

1-1-2007

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Citation Details

Brennan, E. M., Rosenzweig, J. M., Huffstutter, K. J., Stewart, L. M., & Coleman, D. (2007, May). Assessing the business case for flexible work arrangements. Paper presented at the 87th Annual Convention of the Western Psychological Association. Vancouver, BC.

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Portland, OR



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Assessing the Business Case for Flexible Work Arrangements

Presented at:
87th Annual Convention of the
Western Psychological Association

May 3-6, 2007

Vancouver, British Columbia

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Katherine J. Huffstutter, MSW; Lisa M. Stewart,
MSW & Daniel Coleman, PhD**

Research Team

- ✎ Eileen M. Brennan & Julie M. Rosenzweig, Co-principal Investigators,
- ✎ Anna Malsch, Project Manager,
- ✎ Katherine J. Huffstutter, Doctoral Candidate Collaborator,
- ✎ Lisa Stewart, Graduate Research Assistant, and
- ✎ Daniel Coleman, Project Collaborator.

Work-Life Integration Project Goals and Objectives

Overall Goal

- To improve the extent to which families with dependent care needs have access to and awareness of employment-based supports that promote work-life integration — participation in the workplace, while permitting them to take part in family and community life and roles.

Objectives

- To identify HR policies and practices that support employees with dependent care responsibilities, particularly children with special needs.
- To provide information and resources to HR professionals about best practices that support employees caring for children with mental health disabilities.

Children with Special Needs: The U. S. Numbers

- ✎ 20% of U.S. households care for children with special needs (Child & Adolescent Health Initiative, 2004).
- ✎ 13% of children in the U.S. have a disability (Institute for Community Inclusion, 2006).
- ✎ Nearly 20% of children experience symptoms of a mental health disorder over the course of a year.
 - 5% are considered to have serious emotional disorders (U.S. Department of Health & Human Services, 1999).
- ✎ In any given company, about 9% of employees have children with special needs (Center for Child & Adolescent Health Policy, 2004).

Workplace Barriers to Work-Life Integration

- Employees who have children with disabilities are reluctant to ask for flexibility, fearing negative job consequences (Lewis, Kagan, & Heaton, 2000).
- 37% of employees say it is hard to take time off during work when personal or family issues arise and 39% report that using flexibility jeopardizes their advancement (Families & Work Institute, 2004).
- 54% of employed parents say they cannot take time off for sick children without losing pay, using vacation days, or making up an excuse (Families & Work Institute, 2004).

Finding a Way to Work through: Workplace Culture and Support

- **Workplace culture** defined as shared assumptions, beliefs, and values regarding the extent to which an organization supports and values the integration of employees' work and family lives (Thompson, Beauvais, & Lyness, 1999).
- **Workplace support** incorporates flexibility in work arrangements, supervisor support, supportive workplace culture, positive coworker relations, respect in the workplace, and equal opportunity for workers of all backgrounds (Bond, Galinsky, & Swanberg, 1998)

Flexible Work Arrangements (FWA)

- Employee-driven workplace flexibility permits family members to have a degree of autonomy to control work location, timing, and/or process (Kossek, Lautsch, & Eaton, 2005).
- Workplace flexibility can be either formal or informal (Eaton, 2003):
 - Formal flexibility is approved by HR professionals and written into organizational policy.
 - Informal flexibility is not documented as policy, but available to some employees based on supervisory discretion.

Flexibility: The Business Case

- ✎ Flexibility has positive effects on productivity, job and work schedule satisfaction, and absenteeism (Baltes, Briggs, Huff, Wright, & Neuman, 1999)
- ✎ Flexibility is linked to engagement, retention, job satisfaction, and employee well-being (Families and Work Institute, 2003)
- ✎ Availability and utilization of flexibility is associated with increased productivity and commitment (Eaton, 2003)
- ✎ Increased employee loyalty, reduced employee stress and reduced cost due to absenteeism is associated with the number of flexible work arrangements available (Halpern, 2005).

Measurement Development

- ✎ Is the business case for flexibility a valid construct that can be used to determine an organization's endorsement for granting flexible work arrangements?

Methods: Design and Procedure

- ✎ *Work-life Flexibility and Dependent Care Survey, web-based, cross-sectional study* conducted in August of 2005.
- ✎ Created collaboratively with WorldatWork a non-profit, international HR professional association with 25,000 members including its subsidiary, the Alliance for Work-Life Progress (AWLP).
- ✎ Invitation to participate emailed to a random sample of 4,645 members.
- ✎ 20 survey sections, including three open-ended questions
- ✎ Items include some measures created by or adapted from Families and Work Institute, most developed solely for the survey.

Participant Characteristics

☞ **Sample size = 525**

- 88.5% respondents from the United States
- 11.5% respondents from Canada

☞ **Gender: 76.8% Female**

☞ **Education level**

- 11% some college
- 34.6% Bachelor's degree
- 14.4% some college beyond Bachelor's degree
- 15.5% Masters degree

☞ **Years in HR field**

- 45.1% respondents had between 5 and 10 years experience
- 32.4% respondents had more than 15 years experience

☞ Respondents from a wide range of industries (e.g., finance and insurance, manufacturing, professional, scientific, technical).

Measurement: The Business Case

The business case for flexible work arrangements was measured by 14 items developed for the survey.

- 5-point Likert-type ratings from *very strong* to *very weak*.

Instructions

- *“From your perspective, how strong is the business case for offering flexible work arrangements?”*

Sample item

- *“Improves employee retention”.*

Measurement: Formal Policy

✎ Existence of a Formal Policy on FWA

- Question: “Based on the definition above, does your organization have a policy on flexible scheduling, an informal occurrence of flexible scheduling based on supervisor discretion, or neither?”
- Dichotomized response set:
 - Formal policy
 - No formal policy

Measurement: Workplace Culture

Positive Workplace Culture (Cronbach's alpha=.85)

- 4-item *Work-Family Culture Scale* created by Families & Work Institute.
- 4-point Likert scale from *strongly disagree* to *strongly agree*.

Sample item

- *"There is an unwritten rule at my place of employment that you can't take care of family needs on company time."*

Health Promotive Workplace Culture (Cronbach's alpha=.69)

- 5 items developed for the survey.
- 4-point Likert scale from *strongly disagree* to *strongly agree*.

Sample item

- *"In this organization employees are reluctant to ask for flexible work arrangements."*

CFA

χ^2 (20, n=238)=114.32, p<.000

Normed Fit=.959 Relative Fit=.927

Comparative Fit Index=.98

Measurement: Flexible Work Arrangements

Likelihood of FWA Granted for Dependent Care

- 16 items developed for survey.
- 5-point Likert ratings from *Not Likely At All* to *Very Likely to Grant Request*.

Instructions: *“The following are some reasons employees give when requesting a flexible work arrangement. Please rate how likely approval would be granted in your organization for each reason.”*

- **Health Care** (e.g., short-term child illness, on-going chronic health condition of family member; Cronbach’s alpha=.93).
- **Drug Abuse/Mental Health Care** (e.g., drug or alcohol treatment for family member, mental health treatment for family member; Cronbach’s alpha=.91).
- **School or Child Care Difficulties** (e.g., short-term child care difficulties, child acting out at school; Cronbach’s alpha=.84).

Analysis Plan

- ✎ Split-half measure development procedure using EFA and CFA on survey items related to the business case
- ✎ Reliability analysis
- ✎ Bivariate correlations of the BCS survey items assessing likelihood of granting flexible work arrangements based on:
 - Health, mental health, child care reasons
 - Knowledge related to human development
 - Knowledge related to disabilities
 - Family-friendly organizational cultures
- ✎ Regression analyses to determine the strength of the business case in the likelihood that FWA granted for health, drug abuse/mental health and school/child care reasons.

EFA of the Business Case

EFA

Single factor solution
(eigenvalue > 8)
accounting for 59.9% of the item variance
Cronbach's alpha = .95

From the perspective of your organizational leadership, how strong are the following reasons for allowing employees to have flexible work schedules?

Item	Loading
Improves employee retention	.791
Improves employee productivity	.771
Improves employee job satisfaction Decreases employee stress	.837
Decreases employee mental health problems	.800
Improves employee commitment	.728
Improves quality of life for employees and their families	.840
Improves recruitment of a diverse workforce	.812
Improves employee engagement	.747
Improves employee work-life balance	.790
Improves employee morale	.866
Decreases employee absenteeism	.656
Improves the perception of fairness among all employees	.680
Increases the public image of being an employer of choice	.700
Increases employer social responsibility	.721

CFA of the Business Case

$\chi^2 (91, n=238)=762.94,$
 $p<.000$
 Normed Fit=.946
 Relative Fit=.928
 Comparative Fit Index=.95

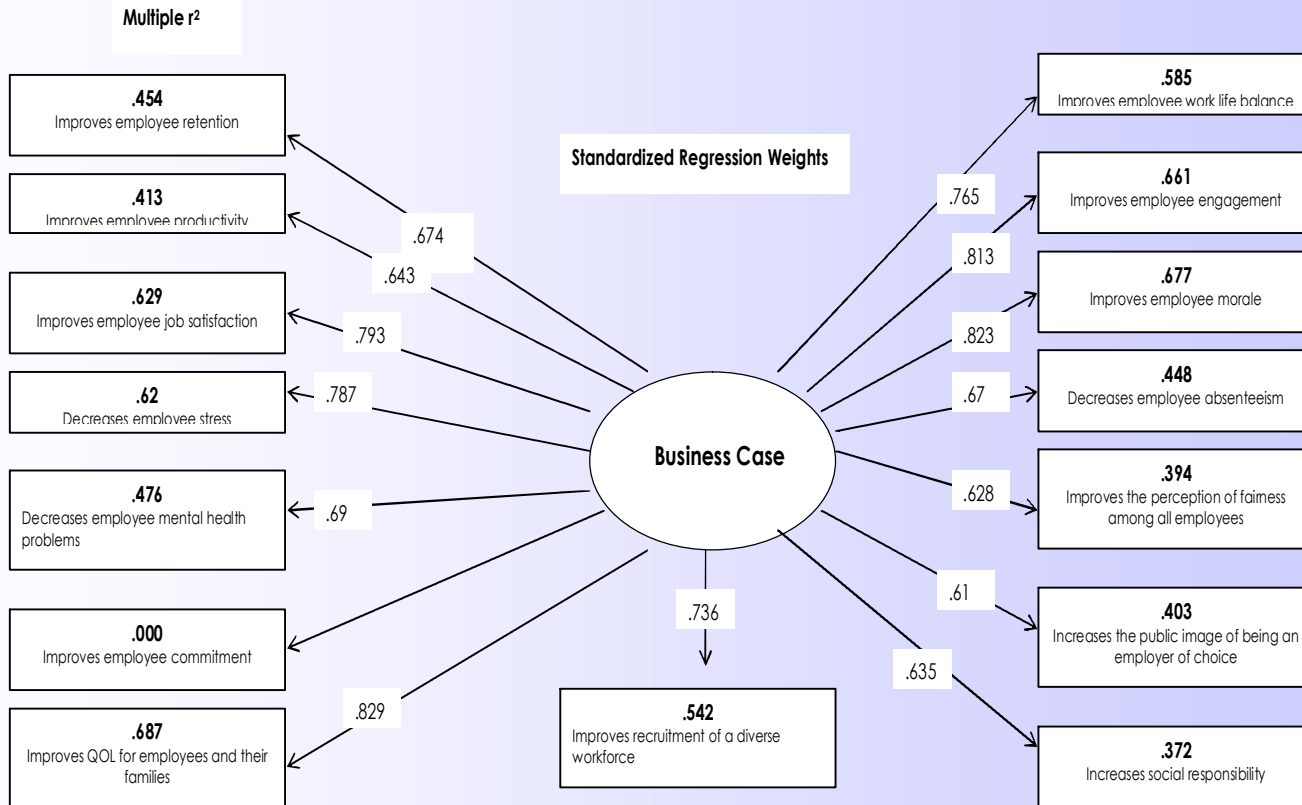


Table 1: Means, standard deviations and correlations for BCS and Likelihood to grant FWA for health, drug abuse/mental health, school/childcare reasons, knowledge related to human development, knowledge related to disabilities and workplace culture n=238 (half sample)

	Correlation
Has formal policy	.221**
Health care reasons	.422**
Drug abuse/Mental health care reasons	.433**
School/child care reasons	.427**
Knowledge of human development	.201**
Knowledge of disabilities	.174**
Positive workplace culture	.279**
Health Promotive workplace culture	.380**

Predictive Strength of Business Case on Decisions on FWA

Rosenzweig, J.M., Brennan, E.M., Huffstutter, K.J., Coleman, D. & Stewart, L.M. (2007). How Human Resource Professionals Manage Diversity: Decisions on FWA for Parents of Children with Disabilities. Community, Work and Family II. Lisbon, Portugal.

Dependent Variables

Independent Variables	FWA Granted for Health Care Reasons	FWA Granted for Drug or Alcohol/Mental Health Reasons	FWA Granted for School or Child Care Reasons
	$r^2=.27$	$r^2=.24$	$r^2=.27$
Business Reasons	.351(.003)***	.336 (.050)***	.302 (.003) ***
Formal Policy	-.088 (.054)*	ns	ns
Knowledge of Human Development	ns	.099(.034)*	.123 (.032)*
Knowledge of Disabilities	ns	ns	ns
Positive Work Culture	.203 (.047)***	.152 (.058)*	.232 (.056)***
Health Promotive Culture	.093 (.075)*	.110 (.092) *	.093 (.088)*

Note. Standard errors appear in parentheses. * $p<.05$, ** $p<.01$, *** $p<.001$.

Conclusions

- Endorsement of the business case for granting flexible work arrangements can be measured with a high level of internal consistency on the part of human resource professionals.
- The attitudes toward the business case for FWA can be measured using a single dimension, as demonstrated through the EFA and CFA.
- As expected, scores indicating belief in the business case for flexible work arrangements are significantly related to likelihood of granting FWA in for a variety of reasons including:
 - Health care requests
 - Substance abuse/mental health requests
 - School-related or child care requests.

Implications of Study Findings: The Business Case

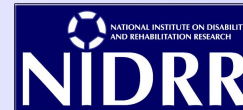
- Having a formal organizational policy regarding FWA doesn't strongly predict the likelihood that flexibility will be granted by HR personnel.
- Instead, belief in the business case for FWA is a very strong predictor that human resource professionals will support flexible arrangements for a variety of reasons.
- Human resource professionals need to be educated about the well-established business case for FWA (Halpern, 2005), in order to increase the number of family-friendly organizations.
- Studies gauging the family-friendliness of organizations should include measures of endorsement of the business case for FWA.



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Center for Mental Health Services,
Substance Abuse and Mental Health
Services Administration, U.S. Department
of Health and Human Services



National Institute on Disability and
Rehabilitation Research, U.S.
Department of Education

Funds to support this activity come from The Child, Adolescent and Family Branch, Center for Mental Health Services, Substance Abuse Mental Health Services Administration, U.S. Department of Health and Human Services; and from

The National Institute on Disability and Rehabilitation Research, U.S. Department of Education.