worked for was acquired by McGladrey. Hickox began at an entry-level position 15 years ago and recently made Partner – the company's first Flexyear worker to achieve such a position with the firm. This year marks the fifth summer that she has worked on a Flexyear program, having first begun the schedule with her original firm. She then proposed the idea to McGladrey when it took over Hickox's previous employer. Hickox works approximately 75% of the time throughout the course of the year, with most of her hours coming during the busy months of January through May. In the fall, she tries to work about 30 to 35 hours per week, and her goal is to not work at all in June and July, although she does check her email and voice mail from home on a regular basis. "I love my job. I've had opportunities to go elsewhere but I didn't want to give up my schedule. I'm still with the firm after all these years and I have no plans to do anything differently. For me, the flexibility is more important than the money I would make if I worked more hours."

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