



Flexibility for Success

How Workplace Flexibility Policies Benefit All Workers and Employers

A growing number of employers recognize the benefits of flexible workplace practices. These employers know that setting workplace standards that promote flexibility and allow workers to meet the dual demands of work and family improves employee productivity, loyalty and retention—creating happier, healthier workplaces, and better bottom lines.

Even though an increasing number of employers are choosing to implement flexible workplace policies, hourly and lower-wage workers are too often left behind or left out. Most of the 38.5 million lower-wage workers in the United States¹ do not have access to even the most basic flexibility policies. Employers can change their schedules day to day, or week to week, with little or no advance notice. Mandatory overtime is common, and paid time off that can be used on short notice for medical or family emergencies is rare. Because these workers have so little control over their schedules, they struggle to make quality child care arrangements and meet other family commitments. The result for businesses? Low worker morale, higher rates of absenteeism and presenteeism, skyrocketing turnover and the loss of their most valuable asset: a loyal and productive workforce.

Access to basic flexibility can help lower-wage workers manage their responsibilities at home—which increases their productivity at work and boosts business bottom lines.

Lower-wage workers disproportionately need—and lack—flexibility in the workplace.

Lower-wage workers experience greater conflicts between their work and family responsibilities than higher-wage workers, and the challenges they face are intensified by the fact that their employers are less likely to offer basic workplace supports and even modest flexibility. In addition to having high levels of economic insecurity and instability, lower-wage workers are more likely than higher-wage workers to “tag-team” or share parenting responsibilities.³ They are also more likely to be single parents,⁴ to have a child with special needs⁵ or to be caring for an ill or elderly family member.⁶

Lower-wage workers are nearly twice as likely as mid- and higher-wage workers to have low levels of overall workplace flexibility.²

As lower-wage workers try to meet their competing responsibilities at work and home, they face significant challenges, including:

» Unpredictable Work Schedules

Lower-wage, hourly workers tend to lack basic stability in scheduling, with work hours that change day to day and week to week—offering little predictability to allow them to meet family demands.⁷ Many lower-wage

workers are also forced to work overtime at the employer's discretion and without notice, which can create chaos as they try to manage medical appointments, child and elder care, school responsibilities and other jobs.⁸ When workers have predictable schedules, they know when they are expected to work, and they perform better.

» Inflexible Work Hours

Most lower-wage, hourly workers don't have the flexibility to come in a bit late, leave a bit early or take time away from work in the middle of the day to deal with family emergencies.¹⁰ They can easily face penalties, such as demerits or "points," that can lead to termination—or withheld pay—due to unexpected situations like a bus that is caught in traffic or a babysitter that arrives late. Higher-wage, salaried workers often take for granted their ability to vary their work hours. They know, and their employers trust, that they will make up the time and that the work will get done. Many lower-wage workers do not have that flexibility.

Only one-third of lower-wage workers can even choose their own break times—posing challenges if they have to call home or check in with a doctor's office.⁹

» No Access to Paid Sick Time

Everyone needs to be able to take time away from work to recover from illness or take care of a sick child or parent. An overwhelming majority of lower-wage workers are not able to earn paid sick time the way higher-wage workers do. Some lower-wage workers have paid sick days in name only, risking penalties or termination if they take unscheduled absences. Others lack paid sick time altogether—jeopardizing their financial security and risking their jobs when the flu hits or the school nurse calls.

» No Access to Time Away from Work When a New Child Arrives

Families celebrate when a new child joins the family—but for a lower-wage worker, a child's arrival is often accompanied by significant financial pressure and the risk of job loss. Few lower-wage mothers have access to job-protected unpaid leave under the Family and Medical Leave Act (FMLA),¹¹ making them more vulnerable to job loss when they need time off after childbirth. And very few lower-wage workers have paid family leave that allows them to take time away from work to bond with and care for a new child.¹²

Businesses risk losing their most valuable asset—a trained and committed workforce—when they fail to offer flexible workplace policies.

Flexible workplaces breed greater job satisfaction, stronger job commitment and higher rates of worker retention¹⁴—outcomes that boost productivity and profits. Still, too many employers do not offer workers access to basic flexibility in the workplace.

Turnover rates among hourly workers, who are often paid lower wages, clearly indicate that the lack of flexible and fair employer policies is affecting retention. The turnover rates among these workers are notoriously high—80 to 500 percent in some industries¹⁵—in part because their jobs offer little or no flexibility. When competing work and family responsibilities arise, these workers are faced with tough decisions that can result in job loss. For employers, the cost of replacing an hourly worker is 30 percent or more of that worker's annual salary.¹⁶ Not only does the situation put undue pressure on working families, but it also makes little sense for businesses that end up continually paying for the hiring, training and retraining of workers that result from a failure to provide flexibility.

84% of higher-wage private-sector workers have paid sick days to use to take care of their own illnesses, compared to 32% of lower-wage workers.¹³

“Healthy businesses need healthy workers, which is precisely what paid sick days accomplish.”

— Margot Dorfman, CEO, U.S. Women's Chamber of Commerce

“ [My] business would benefit from a national standard of paid sick days because it would level the playing field among competitors who don’t currently offer paid sick days to their employees.”

– **Lindsey Lee**, Cargo Coffee and Ground Zero, Madison, WI

Leading employers have already instituted innovative practices because they recognize the role that flexibility can play in fostering a loyal, productive workplace and improving worker retention. These businesses allow hourly workers more control over their schedules and their work, and provide the flexibility that workers need to succeed on the job. Some of these practices include flexible schedules, self-scheduling, cross-training workers to fill in when a team member is out, and supporting work from home.¹⁷

Even though some employers and industries voluntarily adopt flexibility policies for all of their workers, only a small fraction of the lower-wage workforce is employed in these businesses. That is why public policies are critical to changing the culture, leveling the playing field and helping both working families and employers.

Paid leave policies are a key form of flexibility that benefit businesses.

Public policies set a standard for all businesses and workers to follow, so that no business is penalized in the short or long term or put at a disadvantage for doing the right—and ultimately profitable—thing. Paid leave policies allow employees to take time away from work to deal with personal illness or to care for an ill family member. With public policies that ensure access to paid leave for all workers, both businesses and workers in the United States will get the support and protection they need to ensure healthy, happy and productive workplaces. Such policies include:

» Paid Sick Days

Policies that ensure access to paid sick days help businesses retain valuable workers. A paid sick days standard would allow employees to earn a minimum amount of paid sick time. In doing so, the standard would level the playing field for employers by making paid sick days a normal business practice on par with other widely accepted workplace standards. Businesses would have the flexibility to continue to offer more generous benefits, and those businesses that already provide basic paid sick days protection would not need to change their policies.

Five years ago, the city of San Francisco passed a citywide law enabling all workers to earn paid sick days. Despite initial skepticism, San Francisco businesses and workers now report very positive results. Since 2007, job growth has been higher in San Francisco than in neighboring counties that do not have paid sick days laws. And the number of businesses in the city—including small businesses—has grown, contrary to claims that the law would be a deterrent.¹⁹ In short, San Francisco’s paid sick days law has proven that a paid sick days standard works for both workers and employers.

» Paid Family and Medical Leave

Paid family and medical leave has a big impact at little cost. When provided through a public insurance system, the cost of paid family and medical leave programs is spread out, which allows even the smallest businesses to offer leave to all of their employees. In fact, existing paid family and medical leave programs are funded solely through employee contributions with no direct costs to business.

“Many of our production, management, and even sales staff have used paid family leave. [...] The employees are happier and more loyal to the company when they feel the management of the company cares about them.”

– **Rohana Stone Rice**, Galaxy Desserts, Richmond, CA

Lower-wage workers are significantly more likely than higher-wage workers to have lost a job because of unscheduled or unexcused absences. A primary reason may be unavoidable absences due to family illness and jobs that offer no flexibility.¹⁸

Paid family leave insurance programs in California and New Jersey complement Temporary Disability Insurance (personal medical leave) programs. These programs provide workers with a share of their wages for a limited time while they take time off to care for a family member with a serious health problem or bond with a new child. Not only have these state programs been successful and popular among workers, but they have also benefited businesses.

In California, an overwhelming majority of employers say that the program has had either a positive or unnoticeable effect on worker retention, morale, productivity and business profitability. And the use of the leave has increased retention among lower-wage employees. Most of these workers have no access to any other type of paid leave, so the program is critical in allowing them to care for their families' needs.²⁰

The Bottom Line: Flexibility Works for Everyone

Model employers have recognized the importance of making flexibility available to all workers—including lower-wage workers—and they have taken steps to establish fair and flexible workplace policies. But lower-wage workers are still too often left behind and public policies are needed to close the gap. When all businesses adhere to a standard of basic workplace flexibility, including paid sick days and paid family and medical leave, the result will be healthier, more reliable and more productive workers at every wage level—and employers will reap the benefits.

In California, 83% of workers in “low-quality” jobs—those making less than \$20 per hour with no health benefits—who used the state’s paid family leave program returned to their previous employer after they took leave—a ten-point gain over workers who did not use the program.²¹

¹ This is the number of civilian workers whose wages fell in the lowest quartile (less than \$11.11 per hour) in 2009. U.S. Department of Labor, Bureau of Labor Statistics. (2010, March). *National Compensation Survey: Employee Benefits in the United States, March 2010* at 527. Retrieved 26 January 2011, from <http://www.bls.gov/ncs/eps/benefits/2010/ebbl0046.pdf> and U.S. Census Bureau. *Table 584. Civilian Population—Employment Status: 1970 to 2009*. Retrieved 26 January 2011, from <http://www.census.gov/compendia/statab/2011/tables/11s0585.pdf>

² Families and Work Institute. (2006, November). *What workplace flexibility is available to entry-level, hourly employees?* Retrieved 26 January 2011, from <http://www.familiesandwork.org/site/research/reports/brief3.pdf>

³ Williams, J., & Boushey, H. (2010, January). *The Three Faces of Work-Family Conflict: The Poor, the Professionals, and the Missing Middle*. Center for American Progress and Center for WorkLife Law Publication. Retrieved 13 December 2010, from <http://www.americanprogress.org/issues/2010/01/pdf/threefaces.pdf>

⁴ Families and Work Institute. (2006, November). *What do we know about entry-level, hourly employees?* Retrieved 26 January 2011, from <http://www.familiesandwork.org/site/research/reports/brief1.pdf>

⁵ See note 3.

⁶ Ibid.

⁷ Corporate Voices for Working Families. (2006, October). *Workplace Flexibility for Lower Wage Workers*. Retrieved 26 January 2011, from <http://www.corporatevoices.org/system/files/lowerwageflexreviewreport.pdf>

⁸ Ibid.

⁹ See note 2.

¹⁰ Ibid.

¹¹ O'Leary, A. (2007). How Family Leave Laws Left Out Low-Income Workers. *Berkeley Journal of Employment and Labor Law*, 28(1). Retrieved 27 January 2011, from <http://www.law.berkeley.edu/files/OLearyArticle-BJELL.pdf>

¹² U.S. Department of Labor, Bureau of Labor Statistics. (2010, March). *Employee Benefits in the United States National Compensation Survey: Employee Benefits in the United States, March 2010 (Table 32)*. Retrieved 13 December 2010, from <http://www.bls.gov/ncs/eps/benefits/2010/ebbl0046.pdf>

¹³ U.S. Department of Labor, Bureau of Labor Statistics. (2010, March). *Employee Benefits in the United States: Selected paid leave benefits: Access, National Compensation Survey (Table 6)*. Retrieved 9 December 2010, from <http://www.bls.gov/news.release/pdf/eps2.pdf>

¹⁴ See note 2.

¹⁵ Williams, J. & Huang, P. (2011). *Improving Work-Life Fit in Hourly Jobs*. Work Life Law, U.C. Hastings College of Law Publication. Retrieved 26 January 2011, from <http://www.worklifelaw.org/pubs/ImprovingWork-LifeFit.pdf>

¹⁶ Ibid.

¹⁷ See note 7.

¹⁸ See note 2.

¹⁹ Petro, J. (2010). *Paid Sick Leave Does Not Harm Business Growth or Job Growth*. Drum Major Institute for Public Policy Publication. Retrieved 26 January 2011, from http://www.drummajorinstitute.org/pdfs/Paid_Sick_Leave_Does_Not_Harm.pdf

²⁰ Appelbaum, E. & Milkman, R. (2011). *Leaves That Pay: Employer and Worker Experience with Paid Family Leave in California*. Retrieved 26 January 2011, from <http://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>

²¹ Ibid.

The National Partnership for Women & Families is a non-profit, non-partisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family.