

FLEX IT UP

Sonae MC's flexible work program

Sonae

WBCSD Future of Work case study

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Summary

Flex it Up is Sonae MC's (a Sonae Group branch) flexible work program, which focuses on enhancing employees' work-life integration and therefore on improving their wellbeing and personal and professional fulfilment.

This program, launched in March 2019, includes five flexible work initiatives: remote work, flexible schedule, extra days off, unpaid leave and reduction in working hours.

Company background

Sonae is a multinational company managing a diversified portfolio of businesses in retail, financial services, technology, shopping centres and telecommunications. Operating in over 60 countries and with about 45.000 employees, Sonae has an annual revenue of 6.4 billion € and is recognised as a trusted organisation worldwide and a contributor to a more prosperous, ethical and sustainable society.

As part of Sonae Group, Sonae MC has a distinctive position in several business areas, providing a broad range of high-quality products and services at competitive prices.

With a history of more than 30 years of continuous growth and about 35.000 employees, Sonae MC is a leader in the food retail sector in Portugal (e.g. Continente stores) and present in the various spheres of its clients' lives through complementary growing businesses, such as parapharmacies, opticians and perfumeries, dental and aesthetic clinics, organic supermarkets and restaurants, coffee shops, stationary, books and gifts, pet care and veterinary services, DIY retail, self-service laundries and home furnishing and accessories.



Future of Work challenge

Attracting and retaining talent and keeping employees satisfied, engaged and productive is a constant challenge for businesses not only now, but also in the future. Sonae MC is aware of the increasing competitive rivalry in the labor market, and to attract and retain the best profiles, has embarked on a journey to reinvent its ways of working and become more agile, humanized, and digital. To this end, Sonae MC plans to invest in the transformation of the employee experience (making it impactful and purpose-driven) and to prioritize analytics and AI as an essential support for business decision-making.

It is no secret that flexibility is one of the most valued work attributes today. It has a very positive impact on employee engagement and studies show that it can improve productivity and enhance the existence of a diverse and inclusive workforce. Most importantly, it is proven that flexibility impacts on employees' well-being and health.

One of the most interesting things about work flexibility is that it is valued by people of all ages. Now that multiple generations have merged in the workplace, companies tend to think that working flexibly is something of the youngest, but the truth is that it assumes the same importance for everyone. By enabling flexibility, companies can truly empower all employees.

In a multi-generational workforce, flexibility can mean different things to different people, reason why Sonae had to assure the implementation of a flex program that would work both for its employees, considering their different needs and expectations, and for its business. To answer to people's real needs, companies must get to know, in depth, their employee experience, listen to them and jointly build solutions together.

Business case and opportunity

Acknowledging that employees are a determining factor for the company's growth and strength, putting people at the center of its success is one of Sonae MC's core values. Therefore, the company is permanently searching for ways to build a work environment where employees feel healthy and happy and can grow personally and professionally.

Practices and projects that seek to improve different dimensions of engagement, commitment and job satisfaction, strengthen the relationship between employee and company and make it more meaningful.

"We believe that this is the best way to retain talent and decrease turnover, but it goes beyond that: happy and fulfilled people are not only our greatest ambassadors but also work better and are more productive, and this is an obvious asset for the company." says Isabel Barros, Chief Human Resources Officer (CHRO) and Executive Board Member at Sonae MC.

Overall, a flexible work program has a positive impact on employer branding: candidates value work flexibility so it ends up being a "must have" work benefit. Sonae MC's HQ employees, the currently eligible population for *Flex it Up*, gave much higher Employee Net Promoter Scores (ENPS) than non-eligible employees, and in the follow-up question many of them pointed *Flex it Up* as a reason for them to recommend Sonae MC as an employer.

Internal surveys and data highlighted an opportunity to improve employees' experience by giving them the conditions and tools to manage both their work and life demands. In 2016, only 55% of Sonae MC's employees agreed that they were able to balance their personal and professional lives. This input, aligned with the work trends, underlined that flexible work should be a top priority.

Sonae MC's solution

There was a longstanding wish, from all employees at all levels, to see formal measures focused on work flexibility and work-life integration. In particular, Sonae MC's CHRO challenged the Human Resources team to think about this topic and to build actionable solution. As a result, and aligned with the company's core values and beliefs as well as with the expectations and needs of its employees, Sonae MC launched *Flex it Up* in 2019.

Sonae MC started "bottom up" by listening to employees' wishes and needs and took them into account for the definition of the key components and top priorities of the initiative. Secondly, before launching the program, the company mobilized its leaders to become *Flex it Up* sponsors, choosing a top-down strategy.

"We don't talk about work-life balance as we see life in an integrated way, where its several dimensions coexist and are complementary. With the implementation of Flex it Up, Sonae MC is focused on making the employees feel that they are more in control of their own time and can manage it in the most favorable ways for them."

Isabel Barros, CHRO and Executive Board Member, Sonae MC

With the motto '*Flex work, full life*', the program is based on a philosophy of trust, in which employees have the necessary autonomy to access different flexible working solutions, allowing them to better manage their periods of absence and/or permanence in their respective workplaces. Through the implementation of this program, Sonae MC actively contributed to a better reconciliation of the different spheres of workers' lives, with positive impacts on their wellbeing and their levels of satisfaction and engagement.

Flex it Up comprises five different initiatives:

1. **Remote Work:** Employees can work from home once a week, in a maximum of 4 days/month;
2. **Flexiwork:** Adjustable schedule which allows employees to start and finish their workday when they want (considering our 'core' times);
3. **Extra days off:** Access up to 5 unpaid extra days off;
4. **Part-time schedule:** Reduced work schedule (min. 24h/week) with commensurate pay reduction;
5. **Unpaid leave:** Encompasses a work activity interruption for a certain period of time (min. 30 days, max. 1 year).

For *Flex it Up* to work and to become part of the company's culture, it had to be transformational and disruptive. That is why involving top managers as sponsors was crucial. Before all the other employees they were involved through dynamic and fun alignment sessions, so that they could feel comfortable with the program, confident about their roles as 'flexi-leaders' and able to clarify any questions from their teams.

A second key component and one of the top priorities of the program, was to assure alignment with all the Portuguese legislation and other formal requirements (e.g. insurances). Hence, Sonae MC defined general conditions that had to be met for employees to be considered eligible for *Flex it Up* and specific requirements for each of the five initiatives.

Through a simple platform, employees can consult the general conditions, responsibilities and other details of the initiative, check the FAQs and register their suggestions about *Flex it Up*. At the end of each initiative descriptive, employees find and fill in forms to formalize their request for access to the initiatives' opportunities.

From time to time, the project team audits the requests' database and evaluates the justifications' plausibility to assure they are valid. Available data is regularly analyzed to detect any relevant and actionable inputs, for example: Is there a certain area without requests? Why are there no requests (e.g. lack of awareness, low level of support from the area's manager)?

Additionally, Sonae MC introduced a tool for employees to register their work times even when working from home, allowing employees, their managers and the company to keep track of their registration history and working time.

Results

In 2019, the first year of the initiative, the results were already very positive with 43% of the eligible population accessing at least one initiative. The most popular initiative was, as expected, Remote work (almost 60% of all requests were for Remote work) followed by Flexiwork. Most employees requesting access to *Flex it Up* initiatives are women, Gen X and mainly non-managers.

In a survey conducted in September 2019, many employees referred to *Flex it Up* as a great asset, valuing the company's effort to implement it. It contributed to higher levels of satisfaction and higher probability of recommending Sonae MC as an employer.

Available literature and research in this field support the assumption that flexible work programs help companies gain access to (or retain), for example, educated, high-ability mothers who want flexibility in their jobs. While Sonae MC does not yet have robust data to confirm whether *Flex it Up* confirms these assumptions, Sonae MC representatives report witnessing the initiative's positive impact on talent attraction and retention. It is no coincidence that most *Flex it Up* requests were made by women.

Through *Flex it Up*, Sonae MC is reinforcing its commitment to gender equality as the initiative creates conditions that enable women to reconcile their personal lives with their professional demands, which is essential to guarantee that women have access to the same opportunities as men do.

Additionally, some of *Flex it Up*'s impacts are made evident by employees (both women and men) reporting that they are finally able to pick up their kids from school, something they were unable to do before *Flex it Up*.

Challenges

The implementation of a flexible work program is especially challenging in a company like Sonae MC, which has such a heterogeneity of profiles, job roles and businesses. Considering that Sonae MC operates primarily in food retail, where the nature of job roles is not typically associated with flexible work possibilities, the challenge seems even bigger to address.

Some of the main challenges the *Flex it Up* project has been facing are as follows:

- Not everyone had laptops (mandatory equipment for employees to be able to work remotely), so Sonae MC had to draw a plan to create a 'pool of laptops' that could be used by several employees in the days they work remotely, and to replace the remaining desktops with laptops.
- Resistant leaders, that felt that they would lose 'control' over their employees' work.



Video with testimonials from Sonae MC's employees benefiting from the *Flex it Up* program.

- In its attempt to implement *Flex it Up* (in its current design) transversely within the company, Sonae MC identified three main obstacles:
 - **Strictly stipulated work schedules** as they are linked to opening/closing schedules of stores;
 - **Presence in the workplace** is mandatory due to the **tasks' typology**;
 - Most of the **work is physical** with only a slight digital component (for most operations, employees do not use computers).

In this context, a major challenge relates to the implementation of Flex it Up initiatives in operational teams (in-store, logistics and manufacturing centers). To do so, Sonae MC is currently developing an Employee Experience project that is focused on the daily experience of in-store employees. One of its main drivers is the need to deep dive into the work-life integration related themes of this population to detect the opportunity areas and design specific ways to address them.

These obstacles did not stop the Flex it Up team. Instead, it made them build tailored solutions to different target groups with different needs. For some types of job roles, the company already had the technology, tools and overall conditions enabling it to step forward and allowing it to easily implement the measures for its Headquarters' employees.

Key success factors and lessons learned

Trying to create perfect solutions and only then implement them often delays important decisions. In the case of *Flex it Up*, Sonae MC prioritized agility and decided to move forward with those elements that were – while not perfect – ready to be implemented. Making the *Flex it Up* platform easily accessible and simple to use was one of the keys for success:



1. **Easy:** the platform is accessible 24/7 so that employees and managers can easily check the conditions and procedures associated with the program and the details of each initiative.
2. **Data based:** the platform Backoffice allows the project team to keep track of important metrics (e.g. number of requests per team) and to check descriptive data about the participants (gender, age, etc.).
3. **Transparent:** managers can only decline access requests if they justify their decisions (before a decision is submitted, the platform requires managers to file the reasons for their decision in writing).

Other key success factors

- **There is no one-size-fits-all solution.** Understanding that each reality and type of job role requires targeted initiatives is important. Differences are especially strong between headquarters and operational areas, and so are employees' needs and expectations.
- **Top-level buy-in.** Sonae MC's Leadership Commission and the CEO's full sponsorship from day one was essential to 'sell' the project to other leaders within the company, especially to those most resistant to change. Leadership was crucial not only to promote the program and emphasize the need for new ways of working, but also to stimulate participation from their direct reports and respective teams.

- **Involvement of other leaders** (besides LC & CEO) before communicating to the rest of the employees, enabling them to adapt the functioning of these new ways of working and feel ready to inform their teams and clarify their doubts.
- **Strong, disruptive and catchy communication.** Campaigns through several channels helped in raising awareness of the flexible work opportunities among staff, in improving general understanding and in getting broad buy-in from managers and employees. For example, demystifying preconceived ideas about work flexibility was supported by validating the new reality and share Sonae MC's point of view about it.
- **A dedicated platform for engagement.** A one-stop platform which centralizes all the information about the program – a platform where employees formalize their requests, leaders can monitor and give feedback and the project team can keep track of which requests have already been approved, are pending or were declined and why – confers a deeper sense of structure, transparency and equity within the company. Plus, it allows managers to have access to a global view of their team requests which helps them to better manage absences. Finally, it enables the project and HR teams to detect any potential problems that are being felt in particular units. For instance, when there are no requests from employees from a specific team or when a leader declines all team requests, HR needs to find out why and check if there might be a resistance problem.

Some of the main insights and lessons learned from this initiative

- **Creating a better work experience.** Respecting people's personal lives and different needs is of major relevance for a positive employee experience. Work flexibility, in particular, allowed Sonae MC to make this positive work experience a reality for its employees.
- **Stronger employee engagement.** When companies walk the talk of caring about their employees, they in turn tend to 'give back' and show that they care about their employers. This eventually translates into more dedication, performance enhancement, productivity, and higher engagement.
- **Flexibility is bidirectional.** While companies are the ones requested to provide it, employees need to be flexible as well.
- **A culture of trust, empowerment and autonomy is a mandatory requisite for flexible work programs.** Managers need to understand that if they trust employees enough to handle important tasks, they should also trust them enough to accomplish their goals and do their work outside of the office or at the times of the day that work better for them.

Flex it Up was not designed to be a rigid program. The ways of working are in constant evolution, so the program needs to accompany this dynamism and mutation and keep evolving to continue meeting the needs and aspirations of Sonae MC's employees.

Meanwhile, the emergence of the COVID-19 pandemic caused major disruptions in the workplace, workforce, in work itself and in related topics. Sonae MC recognized this situation as a moment in time to step forward and take advantage of the good things that came out of the crisis. For example, being forced to work remotely at a large scale allowed the company to prove that employees were as productive or, in many cases, more productive at home than they were in the office. This reinforces Sonae MC's belief that presenteeism (being at the office to carry out work) is not what matters the most. What matters most is how people feel about themselves, their work and their employer.

This new paradigm shift and bigger step forward in what concerns the company's ways of working, will bring new challenges. For example, deciding to give employees the option to work remotely more often or to work fully remotely, will raise new issues and questions that need to be address, such as:

- How to ensure that interpersonal relationships between co-workers are not negatively impacted by physical distancing?
- How to manage inexperienced staff remotely and make sure they feel integrated and learn as much as if they were at the office?
- How to optimize processes and procedures so they can be enablers of new ways of working?
- How to guarantee employees stay 'connected' to Sonae MC, maintaining their sense of belonging?

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The information in the case study was provided by Sonae MC.

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