



Responsive Workplaces

The business case for employment that values fairness and families

by Jodie Levin-Epstein
March 5, 2007

This article is reprinted from [Mother Load](#), a special report in [The American Prospect](#).

More and more, working parents have dual -- and dueling -- responsibilities on the job and at home. Yet today's workplace often seems stuck in a time warp, modeled for Ward and June Cleaver when the reality feels more like television's Survivor.

Some employers have adapted and made their workplaces responsive to working parents. Flexible scheduling that considers employee preference and paid time off, for example, have helped those who constantly juggle work and home. Often, such measures have benefited the employers, too, demonstrating that businesses can do well by doing good.

A business case for work/life balance is important, because commerce is not built on altruism. But will such evidence prompt all firms to rush to implement responsive workplaces and become "high road" employers? Hardly. As long as companies can make a profit riding the low road, many will feel no compulsion to change. Further, outmoded assumptions -- that low-wage workers are expendable, for example, despite research showing the significant costs of losing and replacing these workers -- are hard to change. Together, these realities result in workplace practices that collide with the nation's "family values." If Wal-Mart mandates a shift without notice, what happens to the worker's family when the 10-year-old must make dinner and tuck in the toddler? And what does it say about family values when parents lose wages -- or even jobs -- if they take a day to care for a sick loved one?

Government has an important role in fostering responsive workplaces for workers of all incomes. It should partner with business to make flexible scheduling commonplace, set minimum paid-leave standards, and foster other family-friendly supports. After all, the job of government is to sustain our nation's productivity and to put in place policies more focused on the next quarter century than on the next quarterly return.

Working Parents and Working Conditions

For the 65 percent of American families that have two working parents (or an employed single householder), getting work hours, child care, and (often) elder care to align is an essential part of the balancing act. For far too many of these families, success depends on the luck of the draw.

Because the United States has not set a minimum standard for work leave, private employers determine whether and to what extent employees receive paid leave for illness or for parental, vacation, or personal time. Many employers do provide some paid leave on their own: About 80

percent of working parents have some paid leave. Many others get very little, and 20 percent receive none at all. The Family and Medical Leave Act (FMLA) mandates that a worker be permitted up to 12 weeks of leave due to serious illness or the arrival of a new child with no risk of losing the job -- but the leave is unpaid, and workers at firms with fewer than 50 employees are excluded by law. Not surprisingly, the lowest-earning workers face the greatest challenges. More than half of working parents with below-poverty income have no paid leave at all, and one in three poor working parents cannot afford to take the FMLA's unpaid leave when a new child arrives.

The constraints most workers face while on the job can also stress family life. Only 28 percent of all full-time wage and salary workers have flexible schedules that allow them to vary the time they begin or end work. Even fewer lower-wage workers have flexible hours, and people who seek part-time work in order to fulfill family responsibilities often miss out entirely on paid leave and other benefits.

These working conditions matter. Worker well-being contributes to business productivity. Less appreciated is the fact that child well-being is influenced by a parent's working conditions. Parental engagement can influence a student's grades, a toddler's development, a sick child's return to health. Indeed, it's no exaggeration to say that a responsive workplace today can contribute to positive outcomes for the next generation of workers.

Businesses with Best Practices

So what do some really responsive workplaces look like? Flexible time that responds to employees' needs can include compressed workweeks, job sharing, telecommuting, and more. Some newer approaches are being used for workers at all wages:

- Online scheduling allows employees to request preferred work hours and swap shifts with colleagues. JetBlue and J.C. Penney are among firms using electronic "kiosk" scheduling.
- "Eliminating the clock" is the end goal of Best Buy's new human-resource strategy, which gives employees in the company's Minneapolis headquarters nearly total autonomy over their workday schedules; their performance is measured by results and productivity instead of hours. *BusinessWeek* reports that the company plans to expand the strategy of letting workers set their own schedules to its frontline retail workers this year.
- Paid leave, child-care assistance, and other benefits are par for the course at some model companies. Ikea, which offers paid sick days, maternity/paternity leave, and time off for child adoption, also provides health insurance, tuition assistance, and a generous 401(k) match. Deloitte & Touche offerings include paid parental leave and a five-year sabbatical plan to extend time off for training and child rearing. And Abbott Laboratories offers on-site child care to its Illinois headquarters staff.

The Business Case

Many employers that offer workplace flexibility say that these practices improve their bottom line -- and research bears them out, in the form of fewer employee absences, lower health-care costs, and higher rates of worker retention.

Employees offered flexible scheduling, for example, report lower stress than those without flexibility. Highly stressed workers create health expenditures nearly 50 percent greater than those with low stress. And the Centers for Disease Control found that stressed workers are also more likely to be absent from or tardy to work -- and to make plans to quit their jobs.

Workplace flexibility also enhances productivity. A Watson Wyatt study found a small increase in shareholder returns due to flexible work arrangements. One factor was a "surge in productivity" by workers using their time more efficiently; another was an increase in employee retention. It can cost 150 percent of a salaried worker's pay for a company to find, hire, and train a new person. And 73 percent of employees with high flexibility -- versus 54 percent of those with low flexibility -- will likely be at the same job the next year. For hourly workers, turnover costs amount to 50 to 75 percent of annual pay.

The impact of flexibility on engagement, retention, and productivity may be greater for low-wage and hourly employees. A report by Corporate Voices for Working Families notes that "the lack or absence of even the least amount of flexibility can mean the difference between keeping and losing one's job, economic security or poverty."

These and other findings confirm that family-friendly policies make good business sense as well as good social policy. And much can be accomplished at little or no cost to a company. Responsive scheduling -- often requiring a simple change in procedures, not new hires -- can make a huge difference to families with little effect on the bottom line.

Paid leave and supports such as child care carry costs, but these costs come with benefits, too. Paid sick days prevent contagion, paid family leave significantly enhances retention, and child care can improve worker productivity. A 1998 study calculated that unstable child care was costing employers about \$3 billion yearly. After inflation, that tab may be more like \$4 billion today.

So, if family-friendly practices are good for business, are most employers offering paid family leave and child care? Far from it. Only 8 percent of workers in the private sector get these assistance programs from their bosses. Not surprisingly, those receiving higher wages are twice as likely to get help from work, even though lower-wage workers are the most in need.

The Government Role

Given the paucity of private-sector coverage, it seems clear that our elected leaders must do more to address the challenge of getting work to balance with family responsibilities. Government can set minimum standards for certain working conditions; just as significantly, it can partner with business to recognize best practices, provide technical assistance, and develop tools for local promotion. Indeed, the public sector is often a model. The federal government allows 13 paid sick days a year, and most states are nearly as generous. Nine out of 10 workers in state and local governments have paid sick days, but not even half of those working in the private sector do. And workers covered by collective-bargaining agreements are much more likely to participate in paid sick-leave programs than those without union representation.

Some state and local governments have taken the lead in moving private employers forward. In California, a new law relies on the state's temporary disability insurance program to fund up to six weeks of paid family medical leave, with wages replaced at 55 percent of salary up to a cap. The program is financed through employee contributions. Last November, voters in San Francisco

approved a referendum ensuring up to nine paid sick days for workers. In Florida, a 2006 statute authorizes the governor to institute a "family friendly workplace initiative" to identify, recognize, and publicize the practices of the state's most family-friendly employers.

In Congress, meantime, a bipartisan Senate Caucus on Children, Work and Family was launched in January to "bring national attention to the 'kitchen table' issues that impact ... families and our economic security" and promote "policy solutions to improve the lives of all Americans."

Each of these efforts represents a good start. Ideally, they'll spur national, state, and local conversations that should include efforts to establish the following:

Paid leave. Now pending or expected soon in Congress are several measures that could dramatically improve things for working parents. The Healthy Families Act, for example, would guarantee seven paid sick days a year for most full-time workers (and a pro rata amount for part timers) nationwide. Other proposals would mandate paid family and medical leave, with between six and 12 weeks of benefits. A national nonprofit group, Take Back Your Time, just launched a vigorous campaign to push for congressional hearings on annual leave. Congress should take action on each of these important initiatives in this session.

Child-care funding. Employers will argue that they can't afford bigger-ticket benefits like child care (and parental leave). If that's true, then it's high time for business leaders to make this case to Uncle Sam. Corporations should advocate these supports, just as many have gotten behind universal health care. For every seven children federally eligible for public child-care subsidies, only one receives assistance. Business should take a lead in securing more funds for the Child Care Development Block Grant, which has essentially been flat-funded since 2002 -- leaving fewer working parents with help.

Stable schedules. Millions of workers hold jobs that seem anti-family because the time at work is erratic. Mandatory overtime, shifting schedules, and last-minute demands can throw child-care arrangements, not to mention parenting time, into a tailspin. The implications of these destabilizing work conditions are poorly understood. An authoritative body like the National Academy of Sciences should undertake a full review and appropriate legislative remedies should be pursued.

Part-time equity. Part-time workers, even those with the same duties as full timers, tend to have the least access to family-friendly options. Public policies could help here, as they have in the European Union, to ensure that part-time employees are not discriminated against and have greater advancement opportunities, for example -- and to otherwise improve the quality and rewards of part-time work. Passing the Part-time and Temporary Workers Benefits Act, now before Congress, would take on these important issues.

Recognition for best practices. Congress could offer competitive grants to spur state and local efforts to make their workplaces more responsive. Another interesting model is a Wage and Benefits Metric developed by the Northwest Area Foundation, which allows community leaders to assess the quality of jobs offered by a company -- so when a new company comes to town, for example, there's a way to determine if it deserves a tax credit based on the quality of jobs it will produce. This new online tool (www.jobmetric.nwaf.org) could be expanded to measure whether the employer offers a responsive workplace, and communities could use it when choosing between employers competing for government contracts or credits.

Businesses that are family friendly can improve their bottom line. That's essential. But it's not enough to ensure that workers, particularly lower-wage workers, will have the working conditions they need to meet responsibilities on the job and at home. Government should partner with business to foster responsive workplaces and should set minimum standards for working conditions that include paid leave. That way our nation can sustain not only its productivity but also what it values most: families and fairness.

Jodie Levin-Epstein is deputy director of the Center for Law and Social Policy. For an expanded report on this subject, see [Getting Punched: The Job and Family Clock](#).

This article is available on [The American Prospect](#) Web site.

© 2007 by [The American Prospect, Inc.](#)