



the work and family legal center

80 Maiden Lane, Suite 606, New York, NY 10038 | t: 212.430.5982 | f: 212.430.5983 | info@abetterbalance.org | abetterbalance.org

FACT SHEET:

THE BUSINESS CASE FOR WORKPLACE FLEXIBILITY

Employers who provide flexibility to their employees, with regard to where and how their work gets done, can gain a tremendous financial benefit and competitive advantage in today's economy.¹

Workplace flexibility is a powerful tool for recruiting and retaining employees.

- Nearly a third of U.S. workers consider work-life balance and flexibility to be the most important factor in considering job offers.²
- In a 2008 study, 72% of workers identified workplace flexibility as a benefit that would help them choose between job options.³
- Nearly 80% of workers want more flexible work options and would use them if there were no negative consequences at work, and young workers—those under 30 years old—are even more likely (85%) than older workers (77%) to want more flexible work options.⁴
- In a 2000 study, 71% of men aged 21 to 29 said they would give up some pay for more time with their families, and 84% of workers in their 20s and 30s, both male and female, reported favoring family-friendly work schedules.⁵
- A survey of two hundred human resource managers found that two-thirds identified family-supportive policies as the single most important factor in attracting and retaining employees.⁶
- In a 2008 survey of low-income, hourly workers and their managers, more than 80% of employees identified workplace flexibility as an important factor in both accepting a job and remaining with an employer.⁷ Nearly 80% of the managers surveyed said that workplace flexibility enhances their ability to recruit employees, while 85% said that flexible workplace policies improve their ability to retain talented employees.⁸

Flexible work arrangements make for happier, healthier workers.

- In a 2009 study, 90% of workers said that workplace flexibility contributes to their quality of life to a “moderate” or “great” extent.⁹
- Work-life balance is the second best predictor, after economic security, of a worker's quality of health, frequency of sleep problems and level of stress.¹⁰



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- Employees with access to flexible workplace arrangements exhibit significantly better physical health and mental health than other employees.¹¹ Low-income workers experience this positive effect even more strongly than higher earners.¹²
- Access to flexible workplace policies decreases employees' perceptions of work overload.¹³
- Flexible work practices reduce stress, the leading cause of unscheduled absences and a factor in high turnover, which costs U.S. employers about \$300 billion per year in lost productivity and increased healthcare and replacement expenditures.¹⁴
- A study of 1,000 32-year-olds found that 45% of new cases of depression and anxiety were attributable to stressful work,¹⁵ while another study has shown that employees who believe they have flexibility in their work lives have healthier lifestyles.¹⁶
- Stress and burnout is 45% lower for low-income workers with flexibility than for those without.¹⁷
- A 2010 study of IBM employees suggests that telecommuting workers find it easier to balance work and family life. Telecommuters at IBM are able to work an additional nineteen hours a week before experiencing the same level of work-family conflict as workers who do not telecommute.¹⁸
- Flexible work hours that allow employees to pick up their children from school can alleviate employees' stress about their children's after school time. An estimated one third of the workforce experiences such stress, leading to decreased productivity and increased absenteeism that can add up to \$469 to \$1,984 in costs per employee per year.¹⁹
- Flexibility can also help improve the health of employees' families. A 2007 study suggested a link between parental work-family conflict and childhood obesity.²⁰ Flexible work schedules that allow employees to sit down to dinner at home with their children on a regular basis and to take them to the doctor when needed can help to reverse this disturbing trend.²¹
- Two recent studies demonstrate that workers who provide care for elderly relatives experience higher levels of stress than workers without elder care responsibilities.²² Workplace flexibility can allow workers to better manage the stress of family caregiving.²³

Workplace flexibility reduces workplace interruptions and costly absenteeism.

- Absenteeism can cost some large employers over \$1 million per year.²⁴
- A 2009 study estimated that 29 million full-time workers also serve as unpaid family caregivers.²⁵ Absenteeism attributed to family caregiving costs U.S. employers more

than \$5 billion a year, while partial absenteeism costs employers an additional \$1.9 billion a year.²⁶ Workday interruptions due to caregiving responsibilities are estimated to cost employers an additional \$6.2 billion a year.²⁷

- Workplace flexibility is one of the most effective means of reducing unplanned absences from work—in one study, 63% of workers using flexible work arrangements said they were absent less often from work thanks to those arrangements.²⁸
- In a 2008 survey of low-income employees and their managers, 74% of managers stated that workplace flexibility had a positive influence on absenteeism.²⁹
- Telecommuting alone cuts absenteeism by nearly 60%.³⁰

Workplace flexibility helps to prevent turnover and high attrition rates, saving employers millions of dollars each year.

- It costs an employer 150% of a salaried employee's yearly salary to replace him or her. For an hourly employee, turnover costs the employer anywhere from 50 to 75 percent of the employee's annual pay.³¹
- Due to family caregiving responsibilities, many workers depart from the workplace each year. The replacement of these workers is estimated to cost U.S. employers a total of more than \$6.5 billion a year.³²
- Employees with greater access to flexible work arrangements are more likely to stay with their current employers for at least the next year.³³ Low-income workers who have flexibility are 30% less likely to leave their employer within two years than are those who have none.³⁴
- The Detroit Regional Chamber's flexible work policies have increased employee retention rates from 75% to approximately 90%.³⁵
- Costco, which notes flexibility as a key benefit, has achieved a rate of turnover that is one-third of the industry average of 65%.³⁶
- The accounting firm of Deloitte & Touche calculated savings of approximately \$41.5 million in turnover-related costs in 2003, thanks to the firm's flexibility programs.³⁷

Workplace flexibility helps businesses succeed by increasing firm productivity and shareholder returns.

- Employees with access to flexible work schedules tend to have higher job satisfaction and appear more willing to work hard to help their employers succeed.³⁸
- Employees with flexibility are likely to be highly engaged and to feel they have a stake in their organization. Engagement/commitment among low-income workers with flexibility is 50% higher than among those who have none.³⁹

- Employee engagement translates into profits for the employer—double-digit growth companies have 39% more highly engaged employees (and 45% fewer highly disengaged employees) than single-digit growth companies.⁴⁰
- In a 2007 survey of 150 senior-level corporate executives, 90% said that flexible workplace strategies help organizations to meet business goals.⁴¹
- In a two-year study of 1,400 workers, 70 percent of managers and 87 percent of employees reported that workplace flexibility increased productivity. A 2002 Watson Wyatt study found a 3.5 percent rise in shareholder returns resulting from flexible work.⁴²
- Implementation of a telecommuting program can save employers as much as \$10,000 per employee each year.⁴³
- After UPS launched a telecommuting program at its corporate headquarters, productivity increased by 17 percent. More than 85 percent of telecommuters at UPS reported an increase in job satisfaction.⁴⁴
- Offering employees the option to telecommute reduces real estate and other overhead costs. In 2005, IBM's mobile work program saved the company \$22.9 million in energy costs. By supporting telecommuting, IBM also saves approximately \$100 million a year in real estate costs.⁴⁵
- Workplace flexibility saves businesses money during emergencies and weather-related disruptions. The federal government's telecommuting policies resulted in savings of more than \$30 million a day during snow-related closures in 2009 and 2010.⁴⁶

¹ Dozens of employers in the U.S. who have implemented flexibility programs for their employees have found that the programs have a significant positive impact on their bottom line. For a more detailed account of these companies' policies and findings, please see, Corporate Voices for Working Families, "Business Impacts of Flexibility: An Imperative for Expansion," November 2005, *available at* <http://www.cvworkingfamilies.org/system/files/Business%20Impacts%20of%20Flexibility.pdf>.

² Hudson Highland Group, Inc., "In the Game of Hiring, Flexible Employers Win," Press Release, February 12, 2008, *available at* <http://us.hudson.com/documents/us-hudson-index-release-021208.pdf>.

³ Robert Half International and Careerbuilder.com, "Employment Dynamics and Growth Expectations (EDGE) Report," Sept. 2008, pg. 5, *available at* <http://www.rhi.com/EDGEReport2008>.

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⁵ "Study: For Men, Family Comes First," The Harvard University Gazette, May 4, 2000, *available at* <http://www.news.harvard.edu/gazette/2000/05.04/radcliffe.html>.

⁶ Joan Williams, UNBENDING GENDER: WHY WORK AND FAMILY CONFLICT AND WHAT TO DO ABOUT IT, 85 (2000).

⁷ Corporate Voices for Working Families, “Innovative Workplace Flexibility Options for Hourly Workers,” May 2009, pp. 90-93, *available at* <http://www.cvworkingfamilies.org/system/files/CVWFflexreport-FINAL.pdf> (defining lower wage workers as those who earn less than \$10 per hour or less than \$20,000 annually).

⁸ Ibid.

⁹ Marcie Pitt-Catsoupes, Christine Matz-Costa, and Elyssa Besen, “Workplace Flexibility: Findings from the Age & Generations Study,” The Sloan Center on Aging & Work at Boston College, 2009, pg. 2, *available at* http://bc.edu/research/agingandwork/meta-elements/pdf/publications/IB19_WorkFlex.pdf.

¹⁰ Kerstin Aumann and Ellen Galinsky, “The State of Health in the American Workforce: Does Having an Effective Workplace Matter?” Families and Work Institute, 2009, pg. 33, *available at* <http://www.familiesandwork.org/site/research/reports/HealthReport.pdf>.

¹¹ Marcie Pitt-Catsoupes, et. al., “Workplace Flexibility,” pg. 12. *See also* James T. Bond, Cynthia Thompson, Ellen Galinsky and David Prottas, “Highlights of the National Study of the Changing Workforce: Work-Life Supports on the Job,” Families and Work Institute, 2002, pg. 14.

¹² Amy Richman, Arlene Johnson and Lisa Buxbaum, “Workplace Flexibility for Low Wage Workers,” Corporate Voices for Working Families, Oct. 2006, pg. 16, *available at* <http://www.cvworkingfamilies.org/system/files/lowerwageflexreviewreport.pdf>

¹³ Marcie Pitt-Catsoupes, et.al., “Workplace Flexibility,” pg. 12.

¹⁴ Corporate Voices for Working Families, “Business Impacts of Flexibility: An Imperative for Expansion,” Nov. 2005, pp. 14-15.

¹⁵ “Stressful Job Link to Depression,” BBC News, Aug. 1, 2007, *available at* <http://news.bbc.co.uk/2/hi/health/6925799.stm>.

¹⁶ “Employees with Workplace Flexibility Have Healthier Lifestyle Habits,” Wake Forest University Baptist Medical Center, Dec. 11, 2007, *available at* <http://www.physorg.com/news116529551.html>.

¹⁷ Amy Richman, et. al., “Low Wage Workers,” pg. 17.

¹⁸ Brigham Young University News, “News Release: Telecommuters With Flextime Stay Balanced Up to 19 Hours Longer,” June 1, 2010, *available at* <http://news.byu.edu/archive10-jun-telecommuting.aspx>.

¹⁹ Jean Flatley McGuire, Kaitlyn Kenny and Phillis Brashler, “Flexible Work Arrangements: The Fact Sheet,” Workplace Flexibility 2010, Georgetown University Law Center, pg. 7, *available at* http://www.law.georgetown.edu/workplaceflexibility2010/definition/general/FWA_FactSheet.pdf.

²⁰ Kelleen Kay and David Gray, “The Stress of Balancing Work and Family: The Impact on Parent and Child Health and the Need for Workplace Flexibility,” Research Paper—The Next Social Contract, New America Foundation, Oct. 2007, pp. 8-9, *available at* <http://www.newamerica.net/files/The%20Stress%20of%20Balancing%20Work%20and%20Family-9-17-07.pdf>.

²¹ Ibid.

²² Corporate Voices, “Innovative Workplace Flexibility Options for Hourly Workers,” pg. 96; National Alliance for Caregiving in collaboration with AARP, “Caregiving in the U.S. 2009,” November 2009, pp. 50-51, *available at* http://www.caregiving.org/data/Caregiving_in_the_US_2009_full_report.pdf.

²³ Ari Houser and Mary Jo Gibson, “Valuing the Invaluable: The Economic Value of Family Caregiving, 2008 Update,” AARP Public Policy Institute, Nov. 2008, p. 7, *available at* http://assets.aarp.org/rgcenter/il/i13_caregiving.pdf (concluding that a range of family-friendly workplace policies are needed to prevent caregivers from becoming overwhelmed and risking their own health).

²⁴ Flatley McGuire, et. al., “Flexible Work Arrangements,” pg. 6.

²⁵ National Alliance for Caregiving, “Caregiving in the U.S. 2009,” pp. 12, 52-53 (finding that more than 65 million Americans served as an unpaid family caregiver to an adult and/or child with special needs during the prior year and that approximately 73% of these individuals were employed for part or all of this time).

²⁶ MetLife Mature Market Institute and National Alliance for Caregiving, “The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business,” July 2006, pg. 17, *available at* www.caregiving.org/data/Caregiver%20Cost%20Study.pdf.

²⁷ Ibid.

²⁸ Flatley McGuire, et. al., “Flexible Work Arrangements,” pg. 6.

²⁹ Corporate Voices, “Innovative Workplace Flexibility Options for Hourly Workers,” pg. 90.

³⁰ “Questions and Answers about Telework: A Sloan Work and Family Research Network Fact Sheet,” Sept. 2009, pg. 3, *available at* <http://wfnetwork.bc.edu/pdfs/telework.pdf>.

³¹ Jodie Levin-Epstein, “Getting Punched: The Job and Family Clock: It’s Time for Flexible Work for Workers of All Ages,” CLASP, July 2006, pg. 8. Employees who quit cost their employers \$40,000 each, on average, in hiring and training expenditures. Arlie Russell Hochschild, *THE TIME BIND: WHEN WORK BECOMES HOME AND HOME BECOMES WORK*, 31 (1997).

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³³ James T. Bond, et. al., “Work-Life Supports on the Job,” pg. 5.

³⁴ Amy Richman, et. al., “Low Wage Workers,” pg. 17.

³⁵ Ken Giglio, “Workplace Flexibility Case Study: The Detroit Regional Chamber’s Flexible Work Schedules,” Sloan Work and Family Research Network, 2005, *available at* http://wfnetwork.bc.edu/pdfs/detroit_regional_chamber.pdf. *See also* Patricia Montemurri, “Chamber’s Flexibility Draws Raves,” *Detroit Free Press*, April 13, 2010, *available at* <http://www.freep.com/article/20100413/COL35/4130340/1025/Features/Chambers-flexibility-draws-raves>.

³⁶ Jodie Levin-Epstein, “Getting Punched,” pp. 9-10.

³⁷ Corporate Voices, “Business Impacts of Flexibility,” pg. 10.

³⁸ Flatley McGuire, et. al., “Flexible Work Arrangements,” pg. 5.

³⁹ Amy Richman, et. al., “Low Wage Workers,” pg. 17. *See also* Jennifer E. Swanberg, Jacquelyn B. James and Sharon P. McKechnie, “Can Business Benefit By Providing Workplace Flexibility to Hourly Workers?” Citisaless Study: Issue Brief No. 3, 2008, pg. 2, *available at* http://www.uky.edu/Centers/iwin/citisaless/_pdfs/IB7-HourlyWorkers.pdf.

⁴⁰ Corporate Voices, “Business Impacts of Flexibility,” pp. 13-14.

⁴¹ Corporate Voices for Working Families, “Flexible Work Strategies: Attitudes & Experiences, Executive Summary,” March 2008, pg. 1, *available at* http://www.cvworkingfamilies.org/system/files/flexibleworkstrategiessummary_for%20web.pdf.

⁴² Jodie Levin-Epstein, “Getting Punched,” pg. 8.

⁴³ Kate Lister and Tom Harnish, “Workshifting Benefits: The Bottom Line,” *TeleworkResearchNetwork.com*, May 2010, pg. 6, *available at* <http://www.workshifting.com/downloads/downloads/Workshifting%20Benefits-The%20Bottom%20Line.pdf>.

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⁴⁵ Janet Caldwell, “Working Outside the Box: A Study of the Growing Momentum in Telework,” Institute for Electronic Government, IBM Corporation, Jan. 2009, pp. 5, 9, *available at* http://www-01.ibm.com/industries/government/ieg/pdf/working_outside_the_box.pdf.

⁴⁶ Executive Office of the President, Council of Economic Advisers, “Work-Life Balance and the Economics of Workplace Flexibility,” March 2010, pg. 13, *available at* <http://www.whitehouse.gov/files/documents/100331-cea-economics-workplace-flexibility.pdf>.