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CONTEMPORARY IDEAS FOR BUSINESS AND FINANCIAL MANAGEMENT

SPRING 2010

Flexible Work Arrangements Building a Business Case for Workplace Flexibility

One of the biggest business trends of the 21st century has been the growing acceptance of flexible work arrangements among many employers. These range from flextime and telecommuting to job sharing and cross training.

The economic downturn has forced many companies that might not have normally considered such arrangements to take a closer look at how they can help their employees work more efficiently and save the company money. In the process, they are discovering that the benefits often go well beyond dollars and cents.

The fact is, many employees today expect their companies to offer flexible work arrangements — especially younger Generation X and Generation Y employees who place a high value on maintaining a comfortable work-life balance. Business owners and managers who don't offer flexible arrangements may be at a competitive disadvantage when it comes to attracting and retaining high-calibre young employees.

The primary types of flexible work arrangements offered by companies today include:

Flextime: This is often the easiest and least expensive option. It simply involves letting employees set their own work schedules, as long as they don't interrupt the workflow or adversely impact customer service. At many companies, there's no legitimate business reason to require that employees be at their desks by 8:30 a.m., or out to lunch between noon and 1 p.m. Everyone's biorhythms are different: Some people function well early in the morning and start to run down later in the day, while others are the opposite.



Therefore, it often makes sense to let employees set their schedules so that they're working during the times when they can be most productive. Flextime may also help employees better juggle home and family responsibilities, whether arranging for child or elder care, or simply allowing them to attend their children's soccer games or school recitals.

Cross training and job sharing: Also referred to as multi-skill training, cross training allows employees to temporarily "trade" jobs with each other. It tends to be most common in manufacturing environments where it may be easier for workers to learn new skills that will enable them to perform tasks other than those required to do their normal job.

Should You Hire Boomerang Employees?

In fall of 2009, the U.S. unemployment rate topped 10 percent for the first time in a generation as businesses downsized to try to cope with the economic slowdown.

Now, with signs indicating that the economy may finally be emerging from its nearly two-year funk, some employers are starting to cautiously crack open the hiring door again.

In fact, the still-stubbornly high unemployment rate may present a unique opportunity to attract highly skilled workers you might not be able to lure during normal economic times.

One hiring strategy being considered by some companies looking to “right size” after previous downsizing is re-hiring employees they laid off during the downturn.

In a recent survey, 40 percent of employers said they expect to hire back some of the employees they let go.

Pros of Hiring Boomerangs

There are some pros and cons to this hiring tactic, which is sometimes referred to as “boomerang” recruiting. Consider the following before deciding whether this strategy makes sense for your company:

- **You know what you’re getting.**
There’s a degree of risk in every hire you make, but it may be lessened when hiring a former employee if you know that the individual had a strong work ethic and fit well into your corporate culture.
- **They know you and your company.**
Former employees should already be familiar with all the nuances of your culture. There’s less chance that they’ll be unpleasantly surprised that the company or job isn’t what they expected.
- **They can get up to speed quickly.**
The learning curve should be easier than for a new hire, especially if the employee you’re hiring back is assuming essentially the same position as before.

- **Your hiring costs are lower.**
Recruiting to fill key positions in your company can be very costly, in both money and time. Hiring a former employee will cut these costs.

You can recapture employee ROI. You probably invested a considerable amount of time and money in training

interview stage than to have them surface and explode after you’ve made the hire.

Also, there may be legal issues surrounding the rehiring of former employees, especially in a union environment. If you’re unsure about the legalities, discuss the situation with an employment law attorney.



the former employee, which you can begin to recoup by bringing him or her back onto your team.

Drawbacks of Boomerangs

There are some potential drawbacks to hiring boomerangs as well. The main one is that they may still be disgruntled about being laid off. If the parting was acrimonious, there may be emotional scars that haven’t healed — and may never heal.

The best way to uncover this is to conduct a formal interview with the former employee in much the same way you would interview an unknown candidate.

In the interview, dig deep to try to uncover feelings and emotions he or she may be trying to suppress. It’s better to uncover these during the

The Good and the Bad

In deciding whether to bring a former employee back onto your staff, go back and objectively look at his or her entire body of work with your company, both good and bad.

If this person was a top performer who you genuinely regretted having to let go, then it may be a calculated risk worth taking. But if he or she was a marginal employee who you’re feeling tempted to bring back just to save you the time and expense of recruiting someone new, be careful.

It could be doubly painful to make the same hiring mistake twice — for both the former employee and your company. ■

Job sharing, in which two or more part-time employees share one job, tends to be most common in office environments. These can both be win-wins: Employees usually welcome the opportunity to broaden their skills and thus make themselves more marketable, while employers benefit by having a more flexible workforce.

Telecommuting: Working from home has grown from a novelty 10 years ago to a fairly common and accepted work arrangement. It's estimated that 2.5 million employees now consider home to be their primary place of work, and another 17 million work from home occasionally.

Setting up a successful telecommuting program is a bit more involved than giving your employees flextime, but depending on your company and the composition of your workforce, the benefits may far outweigh the effort and cost involved. These benefits include:

- Lower facility costs: With some employees working from home, you may need less office space, thus reducing your occupancy costs (rent, mortgage, utilities, etc.).
- An expanded talent pool: Physical location no longer becomes a barrier to hiring the best employees when they are able to work from home.
- Greater employee retention: Similarly, if top employees are forced to move out of your city, you don't necessarily have to say goodbye to them.
- Higher employee productivity: Employees who work from home do not face the kinds of interruptions that their coworkers in the office usually do – everything from meetings to water cooler chit-chat. They may also be able to work during the times of day (or night) when they are most productive.
- Higher employee morale and loyalty: Most employees who telecommute consider it to be a valuable benefit, and are willing to work even harder to keep it.

Of course, there can be a flip side to each of these benefits. For example, while you may enjoy lower facility costs, these will likely be offset somewhat by the costs of maintaining employees' home offices (e.g., business phone lines, Internet access, virtual meeting software), as well as travel to and from your office for out-of-town employees.

And the productivity benefits are based on one very important assumption: That your remote employees are self-disciplined and responsible enough to manage themselves and not be sidetracked by the many potential distractions in their home – whether young children, the television or Internet, or simply chores or projects that they work on while they're supposed to be working for you.

For this reason, be very careful in deciding which employees may work from home. Some companies require employees who request telecommuting to literally interview for a new job and prove that they are responsible and disciplined enough to handle it.

It may be smart to begin any telework arrangement with a trial run of 90 or 120 days. This is usually long enough for both you and the employee to gauge whether it's going to work or not. If not, the employee can probably be brought back into the office with minimal disruption – thus saving his or her job, and saving you a valued employee. ■

Doing It Right

A mid-sized company in Texas provides an excellent case study in how to successfully implement flexible work arrangements. This three-time recipient of the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility has adopted what it calls a "people first" flexible workplace strategy to grow the business without overburdening its employees or compromising client service.

"This strategy has proven to be beneficial as we make adjustments to our business in response to challenges posed by the economy," says the company's president.

Employees choose their own schedules, fill out a proposal and submit it to their supervisor for approval. Flexible work arrangements have been critical in helping the company retain talent. In addition to flextime, the firm also allows employees to work from home, either full-time or on an as-needed basis. This arrangement allowed them to retain a key employee who recently had to relocate.

The company is very careful in selecting which employees are allowed to work from home. "It's not for everybody, because not everyone can self-manage," says the president. "Also, isolation can be a side effect, so it's important for remote employees to come into the office for 'face-time' periodically."

Telework arrangements are monitored very closely for the first 90 days to gauge whether they're working. "It needs to work for our clients, for the business and for the employee," says the president. "Our employees realize that it's a privilege that must be earned."



WHAT'S NEW AT WOLF

NEW EMPLOYEES

John Cutrera, Senior Audit Accountant
Jenna Eyberger, Staff Audit Accountant
Joshuah Hahn, Staff Audit Accountant
Stephen Lacorazza, Staff Tax Accountant
Brian Schoon, Staff Audit Accountant

Wolf Financial Management LLC

Alia Hannon, Retirement Plan Associate
Kelly Throne, Financial Advisor

PROMOTIONS

Ryan Doerffler to Senior Accountant
Rene Finco to Senior Accountant
Stacy Lindemann to Senior Accountant
Michal Ploskonka to Senior Accountant
Nicole Davis to Marketing Coordinator

CONGRATULATIONS

Mike Armstrong, Brian Schoon and Stacy LeTourneau recently passed the CPA exam.

Kelly Throne, Wolf Financial Management, successfully passed the Series 66 - *Uniform Combined State Law* exam.

Tunia Mycyk, Wolf Financial Management, has been awarded the *Accredited Investment Fiduciary® (AIF®)* designation from Fiduciary 360, an organization offering training, tools and resources to promote a culture of fiduciary responsibility and improve the decision making processes of fiduciaries. The *AIF®* designation signifies knowledge of fiduciary responsibility and the ability to implement policies and procedures that meet a defined standard of care.

ON THE MOVE

Tom Murtagh, Tax Partner, again headed up Wolf's volunteer participation in the *Ladder Up* tax assistance program. *Ladder Up* assists hardworking families to climb above the poverty line by getting them tax refunds they deserve, securing financial aid that makes higher education a reality, and puts them in touch with reputable banks so they can save on unnecessary fees.

Andrew Klemens, Tax Manager, was a guest panelist at the *At-Risk Issues for Partnerships and S Corps Half-Day Conference* sponsored by the CPA Society Education Center.

Karen Courney was a presenter in an audio seminar for the National Association of Surety Bond Producers; the topic was *Fraud Risk Factors For Construction Contractors*. One of our PKF affiliates, Chip Dillman from Greer Walker, co-presented.

SPECIAL RECOGNITION . . . KAREN COURNEY



Karen Courney joined Wolf & Company in 1988 and has been a partner since July 2001. The firm recently paid tribute to Karen for her accomplishments as a partner and true leader. She has exemplified our core values, has been a champion of our Construction Services Group and, most recently, has worked hard as the leader of our not-for-profit niche, specializing in religious organizations and schools.

While Karen is no longer serving as a partner, we are pleased to have her continue on with the firm as a senior consultant, continuing her role in the religious organizations and schools niche. Her focus will be on business development and special projects such as operations reviews. The partners proudly acknowledge Karen's special contributions to the firm and feel fortunate to have her continue on in her role as senior consultant.



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