



Family Friendly Work Practices in the U.S. Revisited

Balasundram Maniam^{1*}, Hadley Leavell², Stephanie Pustejovsky³

¹Department of Finance, Sam Houston State University, TX, USA, ²Department of Finance, Sam Houston State University, TX, USA, ³Sam Houston State University, TX, USA. *Email: maniam@shsu.edu

ABSTRACT

The dynamic of the American family is changing at a rapid pace. Households are comprised of dual income families, single mother families, or unmarried couples. These changes call for new approaches to business and how they view family friendly policies. This study looks at the change in family dynamic and how it has led to more family friendly work practices (FFWP). The first part of the study will focus on the four most researched FFWP which are on-site child care, telecommuting, flexible scheduling, and paid family leave. The study will review the advantages and disadvantages associated with FFWP for the company, its employees and its shareholders. Finally, the study will conclude with possible solutions to improve and extend FFWP to more firms in America.

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1. INTRODUCTION

Family friendly work practices (FFWP) have increasingly become more common in the U.S. since World War II. Traditionally fathers in the family were the primary income earner leaving the mothers at home to attend to the children. During World War II, many women entered the workplace for the first time. This placed a strain on caring for their children and this led to one of the first family friend work practices: On-site child care centers (Arthur, 2003). After the war the men returned to the workplace and women to the home. However, the past 50 years have seen single parents and dual income families entering the workplace, thus driving a need for more flexibility between family and work.

There are many practices that can be considered family friendly. The four most common FFWP that companies implement are on-site child care, telecommuting, flexible scheduling, and paid family leave (Lee and Hong, 2011). On-site child care consists of the corporation or government providing on-site day care, consortium sponsored day care, or public-private partnerships. Telecommuting entails allowing employees to work from their home or desired work spaces. Flexible scheduling involves

corporations allowing employees to create a schedule that works not only for the employer but for the employee and his family. Paid family leave is when corporations provide paid leave for extended periods of time to an employee to resolve family matters.

FFWP can have positive and negative effects on a firm in a broader scope. Employees without families may resent the FFWP. Shareholders may question the costs of the FFWP. However, shareholders' and the firm's value can increase with the initial announcement of implementing FFWP (Faley and Trahan, 2011). Still, over the long run studies have not indicated that FFWP increase value for shareholders. The initial cost of setting up the practices can be relatively high, but in the long run cost of FFWP pays for itself causing no loss or gain for firms (Bloom et al. 2010). FFWP can help satisfy employees and in turn increase productivity.

Firms in the U.S. have been becoming more family friendly. Not only has the increase in women in the work force increased FFWP, the increase of dual income families, domestic partnerships, and single parent families have changed the way firms are trying to attract and obtain quality employees. Many firms that require

highly skilled workers have provided FFWP. However, this does not include part time, low wage and service industries. This paper will provide some solutions for ways to improve and extend FFWP to more U.S. firms. These suggestions can help firms extend FFWP to more employees and create a better working environment for employees and employers.

2. LITERATURE REVIEW

Arthur (2003) gives some background about how work-family policies began around World War II. Breugh and Frye (2008) discuss the change in the make-up of the work force; more single parents, dual income families, and employees with elder care responsibilities have entered the workforce. With these groups entering the work force the work/family conflict can increase.

Albrecht (2003) states that an American worker has added 164 more hours to his/her work year in the past decade and that employees must be able to integrate work and family. Kim and Wiggins (2011) described the benefits for on-site child care, telecommuting and alternative scheduling based on demographics. Lee and Hong (2011) explain that telework can have a negative effect on agency performance and blur the line between work and home. Troup and Rose (2012) discuss telecommuting's benefits for employees. McGuire and Liro (1987) describe the components of flexible scheduling and that it can benefit employees. Glauber (2011) continues to explain flexible scheduling in regards to a firm's composition. Appelbaum and Milkman (2009) illustrate how paid family leave can be distributed through state government support. Martucci and Coverdale (2004) provide information about California's paid leave system.

Heywood et al. (2007) believe that leave policies will perpetuate inequality. In that same vein, Gray and Tudball (2003) state that although firms may offer FFWP, not all employees will benefit from them. Firms need like-minded employees who value similar workplace accommodations (Wax, 2004).

Arthur and Cook (2004) assert that just the announcement of work-family initiatives create intangible wealth. However, they discuss the danger of shareholders' skepticism erasing the anticipated rise in share price. FFWP can cost the company a lot of capital to start; it can also create a sense of entitlement and can lead to lower productivity if policies are not implemented correctly. Bloom et al. (2010) argue that FFWP may not increase company profits but the practices pay for themselves. Ko et al. (2013) elaborate on the shifting demographics of the work force.

3. TYPES OF FFWP

Many U.S. firms are embracing FFWP. These practices include working from home, sick leave, flexible scheduling, maternity leave, paid extended leave, on-site childcare, on-site dry cleaning, on-site gyms, and on-site eateries. The four most common and most researched practices are on-site child care, telecommuting, flexible scheduling, and paid family leave (Lee and Hong, 2011).

3.1. On-site Child Care

The positive aspects of on-site child care can help recruitment, increase company loyalty, and decrease turnover and tardiness (Kim and Wiggins, 2011). One positive aspect of onsite child care is that if the company has nontraditional hours, the on-site care facility will also offer nontraditional hours. The negative aspects of on-site child care for the employer are the cost of setting up a facility, proper staffing, and upkeep may be expensive depending on the size of the company (Lee and Hong, 2011).

The next type of on-site child care options is a consortium-sponsored day care. This type of care is not on the property of the company but it does offer the same services as an on-site care facility. In a consortium-sponsored day care association, companies join together to create a child care facility for their employees to use. These consortia are typically run by an outside party and can be used by the company employees or the general public. This type of day care may be better for medium to small companies who do not have extra space at their company to accommodate an on-site child care program. The benefits of a consortium-sponsored day care are that it can reduce costs and liability but does not provide as convenient a location.

The next type of child day care is a combination of a public-private partnership with a day care facility and the company. The partnership can be with a public facility, like a hotel or a private facility, like a government building. This type of day care has proven beneficial for both parties because they both share costs. The downside to this type of day care is also location. Regardless of which policy is chosen, each option can have benefits of helping employees manage their work/life balance by offering a day care service.

3.2. Telecommuting

Telecommuting gives employees the freedom to work from home or their desired destination. Telework is usually supported by a computer, internet, and a telephone. Increased advances in technology have increased the use of telework (Lee and Hong, 2011). Telework can only be used if the tasks employees are given only need use of a phone or computer, such as employees working for a computer programming company. The heavy demands of child-raising and caring for family elders lead women to utilize telework more than men (Troup and Rose, 2012) as most women are still the primary care givers within the family.

One common issue with telework is the blending of work and home life. Working from home causes conflict of when the work day ends and home life begins. Smart phones and tablets have made it easier to receive emails and notifications from work at anytime of the day. This can lead to the issue of employees always being "plugged into work." The blurred lines between work and personal time were equally problematic for both women and men (Troup and Rose, 2012) although telecommuting is said to increase productivity and reduce turnover (Kim and Wiggins, 2011). Telework can only be beneficial to certain types of companies but if there are available recourses and the employees maintain the lines between work and home life then telecommuting would be a possible FFWP to use.

3.3. Flexible Scheduling

Flexible scheduling allows employees to arrange their work schedule around their personal schedule. Flexible scheduling is made up of two components: Required time (core) and flexible time (non-core). Required time is the time that employees are required to work such as 10-3 or 9-2. Flexible time is made up of the rest of the hours required for work that day, such as coming in early or working late. Another type of scheduling is compressed scheduling. This type of scheduling gives employees the choice to free up a day or two for family matters (Lee and Hong, 2011). For example, an employee with compressed scheduling can work four 10 hour days to have a 3-day week end or an additional day off in that work week.

Flexible work schedules vary from company to company. Allowing flexible scheduling can help an employee balance their work/life schedule by letting the employees work at a time that is most productive for them, while allowing them to arrive to fit child and school scheduling duties in as well. Both women and men have equal access for flexible scheduling. However, men who work in smaller companies are more likely to have more scheduling flexibility where as women who work in larger working environments are more likely to have greater scheduling flexibility. Flexible scheduling works best in integrated occupations in professional sections of the labor markets due to their structural locations (Glauber, 2011). Flexible scheduling also works well in part time positions.

Unfortunately scheduling flexibility is offered less to lower paid employees whereas more flexibility is offered to employees with higher wages. This is due to the level of skills or tasks that the employee is performing. Depending on the occupations, flexible scheduling may be an option to help employees maintain their work/life balance.

3.4. Paid Family Leave

Paid family leave includes employees being compensated for extended leave pertaining to family matters. Extended family leave is classified as any leave that requires an employee's absence for an extended amount of time such as maternity leave, adoption, funeral arrangements, or the care for a sick child, parent, or relative. Paid leave varies by each company however the federal government requires companies to permit leave for employees who are facing illness, family deaths and new babies.

Nearly forty percent of workers in the US lack paid sick days and paid leave (Appelbaum and Milkman, 2009). Paid family leave is already used by many established companies with skilled workers, but workers who are in the service industry or lower income brackets are lacking paid leave. Sick days are critical for rebuilding the middle class because many working families cannot afford unpaid leave. Hourly workers or employees without paid leave who take unpaid leave run the risk of receiving less pay and in turn increase the stress of caring for their family as well as increase the work-family conflict. Many workers also fear by taking time off, they can lose their job or opportunity for advancement.

There have been a number of national acts that have helped increase paid family leave such as the FIRST Act and the Healthy

Families Act (Lee and Hong, 2011). These acts either increase the number of days for extended leave or increase the minimum number of paid sick days for workers. However, even though the acts may have compelled companies to increase paid leave, some companies only cover paid leave for biological family members. This can cause a problem for same sex and unmarried households. Some critics argue that paid leave will create inequality among employees by allowing some employees to take extended time off while the other employees pick up the slack (Heywood et al., 2007). However, the same can be said for employee turnover. Paid family leave may not be a FFWP that each employee uses every year like flexible scheduling or an on-site gym, but it is likely to be used at some point during the worker's employment. These four FFWP have been linked to increased productivity, employee well-being, loyalty to the company, lower absenteeism, and reduced work-family conflict. (Albrecht, 2003).

4. THE PROS AND CONS OF FFWP

There are pros and cons that come with every FFWP. While some were discussed in the previous section the next few paragraphs will illustrate a broader view of the positives and negatives of FFWP. The first portion will discuss FFWP versus work/life policies. The next analysis will be about the cost of FFWP and the effects on shareholders. Lastly FFWP will be evaluated in association with the gender gap and need for skilled workers.

4.1. Family Friendly vs. Work/Life Friendly

Policies, such as on-site child care, can benefit employees with children, but not employees without children. The employees without children can feel like the on-site child care policy is unfair (Gray and Tudball, 2003). This can cause conflict within a company and the employees. One way companies can overcome this type of conflict is to rename the term "FFWP" to another term such as "work/life practices." FFWP and work/life practices can mean the same thing whether it is on-site child care or an on-site gym. A neutral name can help reduce conflict among employees. Besides a neutral name, implementing policies that benefit most employees can work too. Instead of on-site child care, a company could allow its employees to use flexible scheduling or telecommuting. Both options could benefit employees with and without children. Another way to try and benefit the majority of employees is to offer more than one FFWP. Employees would have an option of which FFWP to choose. It is important for firms to realize that they need like-minded employees who value similar workplace accommodations (Wax, 2004).

4.2. Value to Shareholders

FFWP cost money but also have value to shareholders. When a company adopts a family friendly practice it can attract valuable employees who value that policy. The FFWP will add value to the company's name, which will make up for no long term gains. Also, if other companies see that a firm is doing well with a new FFWP or new human resource policy then the other companies will adopt the same or a similar policy (Arthur, 2003). The company that created the new policy will become a human resource pioneer. This can create a competitive advantage at least until other companies adopt similar policies.

5. POSSIBLE SOLUTIONS TO INCREASE FFWP IN MORE US FIRMS

FFWP offer a better balance between work and personal life. Why don't all firms adopt FFWP? The answer can depend on a number of issues, anything from company size, location, specific jobs, salary, costs, etc. Whatever the issue, there are a few solutions that any company can do to help extend FFWP to its employees. These possible solutions include informing employees about FFWP, extending paid leave through state and government action, closing the gender gap, and cooperation among all firms for better work practices.

5.1. Educating Employees

The simplest solution to increasing FFWP is informing all employees about the policies that the company has to offer. Companies and managers need to communicate to employees about the policies of the company. Having required human resource meetings can help inform employees. Also having pamphlets readily available in multiple languages can easily help minorities who speak multiple languages understand the benefits the company offers. These policies need to be distributed throughout the company (Wax, 2004).

5.2. Closing the Gender Gap

Another solution to increase FFWP would be to continue to close the gender gap. Companies should focus on work life practices that will benefit the company and shareholder, and not just benefit women. Another way to help close the gender gap is to create a job security system that does not jeopardize a job or penalize women for becoming mothers. Fair wages and job security will help bridge the gender gap and in turn this will help companies extend FFWP to both genders equally.

5.3. Collaborative Solutions

Encouraging cooperation and adoption of FFWP across industries and firms in the U.S. will allow recognize the changing family dynamic. With the growth of single parent families and dual income families, the traditional style of management and corporate structure is no longer valid. No longer are employees expected to be totally disconnected from their families or their work as well. Technology has helped keep both work and family readily available via smart phones and tablets. Managers will need to be trained to support their employees when family-related issues and illness-related issues arrive. Another way to change this mindset is to have promotions based on how well an employee completed a task versus how many late nights the employee put in.

6. IMPLICATIONS FOR THE FUTURE

FFWP have grown to be a popular incentive for companies to recruit and maintain highly skilled workers. As FFWP become a society norm there are a few implications that could be used for future study such as the term FFWP, dual income families, domestic partnerships and non-traditional families, and the effects of management on workplace happiness.

The actual term FFWP can mislead many to assume these policies are only valid for employees with families. The evaluation of the relevance of the term in regards to employees can be cause for further study. Also the growth in single parent homes, dual income families, as well as domestic partnerships will eventually cause the term FFWP to have a different meaning of the word "family." Another term such as work-life policy may be more fitting. Management can play a big role in employee happiness. Further studies on the supportiveness of management and effectiveness of FFWP can be cause for future study as well.

7. SUMMARY AND CONCLUSION

FFWP are not obtainable without weighing the pros and cons of work practices in a broader scope. Some FFWP may help employees with families not necessarily benefit employees without family obligations. When choosing a FFWP companies need to take into account the demographic of its company and what policy will benefit its employees and company best. The two terms to use are FFWP or work/life practices. FFWP may be expensive to begin, but in the long run the FFWP pay for themselves. The announcement of a FFWP by a company increases shareholder's wealth in the short run only, but longer term benefits from value attached to the company name can help attract skilled employees.

FFWP can be extended to all types of companies. This can be enhanced first by informing all employees about the practices of the company. Next FFWP can grow by continued coordination across firms to extend FFWP with the help of state and national government. Paid and sick leave mandates can benefit employees and create added value for a firm. Just wages and job security will help the continued closing of the gender gap which will force companies to reevaluate current policies and provide FFWP equally to all employees in a firm. Also cooperation across all firms to change traditional management styles will help integrate FFWP easier. This change will have to come from inside and outside of the company. Proper training and supportive managers will help the company from within. Nationwide acceptance of family work practices across all firms will have to happen outside the company. FFWP are continuing to grow and attract employees to companies in the United States.

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