

W H E N

W O R K

W O R K S

summary of
families and work institute
research findings

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Part I: Flexibility: A Critical Ingredient in Creating an Effective Workplace

Today's economy is far different than the economy of the past.

- It is increasingly knowledge- and service-based and technology-driven.
- It is global.
- It is fast-paced and fiercely competitive.
- It is 24/7.

Today's workforce is different than the US workforce in the past.

- It is more ethnically diverse—21 percent are people of color today versus 12 percent in 1977.
- It includes almost equal numbers of men and women—51 percent men and 49 percent women.
- It has also aged as the Baby Boom generation has moved through the ranks—with fewer young employees (22% under 30 today versus 37% in 1977) and more older employees (56% are 40 or older today versus 38% in 1977).

This is a special report based on data on the wage and salaried workforce from Families and Work Institute's (FWI) National Study of the Changing Workforce (NSCW). All data are from the NSCW, unless otherwise indicated. The 2002 NSCW would not have been possible without the generous financial support of:

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The survey respondents who donated their honoraria in order that we might continue this kind of research

This is not your father's workforce.

- In fact, far fewer fathers are the only ones bringing home the bacon—one in three (33%) today, compared with just more than one in two (51%) 25 years ago.
- The job-for-life has been replaced with growing job mobility and job insecurity—only 36 percent feel truly secure in their jobs (or report that it is not at all likely that they will lose their jobs in the next two years) versus 45 percent 25 years ago.
- Employees no longer work from 9 to 5—men now work 48.2 hours per week on average while women (including the 24% who work part-time) average 41.4 hours. And just more than one in four (26%) U.S. employees regularly works at least one weekend day.

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About the Study

The NSCW is a nationally representative study of the U.S. workforce conducted every five years. The 2002 NSCW includes 2,810 wage and salaried employees.

- Technologies—voicemail, email, and beepers—are blurring the lines between when people are working and when they are at home, with 46 percent reporting that they are contacted by others about their jobs outside of work hours on a regular or occasional basis.
- Whole new words have entered our vocabularies, like the “time famine”—67 percent of employed parents say they don’t have enough time with their children, 63 percent say they don’t have enough time with their husbands or wives (up from 50% in 1992), and 55 percent say they don’t have enough time for themselves.

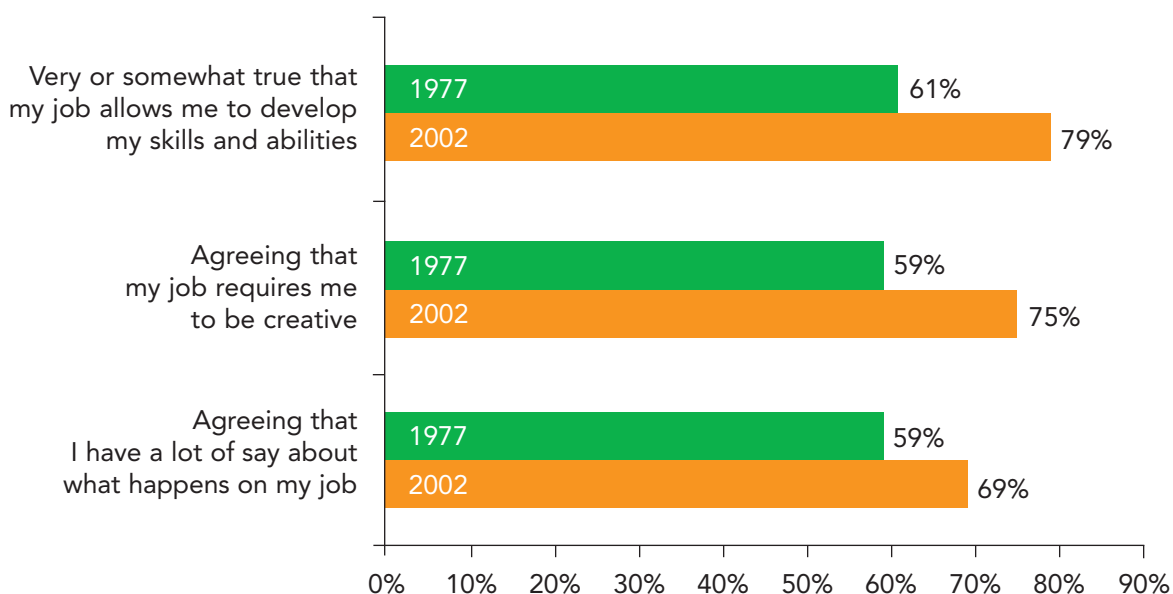
It is more challenging than ever to manage effectively—to recruit top talent, to engage and retain this talent, and to maximize productivity—in the face of fierce competition, more complicated jobs, and changing workforce demographics.

Making work “work” is far different today than it has been in other eras.

Employers, however, are responding. Growing numbers of organizations have explicitly or implicitly embraced quality assurance practices, learning organization principles and team-work—all of which attempt to maximize employees’ talent contributions, and in the process, give employees more control and responsibility in their jobs. Quality assurance practices encourage employees to take initiative to ensure product quality and customer satisfaction. Learning organizations reach deep into the ranks to identify more effective ways of working and provide learning opportunities for employees to develop their skills and progress. Employee teams have broad responsibility for deciding how work gets done, while also being held accountable for output and quality.

Data from Families and Work Institute’s 2002 National Study of the Changing Workforce and the U.S. Department of Labor’s 1977 Quality of Employment Survey illustrate some of these trends (Figure 1).

Figure 1: Changes in the Nature of Work and Jobs over the Past 25 Years



Many employers continue to strive to create more effective workplaces—to increase employee commitment and engagement.

- The efforts to improve workplace effectiveness recognize that people make the critical difference between loss and profit, between doing just okay and business success.
- Such employers move beyond the hackneyed rhetoric of “people first” to actually trying to put these ideas into practice.
- What is particularly striking in these “people first” approaches, however, is that most only consider one aspect of their people—the work side. They neglect the fact that their employees are whole people, with lives outside of work.

As the Industrial Age moves into the Digital Age, we are experiencing a transitional period in which some employers continue to believe that only presence equals productivity and commitment while others focus on results—on whether and how well work gets done, not just when and where it gets done.

What can companies do to position themselves to be the best today and in the future—to be an effective workplace?

Based on our research, we propose the following six criteria for creating an effective workplace:

- Providing job autonomy;
- Creating learning opportunities and challenges on the job—where employees can grow, learn, and advance;
- Developing environments where supervisors support employees in being successful on the job;
- Developing environments where coworkers support each other for job success;
- Involving employees in management decision-making; and
- Creating flexible workplaces.

All of these factors are geared toward maximizing employees’ contributions (and in the process, considering employees as whole people with lives outside of work), and toward providing shared decision-making and responsibility. Since the supervisor is critical in making work “work,” these factors call on supervisors to manage in ways that bring out the best in employees.

One of the unique contributions of this paper is that we include flexible work arrangements as a critical component of the effective workplace. We do so for several reasons:

- Flexibility calls for the same kind of shared responsibility for and support in achieving business results as the other components of the effective workplace; and
- Our own research consistently reveals that flexibility is linked to engagement, retention, job satisfaction, and employee well-being.

Employees in effective workplaces are more likely to be engaged in and committed to their jobs, be satisfied with their jobs, want to remain with their employers and have better mental health.

To assess the impact of having an effective workplace on employee engagement and commitment, job satisfaction, retention, and mental health, we created an average rating for the six criteria of an effective workplace—job autonomy, learning opportunities, decision-making involvement, coworker/supervisor support, and flexibility.

- Among employees in effective workplaces, more than twice as many (82%) express high levels of job engagement and commitment as employees in ineffective workplaces (36%).
- Among employees in effective workplaces, nine times as many employees (81%) express high levels of satisfaction with their jobs as employees in ineffective workplaces (9%).
- Among employees in effective workplaces, twice as many (77%) say they are “not at all likely” to seek a new job with another employer within the next year as employees in ineffective workplaces (38%).
- Nearly three times as many employees in effective workplaces—36 percent—exhibit very good mental health as employees in ineffective workplaces—13 percent.

The overall impact of being in an effective workplace is dramatic.

To assess the overall impact of an effective workplace, we conducted new analyses of the impact of being in an effective workplace on job satisfaction, job engagement/commitment, retention, and mental health *only* for those employees who are in effective workplaces.

Figure 2: Outcomes for Employees in Effective Workplaces



Note in our results that very few employees in effective workplaces are rated “low” on any of the desirable outcomes considered, while most are rated “high.” The only exception to this pattern is mental health where nearly a majority of employees in effective workplaces are rated in the middle category. One aspect of our measure of mental health, stress—measured by the frequency of feeling stressed and not having enough sleep—is the main reason why more employees in effective workplaces are not rated as having “very good” mental health. Stress and inadequate sleep are pervasive in today’s workforce as employees struggle to manage unprecedented work demands and personal and family responsibilities.

In light of the fact that two and one half times as many employees in ineffective workplaces (36%) as in effective workplaces (15%) exhibit poor mental health, we hypothesize that more effective workplaces actually protect employees against the negative effects of stress.

Different segments of the workforce respond in different ways to the characteristics of an effective workplace.

- Greater learning opportunities appear to be more important to job engagement and commitment, job satisfaction, and retention among younger employees (Gen-Y and Gen-X) than older employees (Boomers and Matures).
- More involvement in management decision-making is more positively related to job satisfaction among younger employees than older employees.
- Greater job autonomy and workplace flexibility are more important to job engagement and commitment among non-professional and non-managerial employees than among managerial and professional employees who tend to have greater autonomy and flexibility already.

The flexible workplace calls for new partnerships between employees and supervisors

Like the other characteristics of the effective workplace, the flexible workplace calls for new ways of managing and working. It requires both managers and employees to assume greater responsibilities in organizing and scheduling work. Some managers may find it difficult to break with traditional ways of doing things and some employees may not be able to handle new responsibilities of working with more autonomy, decision-making authority and flexibility. And not all jobs lend themselves to these more collaborative ways of management. However, the many organizations that are committing themselves to developing more effective and more flexible workplaces have generally become convinced that they have made the right decision and are reaping benefits that far outweigh the costs.

Part II: A Status Report on Workplace Flexibility: Who Has It? Who Wants It?

Given the importance of flexibility as a critical component of workplace effectiveness, as described above, we summarize our findings from the National Study of the Changing Workforce on workplace flexibility for wage and salaried workers. Table 1 below details these findings.

Table 1: Employee Access to, Use of, and Preference for Different Forms of Flexibility

Flexible Work Option	How many have access	How many use	How many without this option want it
Traditional Flextime	43%	NA	NA
Daily Flextime	23%	NA	NA
All Flextime	NA	73% of those who have this option available	NA
Shifts	NA	NA	49% would prefer a different work schedule
Compressed work week	42%	NA	NA
Part-Time	47%	17%	63% of part-timers prefer part-time 18% of full-timers (24% women and 13% of men) prefer part-time
Part-Year	NA	8%	52%
Taking Time Off During the Workday to Address Personal/Family Issues	31% not hard at all 32% not too hard	NA	NA
Paid Time Off for Illness	68%	NA	NA
Paid Time Off to Care for Sick Children	54%	NA	NA
Paid Vacation Days	78%	88% report being able to use their full vacation	NA
Parental Leave with Job-Guarantee under the Federal Family and Medical Leave Act	47% (U.S. Department of Labor Estimate)	NA	NA
Flex-Place	2% work primarily from home 9% work part of every week at home	NA	43%
Overall Desire for More Flexibility & Interest in Taking Advantage of Greater Flexibility If No Negative Consequences & Job Permitted	NA	NA	79%

NA= Not Asked or Not Applicable

Flex-Time

Traditional flextime allows employees to select their starting and quitting times within a range of hours surrounding core-operating hours.

- 43 percent of U.S. employees now have access to traditional flextime, up from 29 percent in 1992. Managers, professionals, and more highly compensated employees have much greater access than other employees.

Daily flextime allows employees to select their starting and quitting times within a range of hours, typically surrounding core-operating hours, on a daily basis.

- 23 percent of employees have access to daily flextime, up from 18 percent in 1992.

Although women and parents are more likely than other groups of employees to use either traditional or daily flextime when it is available, we find:

- The majority of men (68%) and the majority of non-parents (70%) use flextime when they have it.
- Fully 73 percent of the wage and salaried workforce use the flextime they are allowed to manage work, personal, and family demands.

Flextime is clearly not just for women and parents.

Work shifts specify the days and times during the day or night that workers work.

- 74 percent of wage and salaried employees in the U.S. work regular daytime shifts, while 26 percent work either evening or night shifts, rotating or changing shifts, are on call, or work split shifts.
- Overall, 26 percent of employees regularly work at least one weekend day.
- Nearly one half (49%) of all U.S. employees would prefer to have a different shift than the one they currently have, including a high percentage of those working regular daytime shifts (43%) who would prefer a different schedule.
- Among dual-earner couples with children under 6 years old, 41 percent rely entirely or mostly on parental care for their children while they are working, and 64 percent of these parents have specifically arranged their schedules to make this possible.

A compressed work week enables employees to work their allotted hours over fewer days—such as 10 hours per day over 4 days rather than 8 hours per day over 5 days. It also includes summer hours.

- 42 percent of wage and salaried employees have the option of working compressed work weeks at least some of the time.

Reduced Time

Part-time work includes those who work part days five days per week or those who work full days, but fewer than five days per week.

- 17 percent of the U.S. wage and salaried employees are employed in part-time positions (as defined by their employers)—24 percent of women and 9 percent of men. Overall, 67 percent of part-timers are voluntarily working the hours they work.
- 36 percent of employees 60 or more years old have part-time jobs and another 21 percent of those employed full-time would prefer to be working part-time—making a total of 57 percent.

This finding makes it clear that many older workers prefer part-time. If predictions that the aging of the baby boom generation will create worker shortages in the years ahead become reality, it will become more important than ever to retain older employees in the workforce. To accomplish this, it may become necessary to address the issues of the Social Security and pension benefit penalties associated with part-time employment for those workers nearing retirement.

- 61 percent of employees working in organizations that have part-time employees say that part-timers receive less compensation on a pro rata basis than full-timers doing the same jobs *just because they work part-time*.

There is clearly a part-time penalty that jeopardizes employees who want to or need to reduce their working hours that is important to address.

- In addition, only 40 percent of employees in part-time positions are offered health insurance through their jobs versus 90 percent of full-time employees. Overall, 19 percent of part-time employees versus only 9 percent of full-time employees do not have health insurance coverage from any source.
- 40 percent of employees believe that they could work full-time, if they are currently part-time, or they could work part-time, if they are currently full-time—in the same position—thus, there is mobility for only two in five employees.
- 33 percent of women and 48 percent of men who are part-timers want full-time work, while 24 percent of women and 13 percent of men who are full-timers would prefer to be working part-time.
- A total of 80 percent of those employees who would like to work part-time but don't either report that they cannot afford or would not be allowed to do so.

Part-year work means working reduced hours on an annual basis, rather than a daily or weekly basis—for example, working full-time during the school year and then taking a block of time off during the summer.

- 7 percent of the wage and salaried workforce engages in seasonal work—that is, they work during seasons when their labor is in demand—while another 1 percent work only part of the year by their own choosing.
- Among employees not currently engaged in seasonal and part-year work, 52 percent said they would like part-year work—58 percent of women and 49 percent of men.

Flex-Leaves

Time off during the workday to address personal and family issues

- When asked how hard it is to take time off during the workday to address personal or family issues, 31 percent say “not hard at all;” 32 percent say “not too hard;” and 37 percent of wage and salaried employees say “somewhat hard” or “very hard.”
- Parents, who are often most likely to need this flexibility, are less likely (26%) than non-parents (34%) to say it is “not hard at all” to take time off during the workday.

Time off for personal illness

- Only 68 percent of the U.S. workforce have paid time off for personal illness, with managers and professionals, more highly compensated employees, and older employees having greater access than other employees.
- In fact, only 47 percent of low-wage employees (bottom 25% of wage distribution) have paid sick leave compared with 84 percent of high-wage employees (top 25% of wage distribution).

Paid time off to care for children involves being allowed to take a few days off to care for a sick child without losing pay, without using vacation days, and without having to make up some other reason for one’s absence.

- 54 percent of employees have paid time off to care for children.
- Again, more advantaged employees have much greater access. For example, only 28 percent of low-wage employees have access to this option versus 58 percent of high-wage employees.

Paid vacation days

- 78 percent of wage and salaried employees receive paid vacation days.
- More advantaged employees have greater access to paid vacation time than less advantaged employees.
- In addition, full-time employees (86%) are much more likely than part-time employees (38%) to receive paid vacation days.
- Vacation time is related to job tenure, with those who have worked a year or less receiving 7 days on average and those who have worked more than ten years receiving nearly three times as many days (20 days).
- The average U.S. employee receives 14 days of vacation per year.

Parental Leaves

- According to the U.S. Department of Labor, only 47 percent of private sector employees work for companies covered by the Family and Medical Leave Act and also meet the length of service and hours-related eligibility requirements.
- According to the 2002 National Study of the Changing Workforce, 13 percent of women under 45 years old who don't have children but plan to have them someday think they will return to work as soon as possible (i.e., immediately following the period of postpartum disability), while 59 percent think they will take a few more weeks or months and 28 percent think they will stop working for a longer period of time (more than a period of "months").

This 28 percent indicates that many new mothers want time out of the workforce. Although this phenomenon is frequently written about as if it is a once-and-for-all choice, data from the Current Population Survey from the Bureau of Labor Statistics reveal that many women are taking longer leaves rather than dropping or opting out for good. There has been a change in labor force participation of mothers with infants. It has dropped from 57.9 percent in 1997 to 54.9 percent in 2001. The percentage of employed mothers of 2 year olds, however, has stayed the same (65.8%) during this period, and has increased for mothers with children ages 6 through 17—from 77.9 percent in 1997 to 78.3 percent in 2001.

It seems likely that the current trend toward time out of the workforce for new mothers will continue. Our data indicate that men want longer leaves too. However, flex careers are not just for childbirth or adoption. This indicates a need to provide flex-careers that include multiple points for entry, exit, and re-entry over the course of one career or working life, including formal leaves and sabbaticals.

Flex-Place

Flex-Place is defined as working some or most of one's regularly scheduled hours at a location other than the main location of one's employer. It includes primary and occasional arrangements.

- Only 2 percent of employees work primarily at home, while another 9 percent spend part of their regular work week working from home.
- Among employees who do not work any regularly scheduled hours at home (89 percent of wage and salaried employees), 43 percent would like to be able to do so.

Desire for and Obstacles in Using Flexibility

- In 2002, we asked employees whether they would "like to have more flexible work options" and whether they would "use them if there were no negative consequences at work and [their] job responsibilities permitted." Fully 79 percent of employees said yes. This was especially the case for younger workers (85% said yes).
- However, negative consequences appear to be the norm for many—39 percent of respondents report that employees who use flexible work options are less likely to get ahead in their jobs or careers.
- Employed parents are more likely (43%) than non-parents (35%) to believe that using flexible work schedule options would have negative effects on their job advancement.

The issue of career jeopardy for flexibility needs to be addressed.

Conclusion: In the future, flexibility won't be a program, a policy, a benefit, or a perk. It will become the way we work.

Although flexibility now may be seen as a perk for employees, findings from the National Study of the Changing Workforce clearly demonstrate that workplace flexibility can be a strategic tool in creating an effective workplace.

Managing and working more flexibly place new responsibilities on both managers and employees. Solutions must be tailored to meet the needs of both employers and employees.

As with any social or economic change, the transformation to a more flexible and effective workplace has not been and will not be easy or smooth. And as the economy is increasingly bifurcated into haves and have-nots, flexibility is part of this equation with more advantaged workers having greater access to flexibility than less advantaged workers.

Findings from the National Study of the Changing Workforce suggest that working with flexibility will become as commonplace as working with technology. Thus, it is incumbent on us to continue to design new ways of working that benefit both employers and employees.

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