

Pensions & Investments

THE INTERNATIONAL NEWSPAPER OF MONEY MANAGEMENT

More firms seeing flex time as vital to a productive office

BEST PLACES TO WORK IN MONEY MANAGEMENT

As the phrase “work-life balance” further ingrains itself into the business world’s lexicon and millennials’ influence grows, more firms are turning to, or expanding existing, flexible time-off policies.

Such policies are a key factor in drawing and retaining top talent, said executives from firms that placed in *Pensions & Investments’* Best Places to Work in Money Management 2018 survey. And in the ever-competitive world of money management, every firm is looking for a leg up.

Among the 69 managers identified as a best place to work, 62.3% said that as a standard practice the firm allows employees to work a compressed week or flexible hours. That’s up from 59% of managers in the 2017 program.

In their submitted comments in the survey, employees said they appreciated the flexibility to attend their child’s school function or take a parent to a doctor’s appointment.

“We have a great work-life balance,” wrote one employee from The Capital Group Cos. Inc. in Los Angeles. “Management is really great about being flexible helping me take care of my health, family, kids etc., so long as I take care of my duties at work.”

On the progressive side of the work-life balance spectrum, more financial services firms are adopting results-only work environment policies, which allow employees to set their own hours and days off so long as they hit previously des-

ignated metrics, according to Jim Ware, the founder of Focus Consulting Group Inc. based in Long Grove, Ill.

Started in 2015

Polen Capital Management LLC, for example, implemented a ROWE policy in 2015. Since then, the Boca Raton, Fla.-based firm has doubled its workforce to 66 employees, including hiring 13 employees since May. CEO Stan C. Moss said the policy has been a competitive advantage.

“We’re attracting top talent in the industry, we’re developing that talent and we’re retaining that talent,” Mr. Moss said. “If you talk to any CEO in any industry, those are three things that they would like to be able to say and we’re doing it. ROWE is a strong contributor.”

In a recent survey of about 300 financial services professionals by Focus Consulting Group, employees said autonomy was their top motivator (17.6%), ahead of passion for work (16%), purpose/meaning (15.6%) and bonuses (14.8%). “If you’re trying to build a first-rate culture that attracts and retains people, you better make sure you get the rewards piece right and part of that is autonomy,” Mr. Ware said. “Autonomy is ROWE.”

Milwaukee-based Baird Asset Management has a flexible time-off policy that allows employees to amend their schedules, with manager approval, when needed. Mary Ellen Stanek, managing director and chief investment officer at Baird Advisors, and president of Baird Funds, said the policy makes employees feel like they are engaged and respected. And while the policy is popular with em-



OUT IN FRONT: Stan C. Moss sees Polen Capital’s results-only work environment policy as a competitive advantage.

ployees, it also helps Baird’s bottom line. “The ability to attract and retain strong investment teams that are successful together is very much in our investors’ best interest,” Ms. Stanek said.

In early 2018, New York-based money manager OppenheimerFunds Inc. amended its Responsible Time Off program to give employees greater flexibility and to be “more reflective of where, when and how work is performed,” said Andy Doyle, chief human resources officer. In a statement to *Pensions & Investments*, the firm said its “evolving policies around work-life balance will help reinforce our culture of accountability and results, and continue to retain and attract top talent.”

Employees’ work-life balance was something executives at the world’s largest money manager, BlackRock Inc., took into account when the New York-based firm rolled out a flexible time-off pol-

icy at the beginning of 2018. The decision came on the heels of its 2017 global benefits survey that asked BlackRock employees what they liked about the firm's benefits program and what more could be done.

"We got overwhelming feedback that our employees desired more flexibility with regard to their time off," said Jennifer Lee, BlackRock's global head of benefits.

"This, coupled with the fact that we felt our time-off plans had been inequitable, spurred us to make the move toward FTO." Previously, allotted days at BlackRock were based on tenure and title, whereas now employees are not held to a fixed number of days off. They can take time off as needed, with manager approval. When asked if BlackRock is worried about employees potentially abusing the policy, Ms. Lee said the firm trusts its employees to take time off to balance work and personal demands.

"We're not flexible about performance, but we are flexible about time off," Ms. Lee said.

Going ROWE

It was in 2014 when Polen's Mr. Moss first read "Why Managing Sucks and How to Fix It," a book authored by Jody Thompson and Cali Ressler, the pioneers of the ROWE mindset. He finished the book in one day and bought a copy for the rest of the management team who soon agreed to pursue a ROWE policy. Polen brought in Ms. Thompson to train the staff in 2015 and "we've been off and running ever since," Mr. Moss said.

The Polen CEO said implementing a successful ROWE policy doesn't happen overnight but is rather a process that evolves over time. "It's a learning process and you continuously get better at

talking about the implementation of it and the actual practice of it," he said.

Over the three years Polen has had the ROWE policy in effect, Mr. Moss said firm executives have gotten better at setting goals and objectives for employees. "In ROWE what you want to do is provide as much specificity around goals as you can to be able to measure the results that are driving outcome," he said. "And have them at the individual level so that each individual knows exactly what they're supposed to do and then they're empowered to do that work in the way they best see fit."

Instances where employees have abused the policy have been rare, said Rachel Trock, Polen's director of human resources, who added those employees would likely get negative performance reviews in any structure. According to Ms. Trock, employees said the policy has been liberating and has removed guilt from leaving early, knowing that results can be achieved from anywhere.

The latter sentiment is one Mr. Ware takes to firms across the country when consulting on ROWE policies. "A lot of jobs at an investment firm don't have to be in the office full time," he said. "They are knowledge workers, they're paid for their thinking and their thinking can be done anywhere."

There are still plenty of companies that place value in face-to-face interaction and think adopting a ROWE policy would hurt teamwork, Mr. Ware said. But, he added, ROWE is not a work-from-home program, it simply means "you're going to get assigned work, as long as you do the work well you're in good shape."

Employees who prefer the structure of an office environment, like Mr. Moss, can work convention-

al hours in a traditional setting. "That's the beauty of ROWE: It's up to you as a mature individual to figure out how you've got to get your work done," Mr. Ware said. "A lot of people like talking to people at the office."

Forward thinking

361 Capital LLC, doesn't have a formal ROWE policy but has offered unlimited personal and vacation days to employees, with manager approval, for more than three years. Tom Florence, the Denver-based quantitative equity manager's chairman and CEO, said there haven't been any abuses to date and the policy has done exactly what he'd hoped: establish trust between the employees and management.

If problems do arise in the future, Mr. Florence said he would consider moving to a ROWE policy.

Mr. Ware said that as the workforce continues to get younger, it's going to become more difficult for money management firms not to have a ROWE policy. "It's going to be harder and harder to get top talent if you don't have ROWE," he said.

Millennials accounted for 33% of employees among the 69 firms' full- and part-time U.S. workforce.

At Polen, Mr. Moss said it's his job to create an environment where employees can be their best selves and deliver results to clients. "ROWE is a key component in enabling that environment," he said.

And while the future is unpredictable, more flexible work environments and ROWE policies seem inevitable, Mr. Moss added. "We can't predict the future but we want to put ourselves in the best position to be successful in the future so we thought making this transition would be helpful," he said. ■

By BRIAN CROCE