Family friendly working policies and practices: Motivations, influences and impacts for employers

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Acknowledgements

We would like to thank the project team at GEO for their help and support throughout the project, and in particular Christopher Georgiou and Lauren Probert.
## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>CEs</td>
<td>Caregiver/caregiving employees</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CFWPs</td>
<td>Caregiver-friendly working policies</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate social responsibility</td>
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<tr>
<td>FFWPs</td>
<td>Family-friendly workplace policies and practices</td>
</tr>
<tr>
<td>FWAs</td>
<td>Flexible working arrangements</td>
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<tr>
<td>GPG</td>
<td>Gender pay gap</td>
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<tr>
<td>HPWS</td>
<td>High-performance work systems</td>
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<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resources Management</td>
</tr>
<tr>
<td>NPM</td>
<td>New public management</td>
</tr>
<tr>
<td>PML</td>
<td>Paid maternity leave</td>
</tr>
<tr>
<td>PPL</td>
<td>Paid parental leave</td>
</tr>
<tr>
<td>ROWE</td>
<td>Results only work environment</td>
</tr>
<tr>
<td>WERS</td>
<td>Workplace Employers Relations Survey</td>
</tr>
<tr>
<td>WES</td>
<td>Work Environment Survey</td>
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<tr>
<td>WLB</td>
<td>Work-life balance</td>
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</table>
Executive Summary
Executive Summary

Aim, objectives and research questions

The aim of this review of the literature is to better understand what leads employers to offer and promote family-friendly workplace policies (FFWPs), and which interventions are likely to be successful in encouraging this, in order to build the evidence base on key themes around what works to close the gender pay gap (GPG). The review responds to the following research questions:

- What factors influence employers to offer employee benefits, in particular family-friendly policies?
- What evidence exists that family-friendly policies benefit or disadvantage employers (actual or perceived)?
- What policy interventions have been demonstrated to be successful (or could potentially be successful) in encouraging employers to offer family-friendly policies?

The review followed a 5-step process: setting search parameters, searching, screening, data extraction and synthesis. Literature from 2008 onwards (including grey literature) was included from the UK, mainland EU, the USA, Canada, Australia and New Zealand.

What factors influence employers to offer family-friendly policies and practices?

Three distinct, but also interconnecting, factors appear to be most important in employers’ decision-making processes:

Pressures from inside or outside the organisation:

- CEO/top management/board members’ beliefs and personal experience with work/life issues;
- Level of state support for flexible working;
- Institutional pressures to introduce WLB policies;
- Corporate social responsibility/right thing to do;
- Proportion and influence of women in the workplace;
- Level of unionisation.

Organisational-specific factors:

- Organisational size, sector and industry;
• Job type and scheduling structure;
• Better technology enabling homeworking/teleworking;
• Existence of enablers/barriers to work-life balance in the firm;
• Work culture.

To meet and improve organisational goals:
• To recruit highly-skilled workers/difficulties finding skilled workers;
• To improve firm productivity (by reducing work-family conflict and improving job satisfaction);
• Realisation of business goals;
• To improve firm's financial performance;
• To improve staff commitment;
• Return on Investment (ROI) of workplace initiatives to reduce work-family conflict;
• To reduce worker absence;
• To reduce turnover intentions;
• Associated costs and benefits.

Evidence that family-friendly policies and practices benefit or disadvantage employers

The majority of studies in this review highlight positive organisational outcomes from implementing a broad range of FFWPs, including cost savings, better productivity, improved recruitment and retention and reduced absenteeism. Cost savings can arise from both direct and indirect effects, such as improved employees’ work-life balance and reduced stress leading to reduced absenteeism and turnover, or perceptions of a positive workplace culture by both existing staff and potential staff leading to greater commitment, loyalty and even higher productivity. These are harder to measure and a lack of clear evidence may deter some employers from implementing FFWPs.

Evidence of interventions to encourage employers to offer family-friendly policies

Existing interventions outlined the need for:
• Widely disseminating the business case for introducing and actively supporting FFWPs;
• Encouraging management training and ‘top-down’ buy-in;
• Fully incorporating FFWPs into organisational practices and creating awareness of their availability;
• Considering individual cases, alongside formalisation of policies and practices;
• Promoting a positive workplace culture and encouraging open dialogue between management, caregivers and other colleagues;
• Introducing flexibility ‘champions’;
• Discussing any flexible working requests within the work team;
• Allowing staff input into any new work design;
• Holding a pilot trial;
• Considering other factors which may be affecting outcomes;
• Considering the introduction of a results only work environment (ROWE) in any job re-design if the role is potentially suitable (i.e. focusing on employees effectively accomplishing their tasks, not the time they spend at work).

Report recommendations

Based upon these interventions and the wider review evidence, a series of recommendations are outlined:

• Introducing and promoting a wide range of flexible working policies and practices;
• Disseminating good practice;
• Developing a positive workplace culture;
• Encouraging transparency among managers, flexible workers and other colleagues;
• Trialling and measuring flexible working over a reasonable time period;
• Thinking in the longer-term;
• Challenging gendered attitudes and approaches towards flexible working.
Introduction
1. Introduction

The Warwick Institute for Employment Research (IER) was commissioned by the Government Equalities Office (GEO) to undertake research into what motivates employers to offer family-friendly policies and to identify which interventions are most successful in encouraging this. Given the recent requirement for large employers to publicly report on their gender pay gaps (GPGs), the research is timely in providing evidence and practical advice for employers to use to close their GPGs. The following section sets out the background to the study, followed by the main aim and objectives of the research.

The GPG is a headline measure of gender pay equality in the UK. However, it is a simple metric, underlain by a complex system, and the relationship between individual changes and the GPG of an organisation (or a nation) is not straightforward. The policies discussed in this report may well improve gender equality, in the workplace or more broadly, by increasing flexible working among both female and male employees, and as such it is expected that they would have a positive impact on the GPG. Nevertheless, this impact may not be direct or easily quantifiable. As a result, the impacts being considered here are likely to be broader in scope, rather than focusing on a change in the GPG.

It is recognised that specific family-friendly workplace policies (FFWPs) and associated flexible working arrangements (FWAs) can be employee- or employer-friendly, or mutually beneficial, depending on their implementation. For example, there are distinct differences between the ‘flexibility’ of zero-hours contract work and shift-work, which are explicitly designed around employers’ needs, (although others argue that zero-hours contracts are freely chosen by many to work around other responsibilities), compared with some non-standard working arrangements, such as part-time or reduced hours, which may be employee or employer friendly. Whether or not FFWPs offered at the organisational level encourage and increase gender equality and contribute to a reduction in the gender pay gap (the focus of this research) is largely a consequence of how they are perceived by employers, line managers and workers themselves. Negative employer perceptions of FFWPs are likely to filter through to line managers (the crucial role of line managers in supporting flexible working or instilling a culture of presenteeism is widely acknowledged and some research has shown that they can, in some cases, be more important to an employee’s overall well-being than the provision of formal FWAs). If employees perceive negative attitudes towards FFWPs by both the employer and their immediate line manager, they may be reluctant to take up any existing offers of flexible working arrangements (FWAs), thereby

2 Stavrou and Kilaniotis (2010), ibid.
3 Gregory and Milner (2009); Stavrou and Kilaniotis (2010).
representing a disconnect between policies and practices, and not leading to any hoped-for reductions in gender inequality and, ultimately, the gender pay gap.

1.1 Aims

The aim of this literature review is to better understand what leads employers to offer and promote FFWPs, and which interventions are likely to be successful in encouraging this, to support the GEO’s plans to build the evidence base on key themes around what works to close the gender pay gap.

1.2 Objectives and research questions

The review will support the Government’s efforts to tackle gender inequality in the workplace by providing evidence and interventions for employers in their efforts to close their GPGs. The review responds to the following research questions:

- What factors influence employers to offer employee benefits, in particular family-friendly policies?
- What evidence exists that family-friendly policies benefit or disadvantage employers (actual or perceived)?
- What policy interventions have been demonstrated to be successful (or could potentially be successful) in encouraging employers to offer family-friendly policies?
Methodology
2. Methodology

The literature review focused on journal articles and grey documents published since 2008 in the English language in the UK, mainland Europe, USA, Canada, Australia and New Zealand, with a few earlier studies being included if directly relevant. Searches were undertaken in five databases: Proquest (ABI/inform Global, ASSIA and IBSS), EBSCO host (Econlit), Web of Science and limited searches in Google Scholar. In addition, the following websites were searched for publications: government departments, CIPD, ACAS; TUC, CBI, Business in the Community, enei, ESRC, Working Families, My Family Care, Timewise, Carers UK, Eurofound, EIGE, Workplace and Employee survey Canada and Directory and the Open Access Repositories (OpenDOAR).

For the purposes of this report, family-friendly workplace policies include:

- various forms of flexible working (i.e. part-time work, term time working, job-share, annualised hours, remote working: telework and homework);
- provision of ante-natal support for expectant mothers and fathers to be;
- provision of maternity/paternity/shared parental leave over and above the requirements of the law;
- provision of return to work schemes (including phased return) and support provided alongside them;
- subsidised childcare; and
- (unpaid) career breaks to support caring responsibilities for young people, disabled people, partner/spouse or older people, e.g. through compassionate leave, contingency or emergency leave or buying extra annual leave.

The literature review followed a 5-step process: setting search parameters, searching, screening, data extraction and synthesis.

Key search terms used are listed in table 2.1 below. They have been combined using Boolean operators ((1) OR (2) AND (3)).

<table>
<thead>
<tr>
<th>Categories</th>
<th>Search Terms</th>
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<tr>
<td>(1) Family-friendly policies and practices</td>
<td>(Generic terms) Flexible working arrangement* OR flexible working OR family-friendly workplace OR work-life balance OR WLB OR work-family OR reconciliation OR (specific terms) part-time work OR job-sharing OR condensed hours OR compressed hours OR reduced hours OR annualised hours OR term time working OR flexitime OR flex working OR shared parental leave OR maternity leave OR paternity leave OR enhanced maternity leave OR enhanced childcare provision OR ante-natal rights OR pre-birth support OR pregnancy support OR</td>
</tr>
</tbody>
</table>
Table 2.2 provides a description of the kinds of FFWPs measured in the review documents, the methodological approaches used, and the research questions addressed. The vast majority of documents measured outcomes from a wide range of flexible working arrangements, limiting our ability to distinguish between those with ‘better’ or ‘worse’ organisational outcomes.
### Table 2.2: Focus of the articles in the review (N=74)

<table>
<thead>
<tr>
<th>Types of FFWPs</th>
<th>Number of documents</th>
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<tbody>
<tr>
<td>Wide range of FFWPs (flexible working, dependent care and/or leave arrangements)</td>
<td>28</td>
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<tr>
<td>Flexible working practices</td>
<td>27</td>
</tr>
<tr>
<td>Part-time work</td>
<td>5</td>
</tr>
<tr>
<td>Telework</td>
<td>4</td>
</tr>
<tr>
<td>Maternity leave</td>
<td>4</td>
</tr>
<tr>
<td>Caregiving</td>
<td>3</td>
</tr>
<tr>
<td>Flexiwork</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td>N/A – gender wage gap</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Methodological approach</th>
<th>Number of documents</th>
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</thead>
<tbody>
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<td>Quantitative studies</td>
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<tr>
<td>Qualitative studies 2</td>
<td>17</td>
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<tr>
<td>Literature reviews</td>
<td>8</td>
</tr>
<tr>
<td>Mixed methods studies</td>
<td>3</td>
</tr>
<tr>
<td>Review (drawing on limited literature)</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research questions addressed (with overlaps)</th>
<th>Number of documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivations 3</td>
<td>33</td>
</tr>
<tr>
<td>Benefits and disadvantages for employers</td>
<td>51</td>
</tr>
<tr>
<td>Interventions 4</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
</tr>
</tbody>
</table>

1 Includes 7 references which cover additional items such as types of unsocial hours, fitness programme/gym; 2 Includes 8 based on case studies; 3 With some caveats; 4 Only 11 included in the report under this research question.
Findings
3. Findings

3.1 What factors influence employers to offer family-friendly workplace policies and practices?

The literature suggests that there are three main types of motivating factors which influence employers in their decision to offer family-friendly policies and practices, as summarised in Box 3.1.

There is an inevitable overlap between the three main types of motivating factors: researchers often ask a wider question about motivations which generates responses that include some or all of these factors within the same piece of research. This section discusses the literature covering the first two sets of motivating factors (pressures from inside or outside the organisation; and organisational-specific factors which affect employers’ decision-making processes). The third set of motivating factors, covering organisational goals, is also briefly covered but will be discussed in greater detail in Section 4 which discusses the evidence that family-friendly policies and practices benefit or disadvantage employers. Although the literature demonstrates that all are important, it is not possible to determine which is the most important factor in employers’ decision-making processes.

**Box 3.1: Main factors influencing employers to offer family-friendly policies and practices**

<table>
<thead>
<tr>
<th>Pressures from inside or outside the organisation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chief Executive Officer (CEO)/top management/board members’ beliefs and personal experience with work/life issues;</td>
</tr>
<tr>
<td>• Level of state support for flexible working;</td>
</tr>
<tr>
<td>• Institutional pressures to introduce WLB policies;</td>
</tr>
<tr>
<td>• Corporate social responsibility/right thing to do;</td>
</tr>
<tr>
<td>• Proportion and influence of women in the workplace;</td>
</tr>
<tr>
<td>• Level of unionisation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisational-specific factors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Organisational size, sector and industry;</td>
</tr>
<tr>
<td>• Job type and scheduling structure;</td>
</tr>
<tr>
<td>• Better technology enabling homeworking/teleworking;</td>
</tr>
<tr>
<td>• Existence of enablers/barriers to work-life balance (WLB) in the firm;</td>
</tr>
<tr>
<td>• Work culture.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To meet and improve organisational goals:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To recruit highly-skilled workers/difficulties finding skilled workers;</td>
</tr>
</tbody>
</table>
- To improve firm productivity (by reducing work-life conflict and improving job satisfaction);
- Realisation of business goals;
- To improve firm’s financial performance;
- To improve staff commitment;
- Return on Investment (ROI) of workplace initiatives to reduce work-family conflict;
- To reduce worker absence;
- To reduce turnover intentions;
- Associated costs and benefits.

3.1.1 Pressures from inside or outside the organisation
Although this review does not include those studies specifically concerned with frontline managers’ influence on the offer and uptake of FFWPs, a small number of articles highlight the importance of senior or top managers’ beliefs or personal approaches to their implementation.

Mullins and Holmes (2018) examined the influence of board directors on the implementation and use of work-life balance (WLB) initiatives in the US: results showed that board directors who are outsiders, women, and holders of additional directorships, with their broad stakeholder orientation, increased the likelihood of flexible working initiatives being offered by the firm. In an earlier US study, Eversole, Gloeckner and Banning (2007) highlighted that CEOs’ beliefs and personal experience with work/life issues were an important factor in the offer of FFWPs (adoption was reported to depend more on their decision-making ‘style’, however, and not necessarily on their own experience of work-life issues). Using data from 26 CEOs, the authors highlighted five distinct processes that they used to make decisions whether or not to implement work-family programmes at their organisations. Beliefs of CEOs only played a role in adoption decisions for those who used primarily cognitive decision-making styles. Other factors, such as learning, empathy, rational arguments and the need for retention were also factors in CEOs’ decision-making processes.

In a small-scale study from the Netherlands, focusing on top managers, Been, den Dulk and Van der Lippe (2016) examined a mix of motives for implementing FFWPs. The results suggested that top managers provided work-life arrangements based both on economic arguments and in reaction to institutional pressures, and because they believed it to be their social duty. If the consequences of work-life arrangements were perceived by top managers to be negative for their organisation, however, they established conditions for their use by employees so as to reduce the effect on the organisation, rather than cutting the arrangements altogether. During the economic crisis, top managers expressed more concern about the negative consequences for their organisation. Government regulations were perceived as ‘only normal,’ but top managers still wished to remain in control of arrangements. The authors argued that if the law leaves room for interpretation, top managers may use this freedom to bend the arrangements to suit their own ideas.
Other articles focused upon corporate social responsibility (CSR) considerations as a motivating factor in decision-making by employers. Much of the research in the area of employer motivations contrasts the economic arguments for adopting FWAs (i.e. the traditional ‘business case’) with an ‘institutional rationality’ (den Dulk and Groeneveld, 2013). For example, it is argued that organisations have to adapt to societal pressures, and these can be sub-divided more specifically into coercive, normative and mimetic institutional pressures, in order to maintain their legitimacy. Both economic arguments and institutional arguments can co-exist: den Dulk and Groeneveld (2013) highlighted that normative rationality has associated economic consequences, thus allowing for mutual benefits, or a ‘win-win’ for employers and employees alike. Bloom, Kretschmer and Van Reenen (2011) examined whether FFWPs were positively correlated to firm performance (the focus of the next section) but also which firms were likely to adopt them in a study including the USA, France, Germany, and the UK. Key findings demonstrated that there were more FFWPs in companies with a higher share of female managers, skilled staff and better management practices. However, findings also suggested that FFWPs were offered in these companies because of CSR and not to retain staff. The authors summed up by arguing that their results are consistent with firms valuing more than just financial performance when choosing their strategies.

Pasamar and Alegre (2015) specifically set out to examine the impact of coercive, normative and mimetic pressures on employers in encouraging the adoption and use of WLB initiatives, using data collected via a survey of 993 HR managers from companies with over 50 employees operating in Spain. Results showed that particular normative pressure determined the level of adoption and use of WLB initiatives. However, the presence of global normative pressure was not relevant. The perceived moral obligation that companies encounter when discussing WLB was less important, and only the particular normative pressure that each company perceived as its own became relevant in its decision-making. If these pressures grow, it was argued, organisations may adopt new benefits or extend their existing practices. The perception of coercive pressure was still very low, and was not related to the presence and use of these WLB practices in Spanish organisations, and there was no effect of mimetic pressure on adoption. However, there was an effect of mimetic pressure on the uptake of work-life benefits. The proportion of female workers was not significant in this research.

In a report on the National Survey of Employers in the US (Matos, Galinsky and Bond, 2017), employers with eight or more employees and family assistance initiatives (flexible time, caregiving leaves and dependent care assistance) were asked the main reasons for implementing these initiatives. The first and third most important reasons were the recruitment and retention of employees, with a focus on highly-skilled employees the eighth most commonly cited reason. However, three of the top 10 responses focused on ethical reasons for such programmes: to help employees manage work and family life (21%); it is the right thing to do (9%); and supporting/meeting employees’ needs (9%).

While CSR considerations may not be a top priority for employers, they are often included within a raft of motivating factors. Like the study above, a 2012 study by the CIPD included a large-scale survey of more than 1,000 employers and 2,000 employees, plus company case studies. One such case study was Accenture which had undertaken its own internal and external research, summing up seven reasons to create a more flexible work environment: to attract and retain a broad range of talented people; to raise morale and increase job satisfaction; to increase

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productivity and improve business results; to enhance commitment and engagement; to cut health care costs; to attract investors; and also to be a good corporate citizen. This again reflects the interplay of extended organisational business-case motivations, as well as CSR factors.

Ramesh, Ireson and Williams (2017) undertook a qualitative case study of 21 good practice employers across English-speaking countries (including the UK) providing caregiver-friendly working policies (CFWPs). Questions focused on motivations for implementing CFWPs and any difficulties encountered. The main themes identified were:

- positive workplace culture (top employers actively seek to make a supportive workplace culture a priority, including an ability to be adaptable to employees' changing generational needs);
- recognition of the emerging concept of 'workplace health' whereby workers were better supported and so were more productive; and
- a recognition of and responsibility for caregiving employees: two general cases were identified within this theme (the business case and CSR); the business case included reduced absenteeism, better productivity, being seen as an employer of choice, etc. On the other hand, CSR was linked to complying with - and often going beyond – the legal requirements for CFWPs.

In a recent scoping study of previous literature, Ireson, Sethi and Williams (2018) also focused in part on employer motivations for introducing CFWPs. Motivations included the business case; attracting skilled staff; being seen as an attractive employer; recognising an increasing number of working women and mothers, and the need to retain female staff to better service an increasingly female clientele; as well as social responsibility and investing in employees.

In an earlier study from Australia (and one of the few focusing on employer motivations surrounding the provision or enhancement of paid maternity leave (PML) or paid parental leave (PPL)), Charlesworth and Probert (2005) conducted case studies of seven organisations which introduced or increased PML or PPL over the previous decade. The findings suggested that the business case was only one of the reasons that PML was introduced or increased. Equally important were beliefs about the ‘right thing to do’, both in terms of meeting community expectations and social justice or gender equity goals, a desire to enhance the stature and reputation of the organisation, and increase organisational commitment and cohesion. In a 2007 article using the same data, Charlesworth argued that motivating factors included the business case; social justice case; reputation of the organisation; and employee commitment. The drivers or motivations which encourage organisations to take action around PML at a particular time or in a particular way are influenced by both internal and external factors. Internal factors include:

- organisational values and culture;
- work and workforce organisation;
- organisational change and industrial/ employee relations; and
- the gender profile of an organisation.

External factors include:
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- industry and global pressures and demands;
- legislative requirements;
- government policy; and
- perceptions of social and community responsibility.

Other studies have focused upon additional internal or external pressures. A Canadian study examined whether employee choice or employer preferences impact on the implementation of WLB initiatives, using 2003 Canadian linked data (Zeytinoglu, Cooke and Mann, 2009). Findings showed that employment status, unionised work, occupation and sector were consistently associated with greater work flexibility; marital status, dependent children and childcare use were not associated (in fact, men had greater flexibility than women). Overall, their results suggested that flexible working schedules are created for business interests, rather than for workers’ WLB. On the other hand, Peretz, Fried and Levi (2018) argued that the cluster of values that support employee use of FWAs are typically found in modern rather than traditional societies; i.e. larger, private, service, hi-tech companies, with more female employees and younger employees, are more likely to use FWAs.

Den Dulk and Groeneveld’s 2013 large-scale study was conducted across 20 EU countries, specifically examining the motivations for WLB support provided by those public sector organisations extending state provisions and legislation. Within the 2004/5 European Survey on working time and work-life balance (ESWT), HR managers were asked about work–life policies offered by the organisation. Their results showed that public administration organisations offered more WLB support than other public sector organisations. In addition, the larger the organisation and the higher the proportion of female employees, the more WLB support was offered. Surprisingly, difficulties in finding skilled personnel and country-level unemployment did not have a significant effect on the implementation of work–life policies. The results also confirmed that the more state support exists in a country, the more WLB support was found in public sector organisations, but this association was stronger for public administration organisations than other public sector organisations. The authors concluded that overall, institutional pressure is the most important driver for public sector organisations to offer WLB support to their employees. Little evidence for the relevance of economic drivers was found, despite the introduction of new public management (NPM)-style reforms in the public sector.

An earlier study by Den Dulk, Peters, Poutsma and Lighthart (2010) focused particularly on employer choices, using 1999-2000 CRANET (Cranfield Network on Comparative Human Resource Management) data of over 6000 organisations across the EU: ‘the decade before several directives of the European Union (EU) came into effect (on equal treatment, on regulation of working time and on child care)’ (2010: 163). To examine the extended business case for introducing FWAs, the authors identified several institutional indicators: the degree of state support for working parents (public childcare and leave arrangements); national gender equality (GDI); and labour market conditions (unemployment rate). Results showed that well-developed public provisions diminished the likelihood of employers being actively involved in the development of work-family support, findings which are somewhat different to the later 2013 study. There was no significant effect of the degree of national gender equality in a country and, again in contrast to their later findings using different data sets, in most institutional contexts, a high percentage of women within the organisation was shown to have little impact on employer
involvement (except in conservative welfare regimes). In liberal regimes, work-family arrangements were offered by employers anticipating that the benefits exceeded the costs. Within other regimes, e.g. the social-democratic regime, the business case became particularly relevant when the labour market for professional workers was tight.

Using Canadian data from 2003/4, Wang and Verma (2012) examined whether business strategy (‘cost-leadership business strategy’ or ‘product leadership business strategy’) was related to the adoption of WLB programmes and whether high-performance work systems (HPWS) act as a mediator in this relationship. HPWS include ‘intensive investment in training, variable pay, job rotation, and delegation; emphasis on team structure to improve quality and problem solving; encouragement of employees to become involved as corporate citizens and to submit their suggestions to management; and promotion from within’ (2012: 411). The findings showed a significant effect of industry, supporting the institutional view of organisational responsiveness to social changes, according to which early adopters of WLB programmes in an industry provide an example for other organisations to follow.7 The authors argued that this finding was largely consistent with earlier research, which showed that as more organisations adopt work-life balance programmes, these programmes become a norm within the industry.

An earlier UK study (Wood et al. 2003) examined which of five perspectives was important in explaining the adoption of FFWPs. The ‘organisational adaptation’ perspective had the most support: this was an extension of institutional theory (that organisations must respond to demands embodied in regulations, norms, laws, and social expectations) but the organisational adaptation perspective assumes that organisations do not passively conform to normative pressures and that management has discretion over its response to environmental challenges. As such, management may choose to ignore or oppose societal pressures to balance work and family. Organisations are also assumed to differ in how they scan and define these apparent external pressures. Thus weight is given to how management perceives and interprets or ‘recognises’ the institutional environment.

These findings highlight that CSR and other internal and external pressures are important factors, albeit typically interacting with other motivating factors, in the implementation of FFWPs. However, organisational-specific factors – outlined next - are also important.

3.1.2 Organisational-specific motivating factors
Several authors have argued that smaller firms may find it harder to implement FFWPs than larger organisations. For example, in Spanish research examining 29 SMEs in the metal industry sector, Cegarra-Leiva, Sánchez-Vidal and Cegarra-Navarro (2012) identified from a literature base differences between large employers and SMEs and argued that managers of firms fear introducing FWAs due to perceived ambiguity around the benefits; this could be particularly important in SMEs as WLB practices are more costly and difficult to implement than in large organisations. Aguilera, Lethiais, Rallet and Proulhac (2016) undertook a survey of SMEs in Brittany and France, and found that 44% who had not implemented telework thought it would decrease employee productivity, compared to 26% who had implemented telework. Most thought it would not increase productivity overall. However, Mayo, Gomez-Mejia, Firdiray, Berrone and Villena (2016) found that very small and very large firms were equally motivated to participate in

CSR for employees, although telework was more likely offered in multinational organisations and in knowledge-oriented firms.

Kotey and Sharma (2016) analysed 2007-11 Australian data to investigate the extent to which factors such as firm size, industry sector, terms of employment, employees’ skills and use of the internet at work affected the provision of FWAs in SMEs (employing 5 to 199 workers). Findings showed that although smaller businesses were constrained by resources to provide FWAs, they did so in pursuit of industry norms and/or as a result of the profile of their employees. The authors concluded that it is also easier to provide FWAs in certain industries than in others and that use of the internet facilitates the provision of FWAs.

In the larger US study undertaken by Matos, Galinsky and Bond (2017), some of the barriers to implementation of FWAs were reported to be jobs (11%) and industries (6%) that do not naturally lend themselves to these kinds of programmes, although cost was the major barrier (see also below). In a review of the literature, Berkery, Morley, Tiernan, Purtill and Parry (2017) provided a background to studies which highlight the importance of contextual factors when studying the relationship between FWAs and organisational outcomes, such as organisational size, proportion of females employed by the organisation, trade union representation and recognition of collective bargaining, the profile of the host country, industry sector and markets served. Stavrou and Kilianotis (2010) concluded that country cluster (Anglo or Nordic) and industry were significant contextual variables in the use of FWAs. Organisational size was also recognised as a potentially important influence on management’s decision to adopt FWAs, because it is harder for a small organisation to readily and easily respond to the increased cost of FWAs.

Other studies have examined workplace culture and other organisational-specific factors involved in decision-making around FWAs. For example, Ramesh et al’s 2017 Canadian study (also outlined earlier) generated four main themes affecting the implementation of CFWPs: 1) a positive workplace culture; 2) recognition of and responsibility for caregiving employees; 3) availability, accessibility and utilisation of CFWPs; and 4) strategies to overcome obstacles to implementation.

In a US study, Wells-Lepley, Thelen and Swanberg (2015) focused upon supervisors’ attitudes, training in i) managing flexibility; ii) hours of operation; iii) scheduling structure of job; iv) nature of work; v) lack of guidance; vi) concerns over abuse; viii) inequity across positions; and ix) perceived co-worker resentment in offering FWAs. Although most supervisors using FWAs reported benefits (e.g. improved job satisfaction, staff morale, work-life fit, employee health and well-being), they also reported on structural challenges preventing them from expanding their use, e.g. hours of operation, job schedules and the nature of the work, but also concerns about treating all employees equally and potential co-worker resentment, as well as possible administrative problems in supervising staff working flexibly.

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3.1.3 To meet and improve organisational goals

Motivating factors around meeting and improving organisational goals are often paramount in employers’ decision-making processes. An ongoing dilemma surrounding the introduction of FFWPs is their impact upon organisational outcomes: if proved to be beneficial, it would be an easy decision for employers to take to increase flexible working among their staff. However, the evidence is not straightforward, in spite of the efforts of many researchers in the field to demonstrate the business case to employers. Section 4 will outline any evidence from the literature that FFWPs benefit or disadvantage employers, but first we discuss the importance of organisational benefits in encouraging employers to introduce them.

In 2006, ‘BT Workstyle’ introduced a number of flexible working options to help UK staff achieve greater flexibility. These included job sharing, home working, occasional home working, local working and flexitime. This was described as a ‘board-driven initiative’, and BT built a flexible working business case with clear milestones and return on investment calculations. Senior executives were then strongly encouraged to be early adopters to demonstrate management commitment. Measures were then taken of quality of service, productivity, staff retention, sickness absence and accidents. However, BT later argued: ‘Let’s be clear and unequivocal: BT introduced its pioneering flexible working policy because of business need, not despite it. At the outset, the most compelling argument was that it would help us attract and retain the best people in a fiercely competitive sector. Today, it is at the heart of our business strategy’.

Researchers have focused on several different motivating factors related to organisational performance and also on different programmes and initiatives in different countries. In the US, Dembe, Dugan, Mutschler and Piktialis (2008) examined the motivations behind introducing elder care assistance programmes and focused on decreasing employee stress, decreasing absenteeism, and boosting productivity, as well as increasing employee recruitment and retention. The costs and impacts of introducing these programmes were also examined. Overall, the authors argued, employers’ decisions about whether to offer particular services were likely to be more strongly influenced by considerations about costs and the ability to measure programme impacts than by the actual use level by employees.

Returning to Matos et al’s (2017) study using the National Survey of Employers sample, the main reason cited by employers for developing workplace flexibility, caregiving leaves and dependent care initiatives was the retention of employees (39%), with fewer mentioning the recruitment of employees (15%) and increasing productivity (9%). The major obstacle to introducing greater flexibility for employees was identified as cost (28%).

In a US study focusing upon organisations offering compressed workweeks, Wadsworth, Facer and Arbon (2010) randomly selected cities of over 25,000 people and usable survey responses from senior HR directors were received from 151 cities (a 43% response rate). More than half (56%) of the cities surveyed reported offering some type of Alternative Work Schedules (AWS) to their employees, while 4% reported that they had a firm plan to do so. The most common type of AWS reported was the use of compressed workweeks, with nearly half of the cities (46%) indicating that they offered them to at least some of their employees. Some organisations allowed employees the choice to participate in a compressed workweek schedule, whereas others had made participation mandatory. Indeed, 34% of the cities offering compressed workweeks required

10 https://www.eurofound.europa.eu/observatories/euwork/case-studies/attractive-workplace-for-all/bt-uk-towards-a-balanced-flexibility
it for at least a portion of their employees, whereas the remaining cities offered it as an optional schedule for interested employees. The HR professional was asked to specify what factors influenced the adoption of AWSs in their city: 48% indicated that improving employee morale was an important factor, followed by supporting employee work–life balance (46%). The next most frequently cited factors all benefit the organisation, however: increasing productivity (44%), extending business hours (40%), reducing costs (31%), decreasing absenteeism (29%), and increasing the ability to attract talented employees (28%).

Charlesworth and Probert (2005) and Charlesworth (2007) examined the business case for introducing paid maternity leave (PML) and paid parental leave (PPL) in Australia but argued that this was only one of a range of factors behind the decision-making of employers. Barrett and Mayson (2008) similarly looked at costs and benefits of offering PML and the retention of good employees in Australian SMEs. None of the small firm employers offered PML and the cost of doing so was not considered to outweigh the benefits already realised through the (legislated) unpaid maternity leave scheme. Maternity leave was managed in an informal way with notions of give and take and employers provided the statutory 12 months unpaid leave with a guaranteed job on their return. Seven of the eight small business employers saw PML as an extra cost and burden, however. Retention of “good” employees was recognised by all employers as the key benefit of maternity leave, and as this was being gained from a policy of unpaid leave, there was no perceived need to adopt a policy of PML.

Returning to Been et al’s (2016) study of top managers in the Netherlands, a mix of motives were proposed (economic arguments, institutional pressures and potentially also social duty) but the authors argued that in hard economic times, or if flexibility is perceived to be costly, top managers may focus on controlling potential negative effects of FWAs by imposing controls. In other words, economic arguments will win out over social duty, and also institutional arguments, when the evidence is not clear-cut that FWAs produce organisational benefits.

Echoing these findings, Lewis, Anderson, Lyonette, Payne and Wood (2017) interviewed senior HR managers in UK public sector organisations and found a distinct shift towards a greater emphasis on the economic - rather than the social or institutional - interests of employers during austerity. It was noted that WLB practices, embedded over time, can be developed strategically to manage austerity while simultaneously addressing employees’ WLB needs, albeit with a growing emphasis on personal responsibility for well-being. Blok, Groenesteijn, Schelvis and Vink (2012) similarly conducted a small-scale study with employees in the Netherlands, with a focus on teleworking, and found that more organisations introduced telework to reduce operating costs and increase productivity (measures of productivity included collaboration, employee satisfaction, suitability of the environment to perform work tasks, knowledge sharing). Results did not show any change over the first six months since introduction of the measure for collaboration and employees’ satisfaction and the suitability of the environment to perform the work tasks, while knowledge sharing was decreased significantly over time. This was partly attributed to the fact that changes take time to embed, in particular changes in management style and organisational culture.

In a study focusing upon part-time work, lerodiankonou and Stavrou (2015) discussed the differences between core versus peripheral workers (core = full-time and high-value; peripheral = part-time and lower-level). There were differences in the reasons for offering part-time work - to meet demand and fulfil organisational objectives, rather than for worker preferences.
Rather than calculating a detailed business case, employers may base their decision on top level assessments of how the introduction of certain policies may impact their bottom line, with more advanced cost calculations using customised employer surveys to help them construct the (economic) business case (e.g. Corporate Voices, 2011; BT, 2007).

### 3.2 Summary

Overall, it appears that there are a range of motivating factors involved in the decision-making of employers regarding the implementation of FFWPs. These can be categorised into three interconnecting influencing factors: pressures from inside or outside the organisation, organisational-specific factors and to meet and improve organisational goals. Bound up in this decision-making process is the organisational acceptance (or rejection) that FFWPs are beneficial, not only to the employee in gaining greater work flexibility, but also to the employer in terms of eliciting better loyalty, commitment, performance and productivity, as well as recruiting and retaining valued staff. Employer motivations may also change over time, with a more explicit focus on the business case during difficult economic times.

Clearly, evidence of a business case for employers, including the economic case but not excluding other factors which may positively impact on organisational goals, is crucial in the implementation of FFWPs. The following section will highlight any evidence that FFWPs benefit or disadvantage employers.
Evidence that family-friendly policies and practices benefit or disadvantage employers
4. Evidence that family-friendly policies and practices benefit or disadvantage employers

As highlighted earlier, evidence of a direct link between the implementation and uptake of FFWPs, and benefits to employers, is a significant goal in WLB research. Although many researchers have set out to provide clear and unambiguous evidence of the benefits, this has generally proved to be elusive, partly because of the difficulties in measuring and quantifying clear employer benefits over time (e.g. reduced absenteeism, better recruitment and retention of valued staff, better productivity, improved loyalty and commitment from staff).

It is argued that employer benefits may accrue because of the impact the policy can have on individual employees, such as reduced stress or work-family conflict, improved job satisfaction or increased employee engagement, which in turn can lead to reduced absenteeism and higher individual productivity. Indeed, many more studies focus on the impact of FFWPs on the employee (e.g. intention to quit, or changes in job satisfaction) than on employer benefits. Employer benefits can also accrue because employees may be happy to accept lower salary levels in exchange for FFWPs or because changes in the organisation of work reduce overhead costs, such as reduced office space (e.g. Smeaton et al. 2014).

Most of the empirical studies in this review have covered a wide range or ‘bundles’ of FFWPs, with far fewer focusing on specific FFWPs, such as part-time work, maternity leave or teleworking.

The following section will set out what evidence has been found to date. We begin with a summary of relevant literature reviews focusing upon FFWPs and employer outcomes.

4.1 Key findings from earlier literature reviews

De Menezes and Kelliher (2011) conducted a systematic review of the literature going back to the 1980s on the link between FFWPs and performance-related outcomes. Performance-related outcomes were defined at the individual and organisational levels, and included measures of financial performance, productivity, labour turnover, absenteeism, organisational commitment and job-related well-being. Taken together, the authors argued that the evidence failed to demonstrate a business case for the use of FFWPs. Support for a link with performance had been most commonly found in relation to absenteeism (a negative correlation) and job/work satisfaction (a positive correlation). Concerning organisational performance, the most common finding was no association. Few studies reported a decrease in performance, however.

Smeaton et al. (2014) included in their review flexible working opportunities, potentially available to all staff (including flexi-time, working from home, reduced hours, job sharing and term-time working) and policies specifically directed at families, termed ‘family-friendly’ (including maternity, paternity and parental leave/pay and childcare support provision such as onsite nurseries). The authors grouped their findings by the methodology used in each study.

- **Productivity**: The authors argued that most primary, survey-based research supports a business benefits hypothesis in relation to productivity, whereas case study evidence
overwhelmingly demonstrates a positive association between flexible working opportunities and productivity/performance gains but these are context specific. Econometric studies are somewhat more mixed, but where an index of flexibility is used, i.e. a ‘bundling’ approach, findings are usually positive.

- **Absenteeism**: Smeaton et al. (2014) argued that the overall balance of evidence would suggest that FWAs can effectively reduce absence. Case study and primary survey research evidence suggest business benefits, with reduced levels of absence associated with the introduction of FFWPs. The econometric evidence is more mixed again, although findings suggest that homeworking does lower absence rates.

- **Recruitment**: There was far less evidence relating to recruitment benefits compared with other benefits. Evidence from employees suggests that the majority are attracted to jobs by flexible working opportunities and that a lack of flexibility accounts for a considerable amount of under-employment, however. Evidence from employer surveys also suggests recruitment advantages.

- **Retention and return to work**: Findings from primary surveys and case studies pointed to flexible working as having helped with staff retention, leading in some cases to very significant savings in turnover costs. The econometric evidence suggests that some FWAs are a benefit to businesses but the findings were not consistent. Further studies found all FWAs to be ‘business neutral’. A wide body of international research highlighted the significance of paid maternity and parental leave in promoting the active labour market engagement of mothers: having adequate paid leave combined with the possibility of returning to the same employer was a strong incentive to return to work. The proportion of mothers returning to the same employer in the UK has increased over time, from 75% to 84% between 1988 and 2009/10.

- **Individual-level outcomes**: The research evidence also demonstrated that effective outcomes at the level of the individual, including job commitment, happiness, satisfaction, engagement and, in turn, discretionary effort, were all associated with business benefits such as reduced leaving intentions, fewer absences, less tardiness and improvements to performance and productivity.

- **Implementation and administration costs**: The data available was somewhat limited but employer survey evidence indicated that the majority of businesses believe that implementing FWAs incurs very few costs. Several regulatory impact assessments of WLB legislation detailed the full range of costs, setting these against estimated benefits and generally concluding that the latter outweigh the former. The costs per request for flexibility (estimated at £88 by BERR (2008)\(^{11}\) and £62 by BIS (2010a)\(^{12}\)) do not appear to be high but employer perceptions of costs being high or low will depend on the number received, profit margins and whether the costs are perceived to be lower than actual or potential benefits. Survey evidence suggested that most employers do not experience the administration of flexible working as a burden. Surveys which asked employers whether the costs and benefits of flexible working and FFWPs were balanced found that most

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employers agreed but around one third indicated that the costs outweighed the benefits. A number of studies emphasised that WLB costs are most burdensome for small employers.

**Beauregard and Henry** (2009) also conducted a review of the literature to identify the various ways in which organisational work-life practices may influence organisational performance. The authors concluded that, regardless of effects on work-life conflict, WLB practices are often associated with improved organisational performance, as set out below.

- **Recruitment and positive work-related behaviours and attitudes**: Making practices available appears to give organisations a competitive advantage in recruitment, by demonstrating organisational support among job-seekers, and may also increase positive job-related attitudes, work effort and contextual behaviours as they serve to demonstrate organisational concern for employees.

- **Cost savings**: Previous research highlighted in the Beauregard and Henry review suggested that organisations may even be able to offer lower wages in exchange and to attract investors by signalling organisational legitimacy. Having employees who make use of available work-life practices may also incur cost savings for organisations via longer work hours and enhanced productivity: employees may work longer hours because flexible arrangements increase their availability for work and reduce their commuting time, or because they are exchanging leisure time for flexibility. They may choose to work during their peak hours in terms of personal productivity or work extra hours during the organisation’s peak times in exchange for flexibility at other times. They may also work harder to avoid losing a job that offers them the flexibility they desire. This is described as the wage/benefit trade-off hypothesis but there is no definitive proof to support this.

**Golden** (2012) focused on the link between different aspects of working time and outcomes in terms of productivity and firm performance, including both how the length of working hours affects unit productivity and also how various types of flexible working time arrangements affect firm performance. The review included many of the articles already highlighted in this review; others in scope (i.e. published after 2008 or highly relevant) are included and referenced here in footnotes.

- **Economic performance**: A survey comprising interviews with company managers in 21 European countries found that firms that adopted a relatively greater set of FFWPs experienced a marginally greater likelihood of having a very good economic performance than low performing firms, although the perceived performance differed only very slightly compared to similar firms without such practices. Nevertheless, this suggests that FFWPs are at least not detrimental to productivity. Giving workers the option to take time off when a family member was sick or to work from home were both associated positively with firms’ profits (although job-sharing arrangements had a slightly negative impact on profits). One national representative survey in the US found that 36% of organisations reported their FWAs to be cost-neutral. However, 46% believed they gained a positive return on investment by implementing such practices. With regard to caregiving leave (the most costly flexible workplace practice), 42% of firms viewed them as cost-neutral, with another 42% reporting a positive return on investment in such programmes (see Beauregard and

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Family friendly policies and practices: Motivations, influences and impacts for employers

- Performance expectations and commitment: For German employees in a government agency, individual work arrangements such as part-time work and telecommuting were positively related to working unpaid overtime but had no measurable effect on performance expectations and organisational commitment. In an early study of professional and technical workers with flexible work schedules, Eaton (2003) noted that the perception of flexibility is what really makes the difference: control over time, flexibility, and pace of work were positively related to job commitment and job productivity.

- Productivity and cost savings: City government employees in a small but growing US city working a 4/10 schedule (a compressed weekly work schedule whereby staff work four 10-hour days per week, with offices closed on Friday) were relatively more productive than those not working 4/10 schedules, but did not have greater job satisfaction. Productivity gains were sustained and employers reaped other savings, such as lower energy costs.

- Absenteeism: In an investigation using longitudinal data, the positive effects of HR practices designed to promote better work/family balance actually produced sustained reductions in absenteeism, more than any sustained improvements in productivity or financial performance. Casey and Grzywacz (2008) also found that more FWAs reduced absenteeism if they facilitated the combination of paid work with other activities. In the longer term, they may further decrease absenteeism by improving worker health, through reduced stress and increased job satisfaction. A sample of working adults in the US also found that employees with flexible working hours reported lower levels of absenteeism.

Heywood and Miller (2015) conducted a recent review which specifically focused on reduced absenteeism and found that flexibility was associated with greater reductions in absence when

establishments had large shares of female workers, did not have special leave policies and were typically organised around shifts. While the association between schedule flexibility and reduced absence was persistent, the exact cause has not been identified. For example, the authors proposed that flexible schedules may allow errands or care-giving that would have otherwise been treated as absence; this may directly benefit workers by reducing stress or allowing additional time for recuperation, so reducing absence. The presence of such scheduling could be part of a package of HR practices that create positive reciprocity and that absence is reduced as part of a ‘gift exchange’. These findings are similar to those highlighted in the review by Beauregard and Henry (2009). The authors add that reduced absence is unlikely to be the only benefit from flexibility: firms may also achieve reductions in turnover or improved worker performance.

Garnero (2016) conducted a literature review, with a specific focus on part-time/reduced working hours. The review included individual examples of part-time work and organisational outcomes. In the report, the author refers to part-time work as ‘horizontal,’ when working hours are reduced on a daily basis, or ‘vertical,’ when the work is executed full-time but only during certain days of the week or, less commonly, certain months or years. In addition to the studies on part-time employment already outlined in this review, Garnero included a German study which showed that horizontal part-time jobs increased motivation and reduced absenteeism, while vertical part-time jobs allowed companies to manage demand variations more efficiently (in industries such as tourism and banking, for example).23 Shift-based part-time jobs might enable firms to extend operating hours. Evidence on total factor productivity for Italy suggested that horizontal part-time work was detrimental to productivity, in particular when the work is part-time in order to accommodate workers’ requests and not because of company-specific needs.24

Stumbitz, Lewis and Rouse (2018) conducted one of the few articles on maternity leave management in this review, addressing the following question: What is known about the relations that shape maternity management in smaller workplaces? Focusing here on relevant literature for this review, the authors report that evidence on the real costs of maternity leave to small businesses is ‘limited, contradictory and problematic’. A review of costs of maternity leave regulations in Denmark, Germany, the UK and the US, for instance, found that small employers were among those most likely to report maternity leave-related problems and costs.25 Overall, the authors suggested that (owner-) managers, and especially those with no experience of managing maternity, tend to perceive maternity adjustments as unaffordable.26 However, the costs of recruiting replacement labour may be offset by intensifying co-workers’ labour in the short term27 or gaining labour flexibility and better productivity over the longer-term. A focus on short-term

costs, or ‘gendered denigration of maternal labour’, may obscure such benefits, however. Overall, there is a process of give and take in small firms and ‘ad hoc mutual adjustment’. Employers in SMEs are more likely to make individually-tailored adjustments but these are likely to be premised on gendered presumptions about mothers’ capabilities and ambitions. They also rely on a strong past performance or projected value. FFWPs in SMEs are commonly combined with lower pay or status, although maternity regulations attempt to prevent this form of mutual adjustment, this only works in some contexts.

**Lazar, Osoian and Ratiu (2010)** conducted a literature review focusing in part on the organisational outcomes and employee benefits of introducing FFWPs. Drawing on previous research, their study included the following case study evidence on organisational benefits (Table 2.3).

**Table 2.3: Organisational Benefits and outcomes of types of FFWP**

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Type of FFWP</th>
<th>Organisational outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced costs</td>
<td>WLB practices</td>
<td>Reduced turnover, increased productivity and employee satisfaction (Capital One Financial)</td>
</tr>
<tr>
<td></td>
<td>Telecommuting</td>
<td>Saving of $700m in real estate costs due to 25% of staff worldwide telecommuting (IBM)</td>
</tr>
<tr>
<td>Enhanced organisational image and retention of ‘desirable’ employees</td>
<td>Flexible scheduling (undefined)</td>
<td>Doubling the employee base over a 12 year period and halving the turnover rate from 22% to 11% (Arup Laboratories Salt Lake City)</td>
</tr>
<tr>
<td></td>
<td>Work life initiatives</td>
<td>Improved staff retention led to reported savings of $200,000 per year (SC Johnson, New Zealand)</td>
</tr>
<tr>
<td>Increased productivity and employee’s performance</td>
<td>Emergency time off for caring responsibilities</td>
<td>Better retention (KPMG)</td>
</tr>
<tr>
<td></td>
<td>Telecommuting</td>
<td>Productivity increase by 30% (translation department at Pfizer Canada)</td>
</tr>
</tbody>
</table>

Adapted from Lazar et al. (2010)

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4.2 Individual empirical studies

The next section focuses upon eligible individual studies, based in different countries and using different outcome measures and, in many cases, a focus on different FFWPs.

4.2.1 UK-focused studies

In a UK study focusing on hospital staff, Avgar, Givan and Liu (2011) examined the impact of WLB practices (various forms of flexible work options and employer-provided childcare) and organisational support for WLB practices on financial performance, patient care and turnover intentions of staff. Using a combined index, WLB practices and organisational support were shown to positively affect hospital financial performance, reduce employee turnover intentions, and decrease errors that could harm patients and staff. However, there was no significant negative relationship between WLB practices and organisational support and hospital mortality after surgery. Similar findings were found when the impact of flexible work options, childcare and organisational support for WLB practices on each of the outcomes were analysed separately, except for financial management where only flexible working was reported to be highly significant. The authors highlighted the importance of employee perceptions of their organisation but concluded that the ‘business case’ for WLB practices has not yet been conclusively settled. They added that while most of the existing WLB research focused on direct effects, it should also consider indirect effects.

In an earlier article, Thomson (2008) highlighted examples of flexible working benefits, including the UK Government’s ‘Project Nomad’ initiative, focusing on remote working. Reported benefits, derived from the initiative, focusing on accommodation costs, productivity, turnover and sickness absence, included:

- moving from a central urban office to regional satellite offices produced savings of 33% in accommodation costs;
- flexible working arrangements led to a 25% reduction in accommodation costs;
- use of regional centres reduced work-related car journeys by 30%;
- substantial productivity improvements, often reported at over 25%, resulting from improved attendance stemming from lower absence;
- improved customer service due to increased contact at times convenient to the customer;
- reduced employee turnover leading to lower recruitment, induction and training costs;
- reported higher levels of employee satisfaction, up from 60 to 89%; and
- lower levels of reported stress.

The author also reported on a small homeworking pilot initiative in the East Riding of Yorkshire Council’s Revenue Services, beginning in 2000. In 2002, the team won the award for Benefit Team of the Year from its professional body.

The results of the pilot showed that:

- productivity increased on average by 20% (initially some productivity levels went up by 50% but then settled at 20%);
- sickness absence reduced by 50% and remained at that level;
- employee turnover dropped from 35% per annum to 8%;
- benefit claims in progress went down 7,800 to 300 and the time taken to assess new claims reduced from 103 days down to 26; and
- face-to-face enquiries dropped from 1,000 per week to 300 and complaints dropped from 56 per month to six.

Using data on private sector SMEs in Lancashire, Whyman and Petrescu (2015) examined FFWPs and redundancies, absenteeism, and financial turnover at the height of the recession and found similarly positive employer outcomes. FFWPs as a whole were highly significantly linked to low absenteeism levels, showing a predicted three days per employee per year decrease if FFWPs were implemented. Moreover, organisations with FFWPs were found to be better at retaining employees, even when the respective employees choosing to remain within the organisation did not use the policies themselves. This suggests that the use of FFWPs, albeit by colleagues of an employee, has an indirect positive spillover effect on employee retention. Part-time working, however, was associated with high redundancies and low financial turnover, but low absenteeism. The use of part-time workers was significantly linked with low rates of absence. Flexitime was highly significantly associated with low redundancies, whereas job sharing was significantly linked with low redundancies and highly significantly linked with low absenteeism. However, job sharing was uncommon in the sample (12%).

WERS 2004 data from the UK was used to examine the effects of Equal Opportunities policies and practices and selected family-friendly practices (homeworking and paid family or childcare-related leave arrangements) on business productivity and profitability (Riley et al. 2007). The authors found some limited evidence to suggest positive effects of these FFWPs on business productivity and profits but, interestingly, any significant productivity effects were more likely to be observed in smaller establishments. The authors argued that there did not appear to be a particularly strong relationship between arrangements where time off for family emergencies was usually taken as special paid leave and business profits, although propensity score estimates of the effect on profits per employee may suggest a positive link. Using the same data set, Wood and De Menezes (2010) argued that there is ‘little strong theory or empirical analysis to support the business case’ for family-friendly management (FFM) (2010: 3), with earlier US studies largely showing a positive association between FFWPs and organisational performance and Australian and British studies finding no association. The authors subsequently developed a range of theory-based propositions around the relationship between FFM and organisational performance, drawing on institutional theory and high involvement management, and tested them using the WERS 2004 data. In their own analysis, the authors found that the availability of FFM positively impacted quality and labour productivity at the organisational level but not absenteeism or labour turnover. FFM was measured using nine items, ranging from reduced hours and workplace flexibility (term-time only, job sharing, working at home) to leave (maternity, emergency and elder care) and practical support (workplace nursery, childcare subsidies and financial help for older relatives).

Cranfield School of Management (2008) conducted a mixed-methods study focusing on seven organisations, surveying flexible workers, managers and others. Flexible working consisted of remote working, flexi-time, staggered hours, compressed hours and reduced hours. There was no focus on organisational performance (but the study included managers’ assessment of individual performance). Most managers said there was either a positive or no impact of flexible working on
individual performance or team performance. The research was able to identify that flexible workers were more committed to the organisation than non-flexible workers. In addition, there was evidence that flexible working was a key factor for women returning to work after maternity leave, as well as being attractive to new recruits to the organisation.

The IRS (2009; 2010) conducted research with 111 employers, from both public and private sectors. Although difficulties associated with flexible working existed at some organisations, on the whole, the benefits outweighed the problems. Organisations were having to learn how to work around the issues that arise when managing a flexible workforce, and they were learning that the obstacles were not always as insurmountable as they first appeared. Improved retention was cited as the most widespread benefit, experienced by 74% of the organisations. Two-thirds (67%) had seen increased employee commitment as a result of flexible working, and 55% had been able to benefit from a more flexible workforce that can provide cover at required times.

In a survey study examining the perceived benefits of FWAs by owner-managers in the UK, Maxwell, Rankine, Bell and MacVicar (2007) reported that owner-managers were of the general opinion that there are clear organisational benefits associated with FWAs. Indeed, the figures suggested that more owner-managers believed in the advantages, than offer the practices, of FWAs. The main benefits were seen to lie in staff retention, employee relations, recruitment and motivation. In terms of perceived disadvantages, on the whole the respondents were more positive about the benefits of FWAs than they were negative about the disadvantages. The opinions of the owner-managers of medium-sized businesses were more marked than their counterparts in micro and small businesses, which may be due to their greater resources and experience of FWAs. The majority of respondents reported that administrative burdens and operational problems were the most significant disadvantages and, for most medium-sized businesses, disadvantages included time consumption, management problems and employee abuse.

A recent report by Byrne (2018) on flexible working presented research carried out online with more than 246,000 people in 229 organisations, covering private-sector services, manufacturing and production organisations, and the public sector, including a range of small, medium and large organisations. Findings highlighted improved employee retention and increased engagement as the most significant benefits from having a flexible working culture. Flexibility of cover and reduced absence also ranked highly. Just 5% of respondents believed that there were no benefits from offering flexible working practices. However, respondents also highlighted some of the challenges faced, namely: difficulty booking meetings (52%); complexity of scheduling working hours (43%); resentment from other employees (37%); problems arranging training (32%); and internal communication issues (29%). Other difficulties around flexible working included IT issues and the challenge of setting up systems for use by remote workers.

Also from the UK, the 2007 BT study on their ‘Workstyle’ programme examined the impact of home working, specifically in terms of cost reductions. They noted that BT’s 11,600 home workers saved the company 104 million euros a year in accommodation costs, and home working BT call centre operators handled up to 20% more calls, giving comparable or better quality response than their office-based colleagues. Flexible working also allowed BT people to be more project-based: teams across many disciplines can be pulled together quickly to solve a particular problem. BT home workers were also taking 63% less sick leave than their office-based colleagues and the retention rate following maternity leave stood at 99%, generating substantial reductions in
replacement costs for the organisation. In terms of CSR, BT avoided the purchase of approximately 12 million litres of fuel per year, resulting in 54,000 tonnes less CO2 being generated in the UK. Teleconferencing eliminated the annual need for over 300,000 face-to-face meetings, leading to reported savings of over 38.6 million euros a year.

4.2.2 Other individual EU countries
Returning to the study by Cegarra-Leiva et al. (2012) representing SMEs in the metal industry in Southeast Spain, organisational outcomes were measured by asking managers to evaluate different aspects of their business results over the previous three years compared to competitors: (1) quality of products, services and programmes; (2) development of new products and services; (3) ability to retain essential employees; (4) satisfaction of customers or clients; (5) relations among employees in general. Regression analyses showed that the availability of various WLB practices enhanced the existence of a positive organisational culture towards WLB and that such a culture augmented organisational outcomes. In the final step of the analysis, all groups of WLB practices became insignificant, whereas WLB supportive culture affected the organisational results. The authors concluded that WLB culture is a complete mediator of the relationship between the availability of WLB practices and organisational results. Hence, the effect of the availability of WLB practices on results will take place through an indirect effect of creating a WLB supportive culture in the firm.

In a small scale study, also from Spain, Benito-Osorio, Muñoz-Aguado and Villar (2014) focused on 35 companies listed in the Spanish Stock Index. The study reported on the type of FFWP the company offered, the firm output (two indicators) and control variables (e.g. industry, proportion of professionals). Using descriptive data only and referring to previous similar findings from the literature, the findings provided support for the idea that introducing WLB practices benefits the company with respect to talent retention and higher employee engagement, as well as achieving a positive impact on productivity, costs and business results.

In one of only a few longitudinal studies, Giardini and Kabst (2008) conducted German research investigating the relationships between the provision of work-family practices in 1995 and different organisational outcomes in 2000. A second study investigated the same relationships for the years 2000 and 2005. Using ‘bundles’ of FFWPs, organisational outcomes included absenteeism, perceived general performance and perceived financial performance. Similar findings were found for both the first and second study. The comprehensive bundle of FFWPs was negatively related to absenteeism five years later. No bundle, however, was related to subjective organisational performance and perceived financial performance. In the second study, Bundle B (which included part-time work, home-based work, telework, and/or flexi-time), as well as the comprehensive bundle of FFWPs, was negatively related to absenteeism in 2005. Neither combination of FFWPs and the performance variables yielded significant results (sample sizes were small, however).

Similarly, Blok et al. (2012) conducted a small-scale longitudinal study (58 employees in the Netherlands over a 6-month period) with a focus on teleworking/remote working and work behaviour and business outcomes. Measures for productivity included collaboration, employee satisfaction, suitability of the environment to perform work tasks, and knowledge sharing. Results did not show any change between Time 1 and Time 2 for collaboration and employees’ satisfaction and the suitability of the environment to perform the work tasks, while knowledge sharing was decreased significantly over time.
Kuenn-Nelen, de Grip and Fouarge (2013) examined 253 firms in the Dutch pharmacy sector, using a matched employer–employee data set to identify the relation between part-time employment and firm productivity. Findings showed that firms with a large part-time employment share were more productive than firms with a large share of full-time workers: a 10% increase in the part-time share was associated with 4.8% higher productivity. Nevertheless, the authors cautioned that part-time employment could be reserved for the highest quality pharmacy assistants so results could be explained by a difference in worker quality between part-timers and full-timers. No evidence was found to suggest that part-time workers were more productive than full-time workers at the individual level, however. Part-timers worked fewer hours per working day, as well as fewer days per week, than did full-timers. In particular, they seemed to bridge the lunch breaks of their full-time colleagues.

In a Belgian study, also examining part-time work and productivity, Garnero, Kampelmann and Rycx (2014) found that gender and part-time work interacted on productivity (positive for men, negative for women) due to different motives for part-time work. Also, longer part-time work (25 plus hours) seemed to indicate higher productivity than short part-time work (less than 25 hours). On the other hand, Devicienti, Grinza and Vannoni (2018) found that a 10% increase in the share of part-timers reduced productivity by 1.45%. The results suggested that this harmful effect stemmed from horizontal (i.e. part-time work spread across five days) rather than vertical part-time arrangements (i.e. work compressed into fewer days).

4.2.3 EU-wide studies
Stavrou (2005) conducted a study of 14 EU countries, focusing upon the connection of ‘bundles’ of FWAs to three indicators—performance, staff turnover and absenteeism—within the context of four moderators—organisation sector, industry sector, organisation size and women-supportiveness. Four specific FWA bundles emerged. ‘Non-Standard Work Patterns’ was related to decreased turnover in the private sector; and ‘Work Away from the Office’ was related to improved performance and reduced absenteeism. On the other hand, ‘Non-Standard Work Hours’ was related to increased staff turnover; and ‘Work Outsourced’ (temporary employment and subcontracting) was associated with increased staff turnover in the public sector. Overall, the contextual features of the study were not important in moderating the relationship between FWAs and competitiveness in the EU.

In an EU study with managers of 195 companies, de Siviatte, Gordon, Rojo, and Olmos (2015) supported the Cegarra-Leiva et al. (2015) findings that both work-life culture and work-life programmes together contribute to organisational performance, although the exact role that culture and programmes play seemed to differ (i.e. Cegarra-Leiva et al. suggested that work-life programmes are antecedents to culture whereas De Siviatte et al. found that culture precedes programme availability). The authors argue that the sense-making process and previous models would seem to support that culture leads to practices, although when practices are in place, they can also reinforce cultural values, beliefs and assumptions. The availability of work-life programmes in organisations may be interpreted by employees as promises the company makes to them. When these promises are accompanied by an unsupportive culture, workers may perceive that they cannot really use the practices. In this process, promises are perceived to be broken, trust is eroded, and negative employee outcomes may result. In this study, work-life programmes were positively related to productivity even when work-life culture was not included in the model. In a model which included the influence of work-life culture, however, the explained variance increased. Thus, the authors argue that the inclusion of work-life culture in the model enhanced the explanation of the relationships between culture, programmes and productivity.
The Eurofound (2015) report, using the third European Company Survey (ECS) data from 2013, focused on three distinct forms of flexible working arrangements: Encompassing; Selective; and Limited. For example, in the Limited group, 60% had no flexibility at all in start and finishing times, 50% did not allow for accumulation of overtime and 43% had no part-time employees. This compared with the Encompassing group, whose comparable figures were 1%, 10% and 25%. As part of the analysis, two indices were constructed: on ‘workplace wellbeing’ (work climate, change in work climate, problems with employee retention, problems with poor employee motivation and problems with high sick leave) and ‘establishment performance’ (the current financial situation; changes in the financial situation since 2010; changes in labour productivity since 2010; and changes in the amount of goods and services produced since 2010). Findings showed that companies with encompassing flexible work (20% of total employers) had both high economic performance and employee wellbeing; those with selective flexible work (35%) also had high economic performance but lower employee wellbeing; and those described as having limited flexible work (43%) were lower on both dimensions.

4.2.4 Mix of countries
Bloom et al. (2011) studied the impact of FFWPs on firm performance in 732 representative small and medium-sized manufacturing firms in the USA, France, Germany, and the UK and found that increased provision of FFWPs was only positively correlated with better firm performance if management quality was omitted. Once general management quality was controlled for, there was no significant association between FFWPs and performance measured in different ways.

Peretz et al. (2018) examined the effects of FWA use on absenteeism and turnover, as well as the effect of congruence between national cultural practices and FWA use on absenteeism and turnover, using 2009-2010 CRANET data, with 4790 organisations in 21 countries. Results showed that the use of flextime, job sharing, compressed workweeks and teleworking were all negatively related to absenteeism and turnover; there was a positive indirect effect between technology level and absenteeism and between level of unionisation and absenteeism; and between tech level and turnover. FWAs reduced absenteeism and turnover generally but significantly more so when the national culture supported FWAs.

Examining part-time work and productivity across 21 OECD countries, Ierodiankonou and Stavrou (2015) found that this relationship remained negative in contexts where employment legislation is weak, but became positive in environments with high legal employment protection. Taken together, results showed that strict employment legislation may discourage managers from promoting part-time work, but when they do, firm productivity is enhanced. In addition, it seems that when part-time workers are protected from dismissals and enjoy comparable employment status or quality as their full time counterparts, they become core workers with competitive potential.

In a later article, drawing on data from the Establishment Survey on Working Time and Work-Life Balance (ESWT), and conducted in 20 countries including the UK, Stavrou and Ierodinakonou (2016) analysed the impact of WLB practices on individual and organisational outcomes, measured through senior managers’ assessments of absenteeism/sickness rate, staff retention and motivation of staff. WLB practices covered in this study were: prospects for part-timers, ‘flexitime’, paid or unpaid long-term leave (to care for a family member; for further education; or for any other purpose) and childcare/domestic support. Among the key findings were that ‘flexitime’ was associated with lower absenteeism and higher motivation (as
well as positive individual outcomes), and offering promotion prospects to part-timers was related to staff motivation, but not retention or reduced absenteeism. The study also found that the level of perceived discrepancies of entitlement to organisational WLB support between management and employee representatives (as a proxy for employee views) impacted on organisational (and individual) outcomes: lower discrepancy levels led to reduced absenteeism and fewer issues with staff motivation but did not improve retention. This, the authors argue, supports the strand of literature which argues that informal support is more important than formal policies in achieving positive outcomes.

4.2.5 The USA, Canada and Australia
A number of studies from the US are included in the review. For example, Appelbaum and Milkman (2012) examined the impact of paid family leave (PFL) in California: after more than five years’ experience with PFL, most employers reported that PFL had either a ‘positive effect’ or ‘no noticeable effect’ on productivity (89%), profitability/ performance (91%), turnover (96%), and employee morale (99%). Small businesses were less likely than larger establishments to report any negative effects. Employers raised strong concerns prior to implementation about abuse of the programme. However, 91% of respondents to the employer survey said ‘No’ when asked if they were ‘aware of any instances in which employees that you are responsible for abused the state Paid Family Leave program.’

In another US study, Barbosa, Bray, Dowd, Mills, Moen, Wipfli, Olsen and Kelly (2015) focused upon Return on Investment (ROI) of a workplace initiative to reduce work-family conflict (WFC) in an IT company aimed at creating a Results-Only Work Environment. This initiative, known as STAR (Support, Transform, Achieve Results), was designed to build upon each of three separate components linked to family-supportive behaviour: participatory training sessions, computer based training (CBT) and behavioural self-monitoring. The primary variables used to calculate the ROI were differences between the intervention and control groups in (1) intervention costs, (2) productivity represented by presenteeism (i.e. being present at work but working at a reduced capacity), (3) health care utilisation, and (4) voluntary termination (‘turnover’). Overall results showed that after adjusting for baseline differences, the intervention led to company savings of $1850 per participant over an 18-month period. The intervention benefit with the highest impact on the ROI was voluntary termination, followed by presenteeism and health care utilisation. Voluntary termination has the highest monetary valuation and, despite being rare, the impact on the overall ROI was substantial.

Lee and Hong (2011) explored the association between average employee satisfaction per organisation with the four most frequently identified types of FFWPs (child care subsidies, telework, paid leave for family care, including care for older people, and alternative work schedules) and two organisational outcome measures (turnover and organisational performance), measured by the percentage of met or exceeded annual performance indicators. Their study seems to be one of the first to focus on public organisations (federal agencies), known for their good benefit packages and role modelling FFWPs. Based on social exchange theory, the authors expected positive associations between the four types of FFWPs and both organisation outcomes. However, the findings (controlling for employees’ satisfaction with their salary, training and physical conditions) showed a positive and significant association between childcare subsidies and both organisational outcomes; a positive and significant association between alternative work schedules and organisation performance; and a negative and significant one between telework
and organisational performance. The reasons for the latter are unclear, with the authors suggesting that factors such as work/home boundaries or lack of communication may play a role.

Berkery et al. (2017) found in their EU study that distinct bundles of FWAs existed across the 1,064 organizations included in their study and had associations with employee turnover, absenteeism and productivity:

- Bundle 1 (employer-oriented): a high uptake of annual hours contracts, a medium uptake of shift-work, overtime and flexi-time, and a low uptake of weekend work, part-time working, temporary/casual work and fixed term contracts;
- Bundle 2 (more traditional work practices): a low uptake of overtime, part-time working, temporary/casual contracts and fixed term contracts;
- Bundle 3 (also classified as employer-oriented): a medium uptake of shift-work, with a low uptake in weekend work, overtime, part-time working, flexi-time, temporary/casual contracts and fixed term contracts;
- Bundle 4 (employee-oriented): a very high uptake of flexi-time and a low level of uptake in weekend work, overtime, part-time working, temporary/casual contracts and fixed term contracts.

Size of the workforce, percentage of female employees, percentage of employees aged less than 45, industry sector, percentage of employees represented by trade unions, markets served and country were all significant in determining bundle membership. The authors found significant associations between the bundles of FWAs and employee turnover, absenteeism and productivity. In terms of employee turnover, the strongest association was recorded with bundle 2 where organisations offering more traditional working hours recorded significantly higher levels of employee turnover compared to organisations in the other three bundles (and particularly compared to organisations in bundle 4, representing employee-oriented FWAs).

The Wadsworth et al. study (2010) reported earlier also asked HR directors about the benefits to their organisations of introducing compressed workweeks. The most popular benefit reported was improved employee morale (64%). More than half of the cities (54%) reported that their employees enjoyed improved work–life balance. Interestingly, these benefits matched the factors that influenced the cities’ adoption of alternative work schedules. The third most frequently identified organisational benefit was improved customer service (46%), followed by increased productivity (41%). Additionally, 17% of the respondents identified other organisational benefits, in particular energy conservation and reduced utility costs. Certain drawbacks were also highlighted.

In the Dembe et al. (2008) study, employer perspectives were sought about the principal benefits of elder care assistance programmes in six response categories: (1) recruitment; (2) retention; (3) absenteeism; (4) employee stress; (5) productivity; and (6) a free-text “other” response option. Perspectives about the main drawbacks of each service were also obtained. Senior US managers generally thought that elder care services can have substantial benefits when used. A majority of respondents believed that all the varieties of elder care services help decrease employee stress, decrease absenteeism, and boost productivity but there was less general agreement about whether elder care assistance programmes benefit recruitment and retention.
Corporate Voices (2011) is an in-depth study of organisations in the US to understand how companies measure and define the business benefit of flexibility and, thereby, to clarify and strengthen the bottom-line case for expanding flexibility as a core business practice. Data collected by organisations made three kinds of ‘business cases’: (1) the contribution of flexibility to talent management (i.e. recruitment and retention), (2) the impact of flexibility on positive human capital outcomes, and (3) the effect of flexibility on financial performance and operational and business outcomes. In the first two cases, measurements determined the impact on employees and the positive effects of flexibility on the business were mediated through their effects on employees. In the third case, a direct link was made between flexibility and a positive business outcome by evaluating financial performance, customer impact, or operational change. Evaluation of pilot and demonstration projects, as well as firm-wide studies, demonstrated that flexibility can support customer retention, client service and productivity, as measured by cycle time, team output and team effectiveness and efficiency. Occasional, informal flexibility was described as powerful: when a business culture allows and supports occasional flexibility, the positive business impacts extend more broadly (recent research by the Corporate Leadership Council concluded that every 10% improvement in commitment could increase an employee’s level of discretionary effort by 6% and performance by 2%; highly committed employees performed at a 20% higher level than non-committed employees). Employees who reported using some kind of flexibility as infrequently as once a month also exhibited higher levels of commitment, lower levels of stress and stronger intention to stay at the company than employees who did not. For those employees with a sensitive manager, 84% rated their area’s productivity as good or very good, compared with 55% of employees who did not.

In a 2011 study, Moen, Kelly and Hill reported on two waves of survey data collected from a primarily white, middle class sample of employees, as well as administrative data provided by the company, which were used to assess the effects on turnover and turnover intentions of the Results-Only Work Environment (ROWE) initiative (survey data eight months apart). This organisational change focuses on employees effectively accomplishing their tasks, not the time they spend at work. Of the 775 in the sample, 8.6% left Best Buy (over one year this would equate to around 12%). While relatively high, this is common among young workforces. However, participants in the ROWE innovation had a significantly lower turnover rate (6%) than did the comparison group (11%). The ROWE focus on results, not time, tended to lower the objective turnover rate and subjective turnover intentions of all employees in the study, not just mothers of young children or other subgroups.

Moving on to Canadian research, Lee and deVoe (2012) conducted a study differentiating between type of firm strategy (‘quality enhancement’ strategy and ‘cost reduction’ strategy) for the introduction of flextime. The authors reported that their results provide evidence that while flextime is costly to implement, when it is combined with a strategy that invests in the workforce, it has positive impacts on productivity such as a reduction in absenteeism and turnover and, from the institutional perspective, it increases the attractiveness of companies, leading to increased revenues.

Another Canadian study by Fang and Lee (undated) used the Work Environment Survey (WES) survey 1999-2003 and looked at the impact of changes in at least one FFWP take-up (Flexible Scheduling, Compressed Work Week and Family-Friendly Benefit (FFB) Care Benefits) on four outcomes: retention (probability to quit), higher wages (productivity indicator) and other variables (job satisfaction and change in number of promotions). At the aggregate level, increased use of
programmes contributed positively to all four measures of labour market outcomes (higher wage, more promotions, improved job satisfaction and enhanced employee retention), suggesting that, if properly combined, a bundle of FFB programs can significantly affect both individual and organisational performance. Almost all FFWPs reduced employee quit probabilities, with the exception of dependent care (negative but insignificant). More specifically, providing FFBs relating to flexible hours seemed to indicate an increase in productivity (through increased promotions and retention). On the other hand, providing FFBs relating to care seemed to indicate an increase in job satisfaction and morale. Finally, in terms of gender differences, FFBs seemed to work well for female employees through higher job satisfaction and retention, while male employees appeared to benefit through more promotions and also improved retention.

Ali, Metz and Kulik (2015) examined 198 Australian publicly listed for-profit organisations, using two objective performance measures: employee productivity for the non-managerial level and earnings before interest and tax for the managerial level. Findings demonstrated that gender diversity had a significant positive relationship with employee productivity in organisations with many work-family programmes, and a significant negative relationship with earnings before interest and tax in organisations with few programmes. Employee productivity was not significantly correlated with earnings before interest and tax.

4.3 A specific focus on the impact of flexible working policies and practices on the gender pay gap and gender equality

Van der Lippe, Van Breeschoten and Van Hek (2019) recently published findings of a large-scale study using the European Sustainable Workforce Survey, with data from 259 organisations, 869 departments, and 11,011 employees in multiple economic sectors in Bulgaria, Finland, Germany, Hungary, the Netherlands, Portugal, Spain, Sweden, and the UK. Establishments belonged to six occupational industries: manufacturing, health care, higher education, transport, financial services and telecommunications, and included small, medium and larger organisations. The aim was to examine whether dependent care and flexibility policies have different effects on the gender wage gap. Two types of work–life policies were examined: dependent care policies and flexibility arrangements. Dependent care policies consisted of parental leave and childcare facilities.

Key findings: Two work–life policies appeared to partly explain the variation in monthly earnings between men and women, namely the availability of policies with respect to changing to part-time hours and working from home (i.e. some work–life policies diminish the gender wage gap). However, not all policies were negatively related to the gender wage gap (there was no indication that dependent care policies were more important than flexibility-related policies for decreasing the gender wage gap). Rather, the opposite seemed to be true. However, more available work–life policies related to a smaller gender wage gap overall, not only because women earned more in such organisations but also because men earned somewhat less. Comparing results by country cluster, however, the presence of multiple organisational work–life policies in the Eastern European cluster (Bulgaria and Hungary) indicated a smaller gender wage gap, while no such association was found in the Western, Northern, and Southern European countries. The authors discuss the reasons behind this finding in more detail (e.g. the link between extensive national-level and organisational-level WLB support), but also highlight that:
• the relationship between multiple work–life policies and a smaller gender wage gap indicates that one specific policy can never effect as much change as a number of policies, supporting the idea that the more work–life policies are available in an organisation, the stronger the signal of corporate concern for gender equality;

• while a family-supportive organisational culture is expected to influence both the availability of work–life policies and gender equality in wages, analyses showed that when controlling for this, work–life policies continue to send their own signal.

The authors summed up by saying that signalling theory therefore proves useful in understanding how work–life policies facilitate not only work–life balance but also gender equality in organisations. Policy adoption by organisations is symbolic and therefore effective in reducing the gender wage gap.32

An earlier study by Groenlund and Magnusson (2016) used the data from the European Social Survey (ESS) 2004 and 2010 (a cross-national survey conducted every two years across Europe), with the aim of examining the notion of a ‘trade-off’ between work–family reconciliation on the one hand and women’s careers and wages on the other. The trade-off hypothesis identifies a ‘catch-22’ in the struggle for gender equality, suggesting that policies promoting work–family reconciliation may actually reinforce gender segregation and discrimination in the labour market. In the trade-off argument, workplace skill investments play a central role: employer investments in on-the-job training assume long-term employment relations and, because women may interrupt their careers because of childcare, employers are less willing to provide them with training. Because on-the-job training is generally considered to be more important in high-skilled jobs, gender differences in access to such training is likely to produce a larger wage gap among the high-skilled. Other scholars extended the trade-off argument, arguing that policies designed to improve work–family reconciliation actually make matters worse, e.g. the dual-earner model of the Scandinavian countries institutionalises female work interruptions in a way that will have negative consequences for women’s relative wages, especially in higher positions. Thus, the Anglo-Saxon countries are more beneficial than Scandinavian countries for career-minded women. The authors examined the mechanisms contributing to gender wage gaps in Germany, Sweden and the UK, studying the relative impact of education, workplace skill investments and occupational segregation.

Key findings: Overall, the results did not provide any strong support for the trade-off argument. Findings showed that the gender wage gap among high-skilled employees in Sweden was larger than in the UK, but not larger than in Germany. Education, work experience and tenure explained less in Sweden than in Germany, but - contrary to expectations - the same was true of the UK. Moreover, segregation and workplace training did not explain more in Sweden than in the other countries. More importantly, the factors included in the regressions explained less among high-skilled employees in Sweden than in Germany. The authors concluded by stating that a main point in the trade-off argument is that generous family policies promote an ‘unselective’ inclusion of mothers in the labour force. Even though there is a much larger share of mothers in the Swedish labour force, neither low-skilled nor high-skilled women appear to fare worse than in Germany regarding the unadjusted gender wage gaps. In summary, ‘the mechanisms behind the large wage gap among high-skilled men and women in Sweden remain obscure’ (2016: 109).

Using WERS data from 2004, Winder (2009) examined the potentially negative impact of flexible working on the GPG. As the author notes: ‘if women disproportionately demand flexibility to deal with these [care] responsibilities, and also pay for this flexibility through accepting lower wages, this could cause the gender pay gap to widen. Even if men and women both demand flexible schedules, if men use their flexibility in order to work when they are most productive while women use it to coordinate childrearing, the pay gap could still increase’ (2009: 1). Within this study, the author examined a ‘less formal’ type of flexibility, i.e. whether the worker has some or a lot of discretion over when she or he begins and ends their workday (it was noted that many of the firms in the sample whose employees reported this type of flexibility did not offer formal flexible working, however).

Key findings: Using detailed occupational and educational controls, findings showed that male workers who had access to flexibility had more than twice the (financial) return to flexibility than their female colleagues, even when they worked in the same firm (although both were positive, wages were 3.4% higher for women with flexibility and 8.5% higher for men with flexibility).

Various explanations were considered: one possibility is that women have less autonomy and authority in their jobs, and that these characteristics are positively related to both flexibility and wages. When tested, these characteristics did explain a good deal of the correlation between wages and flexibility, reducing the returns to flexibility for women by two-thirds and for men by one-third, but still left a sizable gender gap in the remaining returns. Another obvious explanation proposed by the author is that women may be subject to a ‘compensating differential’ relative to men if they value flexibility more highly because they have greater household responsibilities. However, only limited evidence was found for this possibility. In fact, for most women with children, the returns to flexibility were actually higher than for childless women and only women with children aged 12-18 paid a compensating differential for flexibility. To summarise, the author states that even after ruling out some obvious explanations, there remains a gap between men and women that is quite large, accounting for about 10% of the total wage gap between men and women in the sample. One hypothesis is that this return represents a productivity-enhancing effect of flexibility, and that women are less likely to get this benefit because they are perceived as less productive when they use flexibility. Another is that women use flexibility more often than men or for different purposes. It should be noted that this is based on data from 15 years ago, however.

4.4 Summary

Taken together, it appears that there are very few examples of negative outcomes from the introduction of FFWPs. Some outcomes appear to be neutral (in terms of organisational outcomes such as productivity, commitment, turnover, etc.), whereas the majority of studies present positive outcomes. This can be demonstrated via direct or indirect effects, e.g. employees who perceive their workplace to be supportive (in terms of work flexibility) may be more committed and therefore are less likely to leave and more likely to work hard. This is of course difficult to measure such as isolating these effects from other individual and organisational-level factors. However, very recent research by Van der Lippe et al. (2019) demonstrates that a supportive work-life culture, signalled by the implementation of a greater number of work-life policies, can also lead to greater gender equality and specifically reduced gender pay gaps, the focus of this research. Other earlier research highlighted the need to recognise the potentially negative impact of flexibility on the GPG, however.
Box 4.2: Summary of the evidence that family-friendly policies and practices benefit or disadvantage employers (actual or perceived)

- Very few examples of negative employer outcomes from implementing FFWPs.
- Some ‘neutral’ examples of employer outcomes of FFWPs.
- The vast majority of studies highlight positive outcomes from implementing FFWPs, including cost savings, better productivity, improved recruitment and retention, reduced absenteeism, and positive work-related behaviours, among others.
- Cost savings can arise from both direct effects and indirect effects such as improved employees’ WLB and reduced stress (leading to reduced absenteeism and turnover), perceptions of a supportive workplace and a positive workplace culture by both existing staff and potential staff (leading to greater commitment, loyalty and even higher productivity). These are harder to measure and a lack of clear evidence, isolating other factors, may deter some employers from implementing FFWPs.

In the next section, we provide some examples of policy interventions which have been explored in different contexts, with the aim of encouraging employers to offer family-friendly policies.
Evidence of Interventions to Encourage Employers to Offer Family-Friendly Policies
5. Evidence of interventions to encourage employers to offer family-friendly policies

The following section highlights reported interventions which have been promoted to encourage employers to offer FFWPs. Some articles have been excluded, even though they reported on particular organisational interventions, as they were not (or not yet) ‘successful’ in implementation (e.g. Blok et al. 2012). Others provide suggestions for successful implementation. Examples are first presented for successful interventions, drawing on a range of sectors, followed by FFWP-specific and sector-specific examples.

5.1 Examples of interventions for successfully implementing FFWPs

5.1.1 Process and actions, drawing on a wide range of case studies
Thomson (2008), highlighted earlier, used case studies from the UK on successful flexible working initiatives (mostly around teleworking) and also provided practical pointers on how to make it happen, described as ‘the key stages of implementation’ (see Box 5.1 overleaf).

McMahon and Pocock (2011) reported on a series of case studies, providing practical examples of strategies being used by a diverse set of organisations to design and implement better work-life arrangements. Organisations comprised a national construction contractor; a state office of a national/international law firm; a manufacturing company; a university; an international cruise company; and a large bank. The case studies were drawn from interviews with the leaders, managers and employees in each of the organisations. Some of the key points to emerge from the case studies, outlined in more detail in the report, included:

- ‘high-level commitment from senior management and governance structures is vital to success, as is accountability;
- the involvement of managers and staff to assess needs and develop strategies is essential;
- flexibility is required in order to respond to different individual needs;
- workplace culture should be addressed and business models and practices may need to change;
- staff need to be kept informed and initiatives need to be promoted within and outside the organisation;
- it is important to analyse, monitor, evaluate and report on the programme; and
- efforts need to be sustained and consistency between policy and practice maintained.
Box 5.1: Key stages of implementation of FFWPs

1. Planning

• Assess business requirements and flexible working options:
  • Identify needs of the business, people and internal and external customers;
  • Determine what flexible working options might help achieve these requirements;
  • Review what is already happening;
  • Identify the benefits, advantages and disadvantages, and likely problem areas;

• Putting structures and resources into place:
  • Appoint an active, high-level champion;
  • Form and brief a cross functional project implementation team;
  • Develop and agree clear goals and objectives – communicate them at all levels;
  • Agree the measurement and success/failure criteria and monitoring/feedback methods;
  • Identify what resources are needed and available and act to fill any gaps;
  • Produce the project plan and agree who is responsible for delivering it.

2. Develop and prepare pilot

• Overall development and preparation:
  • Develop and launch an internal communications plan;
  • Use the plan to manage stakeholders’ expectations throughout the programme;
  • Develop assessment tools and methodologies;
  • Draft interim policies and procedures;
  • Run executive briefings – get top level, organisation-wide support and involvement;

• Development and preparation in selected pilot areas:
  • Select the area(s) and people where the pilot(s) will be run;
  • Run management and supervisor briefings;
  • Run staff orientation sessions;
  • Brief and train the managers and staff selected for the pilot(s);
  • Acquire, test and install equipment and services together with appropriate support and management processes and resources;
  • Conduct health and safety risk assessments.

3. Run pilot and evaluate

• Run and evaluate pilots:
  • Launch the pilot programme;
  • Evaluate progress and success at project milestones;
  • Implement any changes required;
  • Conduct end of pilot assessments (surveys, workshops, data analysis, etc.);
  • Report findings and make recommendations to senior level;

• Prepare roll-out of pilot:
  • Obtain executive agreement to implement flexible working in appropriate areas;
  • Publish definitive policies, procedures and user guides;
  • Launch flexible working as a recognised practice in the organisation;
  • Continue to publicise through an awareness campaign;
  • Continue to monitor and evaluate and make any changes when required.

Source: Slightly adapted from Thomson, 2008, pp.21-22

In addition, the report highlighted the need to integrate flexibility practices within mainstream management practices to make flexibility available to all employees, arguing that the way that flexibility is implemented will determine to a great extent how much impact it has on business outcomes. Providing information and guidelines to managers on how to implement the practice with consistency and fairness was expected to achieve stronger results and better business outcomes than simply disseminating flexibility policies. In response, Corporate Voices was releasing a 2011 version of its 2005 Principles for Flexibility, providing guidance to employers to establish, implement and monitor flexibility, as well as on individual organisational strategy and on principles and standards for the larger business community. Corporate Voices also published ‘Innovative Workplace Flexibility Options for Hourly Workers,’ documenting best practices for implementing innovative flexibility programmes. This, in addition to Corporate Voices’ Workplace Flexibility Toolkits for Hourly Employees and Managers, set out to help employers effectively implement flexible work options for all workers.

In addition to training operational managers on why and how to effectively implement flexibility, the report highlighted that establishing flexible workplaces requires senior leadership. As a result, Corporate Voices was educating senior executives about flexibility’s positive business and employee impacts through peer-to-peer communication and National Dialogues, enlisting business leaders as ‘champions’ to expand flexibility within their own organisations as well as the wider business community. Finally, the report highlights that some employers are still resistant to flexibility and provides a summary of the best ways for making the business case ‘in a way that managers and business leaders will value’ (2011: 27-28).

IRS (2009) compiled a report based on original research carried out online by IRS in March 2009. Usable responses were received from 111 employers. The following highlights particular examples of how 34 employers address flexible working issues.

**Training and guidelines**

- Housing association Cross Keys Homes introduced coaching for managers to encourage them to consider requests ‘objectively and laterally’.

- The HR department at the North West Wales NHS Trust delivers half-day sessions to line managers on managing flexible working, ‘to ensure equality of opportunity is provided to all staff, but also to ensure service needs are met’. This is in addition to its flexible working protocol and detailed application procedure.
Addressing logistical issues

- Baggaley Construction managers plan further in advance for meetings and training to ensure that more flexible workers can attend, while at STAR Medical, forward planning of the days an employee will be working ensures that other events can be scheduled around them.
- The London Borough of Ealing's IT department is piloting an IT infrastructure on employees' home computers, while Mitsui & Co Europe, the NHS Litigation Authority, and the Religious Society of Friends are improving IT access for homeworkers.

Clearer communications

- At STAR Medical, communication has been improved so both external and internal contacts are aware of individual employees' flexible working arrangements and know when they will be available.
- Kent Police promotes the benefits of flexible working through features in the in-house magazine and on the intranet.

Attitudes and ownership

- At the Diocese of York, it is made clear to employees who work flexibly that they must take responsibility themselves for the arrangements and the impact of their flexible working.
- At The Brooke, line managers are in charge of planning the logistics around flexible working in their teams, to ensure that customer service points are covered at all times.

Careful consideration of requests

- At Heathlands Hotel, any request for flexible working arrangements will be discussed within the team that it affects. 'All members of the team have input and all are consulted about the possible impact it will have. We feel this is the fairest way to approach the request.'
- Property manager RMG trials the arrangements before agreeing to them long-term.

Source: IRS, 2009 - selected examples

De Sivatte et al. (2015) conducted a survey of 195 small, medium and large organisations and reported on some 'implications for practice', focusing on the importance of developing a positive workplace culture. First, organisations may introduce training for higher and middle managers to help them better understand employees' work-life obligations and how these can be managed. Second, organisations may reward supervisors who successfully support their employees' family needs and simultaneously increase their productivity. Third, companies may reward 'good performers' who use available work-life programmes to allow themselves to increase their productivity. The authors argue that once a favourable culture is in place, those managers responsible for deciding on the availability of work-life programmes will more easily decide to offer them.

Moreover, it would be beneficial for companies to note the importance of the alignment of a favourable work-life culture and provision of programmes because, when availability is high but the culture does not support the programs, negative employee outcomes result. Thus, if the
culture is not family-friendly enough, it would be better to develop the culture first and then decide on the provision of programmes.

The authors highlight that managers can be confident that work-life programmes are likely to translate into increased employee productivity and the costs associated with work-life programmes should be covered by such increased productivity.

5.2 FFWP-focused examples

Flexible prearranged working hours - service organisation
In an early intervention, Kauffeld, Jonas and Frey (2004) examined a new work-time design in two branches of a service organisation in Germany, including all 18 employees in the new work design plus a control group of 15 employees. Objective and self-report data was collected. The design was developed to redistribute personnel hours over a period of 12 months, adapting personnel input to customer flows. Team members autonomously established a time plan for their own work group, tailoring it according to their needs. A draft version was created by management and subsequently revised by the employees a month before its implementation. Employees then put their names down for their preferred working hours, but they had to balance their time account carefully. Long-term planning (e.g. first day at school, club events, and birthdays) was taken into account before the employees had the opportunity to choose. The final planning was done by the employees themselves by adapting their current short-term shifts.

Findings showed that the employees working with the flexible design (compared with those working with the traditional model) reported increased learning opportunities and work satisfaction, better cooperation with colleagues, improved supervisory relations, and increased satisfaction with communication in the company. They also highlighted improved planning of work and leisure time, and more personal responsibility and motivation. All the employees with the flexible work-time design wanted to continue working with it. Moreover, the results suggested that not only employees but also employers benefit from employees' autonomous and self-determined behaviour regarding their working time: with the introduction of flexible working hours, absenteeism decreased (one of the company's most important aims in introducing flextime) and customer satisfaction increased.

Flexible working – NHS
Among a variety of recent initiatives, Timewise (2018) argues that there is a need to improve opportunities for flexible working in the NHS, the largest employer in the UK, to help meet high internal demand and to help improve e.g. staff retention and reduce agency cost at the same time. Having engaged in a number of action research projects with different NHS organisations, there are some encouraging interim findings, but it will take more time for action plans to be implemented and outcomes to emerge. As part of the action research, Timewise has developed an action plan consisting of three parts: (a) defining what flexible working means in the NHS context; (b) developing and designing flexible working options for specific contexts (profession, job role, speciality), while at the same time meeting operational needs; and (c) developing a flexible culture by supporting local action to help implement flexible working strategies at team level,
including through upskilling leaders and managers and encouraging employee engagement in identifying flexible solutions.33

**Teleworking**

To help achieve greater flexibility in managing the Federal Government’s workforce through telework, the Telework Enhancement Act was signed in 2010 in the USA. This is a formalised approach which requires a written agreement between employee and manager to be able to partake in telework and requires employees and managers to complete telework training, unless an exception is granted to the employee due to prior experience in teleworking. Although providing only limited evidence on case studies within organisations, the US Government Accountability Office (GAO) (2017) provided examples of organisational-level interventions, e.g. Office of Personnel Management’s (OPM) Key Steps for Managers of Teleworkers and Examples of How Supervisors and Managers Support and Discourage Telework Participation. GAO makes recommendations to each of the case study agencies, including ensuring that supervisors complete telework training in a timely manner and improving telework data. GAO also recommends that OPM develop tools to help agencies assess telework barriers. Three of the four agencies did not have a mechanism to help ensure managers had completed training in managing telework before approving employee telework agreements. As a result, they may not be familiar with telework policies. Three agencies also did not require a periodic documented review of telework agreements, meaning that these agreements may not reflect and support their current business needs. All four agencies described efforts to encourage telework participation and provide the technology to enable it. However, GAO’s focus groups with teleworkers reported that some level of managerial resistance to telework remains – this can undermine agencies’ ability to meet telework participation goals. Consistent with US legislation, all four case study agencies had controls to help ensure that telework does not diminish employee and organisational performance. These four agencies’ policies followed legislative requirements that teleworkers be treated the same as non-teleworkers for the purposes of work requirements, performance appraisals, and other managerial decisions. Agency officials and focus groups reported that telework status did not impact performance expectations.

**Teleworking – banking**

Collins (2005) examined the business case for teleworking in Lloyd’s UK, focusing on the following questions: ‘Are teleworkers more productive than office-based workers? Does the Lloyd’s case provide credible evidence that the financial investment required to support teleworking has a positive financial payback? Are Lloyd’s teleworkers more satisfied with their work-life balance than non-teleworkers? Is there a latent demand for teleworking amongst the Lloyd’s workforce that is not satisfied by the Lloyd’s flexible working programme? Does analysis using ‘the balanced scorecard’ [employers’ ‘non-financial’ perceptions using Kaplan and Norton’s balanced scorecard model] demonstrate likelihood that introducing teleworking as part of the Lloyd’s flexible working programme will increase long-term shareholder value?’ (2005: 120-121).

33 The CIPD also state that in collaboration with Timewise, they will be running a pilot with 20 CIPD members to act as Flexible Hiring Champions. These champions, senior level HR professionals based in London and Manchester, are volunteers who are ‘keen and committed to making positive change both within and outside their organisations’. They come from a range of sectors, including charities, housing, healthcare, education, finance and media, and they are already making changes, including helping to increase the number of jobs advertised as flexible at the point of hire. The pilot is likely to produce individual stories from these ‘Champions’, to share good practice and pave the way for flexible hiring in other organisations and some very recent evidence (January 2019), including practical tips for implementing flexible working practices, is currently available on the CIPD website.
Although the business case for teleworking was not strong in this particular case, detailed recommendations were provided for other organisations trying teleworking:

- Need to get IT right;
- Prepare staff and managers properly;
- Be geared more to work output and less to input—for all staff, not just teleworkers;
- Not to expect that teleworking will solve problems in an organisation that is running sub-optimally;
- Hold a pilot trial, learn all the possible lessons and accept that a decision not to proceed is an option.

Caregiving employees
Ireson et al. (2018) conducted a recent review of the literature, including individual cases of organisational flexibility (references for each case are found in the article but not reproduced here). The authors highlight that, while in some workplaces it was suggested that formal, mandated policies are essential to lowering accessibility barriers for caregiver employees (CEs), case-by-case solutions were considered to be the best approach. At the international level, the authors highlighted that some workplaces have caregiver-friendly workplace policies (CFWPs) embedded within the organisational structure or within their HR policies and that employers who recognise the business benefits of flexibility are more likely to provide CFWPs. Two cases had implemented a ‘life-cycle’ approach to supporting employees: Varova, a transportation and logistics company in Finland, allows employees to receive supports needed for their particular key life stage, thus helping them integrate their work and private life, and Residential care services provider Zorggroep Noordwest-Veluwe in the Netherlands implemented ‘life stage conscious policy’ to address the individual needs of each employee based on their particular life stage. To ensure a positive workplace culture, supporting ‘flexibility, trust, open communication and a willingness to agree on customised solutions with the employee’ (2018: e10), one company implemented an upward feedback process, whereby supervisors were regularly evaluated by their employees.

Some employers recognised that employees may be hesitant to discuss their care-giving/private lives with their supervisor. Connexxion, one of the largest employers of public transportation in the Netherlands, nurtures a culture that ‘encourages informal support and personal communication about the care topic between direct supervisors and employees, and among employees themselves’ (2018: e9). AOK Hessen, a large German health insurer, aimed to reduce the double burden of work and care for CEs through the implementation of their Profession and Care Service unit. This policy was initiated from the top-down, whereby the Board of Directors worked collaboratively with the company’s Diversity Management Unit. Furthermore, line managers must be given adequate training and autonomy so that they are able to effectively respond to the needs of CEs.

The report sums up with the following recommendations for employers and government:

- Identify CEs in the workplace and recognise their unique needs;
- Work to change workplace culture to better accept and accommodate CEs;
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- Create CFWPs that accommodate diverse CEs (as defined by age, sex, class, gender, immigration status, family structure, care-giving responsibilities, etc.);
- Create awareness of existing Human Resources policies and CFWPs;
- Provide training to managers to recognise and support CEs;
- Provide flexibility in work schedules, and, if possible, provide CEs some choice in choosing strategies to best manage work and care-giving responsibilities;
- Nurture collaboration between policy makers and employers to support caregivers in best integrating paid work and unpaid care-giving;
- Advocate for campaigns that address stigma related to care-giving.

**Cultural change to support various FFWPs - law**

Easteal, Caligari, Bartels and Fitch (2015) examined the male-dominated, traditional environment of the law in Australia, with a focus on the systemic barriers affecting women lawyers, including hidden attitudes, the persistence of a gendered division of labour in the private sphere, the ongoing gender pay gap in Australia, and the ways in which the law firm ethos disadvantages women (client demands, billable hours, negative attitudes, and long working hours). Their report provides an outline of a framework with practical suggestions for employers for 'reconstructing law firm subculture', recognising that employers need some evidence of the advantages of making changes:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Employer</th>
<th>Outcomes and advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locating other available child care</td>
<td>Organising child care through the firm, assisting in locating other available child care</td>
<td>Same hours can be worked over different time frames if adequate child care is available</td>
</tr>
<tr>
<td>Purchasing leave</td>
<td>Providing purchased leave, including carer’s leave</td>
<td>No financial loss to the firm</td>
</tr>
<tr>
<td>Bidding for work based on quality, rather than quantity</td>
<td>Implementing value-based billing, virtual working, telecommuting</td>
<td>Quality of work would increase. Advantages to client base and morale of employees</td>
</tr>
<tr>
<td>Bidding for more flexible hours arrangements, or discussing this with union representatives</td>
<td>Allowing flexible hours (e.g., start at 7am, finish at 3pm)</td>
<td>Same billable hours achieved in a different format. Being seen and gaining a reputation as a progressive and supportive workplace. Attracting more employees by being seen as an appealing workplace</td>
</tr>
</tbody>
</table>
### Employee | Employer | Outcomes and advantages
--- | --- | ---
Working from home | Providing facilities for staff to work from home | Urgent meetings can be held at short notice and allow for alternative working hour arrangements
Costs for home facilities could be partially offset from salary or in a salary sacrificing arrangement so little to no financial loss experienced by firm
Ability for staff with family commitments to be available more hours of the day
More client access to legal practitioners outside of normal working hours

Easteal et al. (2015: 41, Fig.1)

In their challenge to maintaining the status quo, the authors also highlight that Law Councils could impose any or all of the following conditions on the practising certificates of legal practitioners in a supervisory role:

- to undertake mandatory training about flexible work practices as part of their continuing legal education training program. This could involve some or all of the practical steps discussed above and could be done in the context of specific areas of law or additional modules, to avoid firms missing out on training in their specialised areas; and
- to raise the standard of when a request for flexible work arrangements can be refused on ‘reasonable business grounds’.

### 5.3 Summary

The various interventions outlined here demonstrate some remarkable similarities and the main findings highlight the need for: widespread dissemination of the business case for introducing and actively supporting FFWPs; line manager and senior management training and ‘top-down’ buy-in; FFWPs to be fully incorporated into management and organisational practices and creating awareness of their availability; consideration of individual cases, as well as the widespread formalisation of policies and practices; promotion of a positive workplace culture and encouragement of open dialogue between management, caregivers and other colleagues; consideration of the introduction of flexibility ‘champions’, to share good practice within other organisations; discuss any request for flexible working arrangements within the team that it may affect and allow input from colleagues to avoid bad feeling and negative attitudes towards flexible working; allow staff to input into any new work design (e.g. teleworking) and be willing to make changes if not working well; hold a pilot trial if planning to make any organisational changes and note all outcomes; consideration of other factors which may be affecting organisational outcomes.
(i.e. not just flexible working); and consideration of ROWE in any job re-design if the role is potentially suitable.
Conclusions and Recommendations
6. Conclusions and recommendations

This review has evaluated the current state of evidence on:

- What motivates employers to introduce family-friendly working policies and practices (FFWPs).
- What are the main benefits and disadvantages to employers of offering such policies (focusing on organisational outcomes such as productivity, absenteeism, recruitment and retention, among others).
- What successful or potentially successful interventions encourage employers to offer FFWPs.

The review included literature from 2008 onwards, focusing upon the UK, the European mainland, the USA, Canada, Australia and New Zealand. Any other key research articles or grey literature from before that time were also considered for inclusion if highly relevant. The review presented evidence for each of the three main strands in turn, in order to respond to the initial research questions. The following conclusions are divided by section, followed by recommendations.

6.1 Conclusions

6.1.1 Factors which influence employers to offer family-friendly policies and practices

There are a wide range of motivating factors involved in the decision-making of employers regarding the implementation of FFWPs, which fall into three interconnecting categories:

- Pressures from inside or outside the organisation;
- Organisational-specific factors;
- Meeting and improving organisational goals.

Employers typically may consider all of these factors in their decision-making but it is clear that the business case for FFWPs needs to be recognised and accepted by those involved in the decision-making process. However, the business case appears to be broader than a purely economic case and here includes increased loyalty, commitment, performance and productivity, as well as improved recruitment and retention of valued staff. These may all translate into improved financial outcomes for the employer in the longer-term. Corporate social responsibility and being seen to be doing the right thing are increasingly important considerations in employer decision-making. In stretched economic times, however, there is some evidence that employers may move from a mutual benefits or a ‘win-win’ approach for both employee and employer to a more explicit focus on employer-led flexibility, which may not necessarily be associated with positive outcomes for employees. For example, enforced teleworking may reduce the costs of expensive office space but may not suit many employees and may reduce knowledge sharing and job satisfaction.
6.1.2 Evidence that family-friendly policies and practices benefit or disadvantage employers

Many studies have provided evidence relating to the costs and benefits of FFWPs. The review also includes a number of previous reviews of the literature on this topic, going back to before 2008.

The majority of studies, including previous reviews, incorporate the measurement of a wide range or ‘bundles’ of FFWPs on organisational outcomes and it is therefore not possible to distinguish between ‘better’ and ‘worse’ policies and practices, if indeed there are any differences for employers. Overall, however, there are very few examples of negative outcomes from the introduction of FFWPs. While some research has shown neutral outcomes, the vast majority of studies present generally positive organisational outcomes. Positive outcomes can be demonstrated via direct effects (e.g. enforced teleworking may demonstrably reduce office costs) or indirect effects (e.g. employees who perceive their workplace to be supportive in terms of work flexibility may be more committed and therefore are less likely to leave and more likely to work hard; this therefore translates into increased productivity and lower turnover costs). These indirect effects are typically more difficult to measure, such as isolating these effects from other individual and organisational-level factors, and the need for longitudinal data to demonstrate change over time.

Very recent research by Van der Lippe et al. (2019) extends the range of positive outcomes from a supportive work-life culture by demonstrating that the implementation of a greater number of work-life policies can also lead to greater gender equality and specifically reduced gender pay gaps, the main focus of this research. Other research examining gender equality and the gender pay gap could not find conclusive evidence that extensive family-friendly policies and practices (e.g. in the Scandinavian countries) had a negative impact on the pay gap among high-level workers.

Taken together, therefore, the evidence points to positive impacts for both employers and employees with the introduction and widespread implementation of a range of FFWPs. The types of FFWPs offered may necessarily differ according to the remit of the organisation and the requirements of particular job types (e.g. customer-facing roles, emergency services), but introducing a more flexible workplace culture would appear to have wide-ranging benefits.

6.1.3 Evidence of successful interventions to encourage employers to offer family-friendly policies

The review included a number of studies which reported on suggested or previously implemented interventions within organisations to offer FFWPs. It has previously been well documented that line managers play an important role in encouraging or discouraging employees from taking advantage of FFWPs but this is not the focus of the current review. That said, successful interventions highlighted the importance of manager training in order to deal with greater flexible working. Other suggestions for successful implementation included more transparency and openness between management and employees, as well as between teams, in terms of the potentially positive and negative outcomes of flexible working. Flexibility champions can also be a useful resource, and highlighting best practice examples of widespread flexible working can encourage a greater acceptance, both within and outside the organisation. Some of the suggestions provided within these studies are included in the following set of recommendations.
6.2 Recommendations

Introducing and promoting a wide range of flexible working policies and practices: The overall evidence suggests that flexible working is good for both employers and employees. The implementation of a greater number of FFWPs can provide a signal to employees of a supportive work-life culture, which can also lead to greater gender equality and specifically reduced gender pay gaps over the longer-term. While some FFWPs may prove to have better organisational outcomes for different employers, the evidence presented in this review was based primarily on the introduction of ‘bundles’ of FFWPs and did not allow for the identification of ‘better’ or ‘worse’ individual policies and practices. Employers are encouraged to introduce trial periods of a broad range of FFWPs (see also below) in order to identify what works best for them and for their employees.

Disseminating good practice: Employers need to understand and accept the business case for flexible working and this can be achieved by the provision of good practice examples of employers and employees operating in a similar environment. Flexibility ‘champions’ (preferably senior managers) can serve to both promote the case for flexibility within their own organisation but also in others. Being seen as a pioneer in flexible working options, and also doing the right thing for employees, can convey a powerful message to potential employees, as well as to existing staff. This may have the knock-on effect of increasing morale and job satisfaction, as well as recruiting and retaining valued employees.

Developing a positive workplace culture: The availability of FFWPs within an organisation is not a guarantee that employees will feel able to make use of such policies. A positive workplace culture, one in which management is fully supportive of flexible working and which encourages take-up of flexible working, is required, especially at times when workers feel vulnerable to job losses (e.g. during periods of economic uncertainty or as a result of austerity measures imposed by the government). Senior management can play an important role in this respect, signalling to line managers and to other employees that flexible working is normalised within an organisation. Without a positive workplace culture where employees feel able to take up FFWPs, there is a chance that women will either leave for greater flexibility elsewhere or ‘stagnate’ within their current role, not applying for more challenging opportunities if that could also mean greater work-life conflict.

Encouraging transparency among managers, flexible workers and other colleagues: Senior management and line managers need to be trained in managing flexibility and flexible workers: this requires ongoing monitoring and updating as FWAs can affect other team members, as well as managers. Open dialogue is important in creating a trusting environment, one in which flexible workers and their colleagues can voice concerns and discuss positive ways forward. Again, this emphasises the need for a positive work culture, one that values and respects the opinions and needs of all its workers. Without this, those wishing to work flexibly are less likely to apply to do so, so increasing work-life conflict and decreasing job satisfaction and general wellbeing.

Trialling and measuring flexible working over a reasonable time period: Any widespread implementation of flexible working should be trialled and measured for both employee and employer outcomes over a reasonable period of time. It is unlikely that outcomes such as productivity and turnover can be properly assessed over a short period and other factors potentially affecting such outcomes should also be considered (e.g. the external labour market,
new IT systems, etc.). FWAs such as enforced teleworking can have an adverse effect: many employees are not set up to work permanently from home or in a remote location, even with advanced IT options, and employers should be aware of the potentially negative effects this may incur over the longer-term (e.g. reduced wellbeing and loyalty to the organisation may lead to reduced productivity, which will serve to deplete any savings made from reduced office space and resources).

**Thinking in the longer-term:** It is recognised that flexibility can be employer- or employee-led and, in difficult economic times, it is perhaps unsurprising that employer-led flexibility is prioritised over the needs and wellbeing of employees. However, the evidence has demonstrated that indirect outcomes (those outlined above) can affect the business case for flexible working, as well as direct outcomes, and employers need to remain focused upon the wellbeing of their employees. An upturn in the labour market may encourage valued employees to leave if unsatisfied, leading to high turnover costs and a loss of vital skills.

**Challenging gendered attitudes and approaches towards flexible working:** The link between FFWPs and the gender pay gap within an organisation is not immediately apparent. While FFWPs would appear on the surface to be beneficial to many women, especially those with caring responsibilities, they also have the potential to work against gender equality. Any perceptions of flexible working as a ‘woman’s issue’ need to be challenged and all employees need to be offered and encouraged to take up FFWPs. Male and female role models working flexibly can also act as flexibility champions and demonstrate to others that it can be done successfully. Any training and development opportunities need to be offered equally to men and women, working flexibly or not, in order to reduce any inequalities in promotion and progression, and so reducing the gender pay gap within organisations.
Bibliography
7. Bibliography


Appendix
Appendix

Methodology

In order to respond to the aim, objectives and research questions set out above, the following review methodology was implemented (Figure 1).

**Figure 1:** Overview of proposed methodology

1. Setting review parameters
2. Searching
3. Screening
4. Data extraction
5. Synthesis and reporting

**Stage 1: Setting review parameters**

This involved establishing parameters for the review, refining topics and developing a keyword search strategy to ensure that each database was searched and exhausted of potentially relevant literature. This is a crucial phase since it involves setting the rules that guide the information-gathering process and ensure coverage and relevance of the findings. It involves defining keywords, strings of keywords and overall search strategy that will be used to search relevant academic databases and websites. The keywords and synonyms for all searches were discussed and agreed with GEO.

**Stage 2: Searching**

This stage comprised applying the keyword strategy to identified databases. Boolean operators, truncation and wildcards were used to combine keyword searches and enable a more efficient and productive search. Key words and terms were used in various combinations to ensure optimal coverage of the databases.

We included the following databases in the first instance:

- ABI/inform Global
- ASSIA
- IBSS
- Econlit (via EBSCO Host)
- Scopus
- Web of Science
- Directory of Open Access Repositories (OpenDOAR)
- Google Scholar (limited searches)
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Grey literature search included searching websites of the most relevant stakeholders (e.g. Government departments, CIPD, ACAS; TUC, CBI, Business in the Community, enei, ESRC, Working Families, My Family Care, Timewise, Carers UK, Eurofound)

Initial search terms included:

- family-friendly workplace policies plus a list of individual policies/employee benefits to be included in the study; AND
- employer* OR firm* OR businesses OR organisation* or workplace* AND
- productivity OR staff turnover OR retention OR recruitment OR absenteeism OR diversity OR outcome OR business case OR cost-benefit* OR burden OR positive OR benefit* OR success* OR barriers) OR
- encourage* OR rationale OR motivation OR engagement.

Words in capital letters symbolise Boolean operators. ‘Work-life balance policies and practices’, ‘work and family policies and practices, and ‘flexible working arrangements’ were also included.

These were combined step by step (i.e. bullet point for bullet point) to check for the implications of the narrowing of the search strategy.

Searches were conducted in a number of the most pertinent databases. In addition, limited searches were also undertaken in Google Scholar. Grey literature was searched on relevant websites. Less systematic ways of finding sources that respond to the research questions were also used, including ‘snow-balling’ reference search. The review took into account and built on other relevant reviews. All evidence was managed using a bibliographic software programme, Endnote.

**Stage 3: Screening**

Pre-determined selection criteria were applied to titles, abstracts and selected full texts. Explicit criteria were developed based on the agreed topics to determine which studies were to be examined in-depth using full texts. Screening was undertaken on the results of the electronic database searches and in the imported references in Endnote. Inclusion/exclusion criteria were discussed with GEO.

**Stage 4: Extraction**

An instrument was used to record key information and evidence from each study in a systematic manner. This meant using a set proforma to record key points such as the aims of each study, methodological approach and key findings. In addition, the quality of the evidence was assessed by an analysis of the strengths and limitations of studies. This helped ensure consistency in how evidence was recorded and has been used successfully in many of IER’s previous reviews.
The pro-forma was set up in such a way that it provided a coded and text-based overview that could be drawn upon for synthesising the data by theme. It was set up as an Excel spreadsheet which covered most of the following information, including a word summary of the key findings, together with additional researcher comments:

- Unique identifier for the document (Author(s) and year)
- Type of policy or practice covered in the documents: as indicated in the scope of the review above (coded)
- Employer characteristics: size of employer/establishment (if known), sector of industry (if known), public/private sector (if known)
- Status of policy intervention (e.g. considered; not fully implemented yet; fully implemented)
- Type of policy implementation (e.g. formal; informal; line-manager support; accompanied by other policies/actions; top down versus bottom up approach, if known)
- Benefits or disadvantages of family friendly workplace policies: actual or perceived
- Rationale for considering/implementing family-friendly workplace policies
- Type of actual or perceived benefits or disadvantages of offering family friendly policies for employers (e.g. increase in productivity, actual or expected decrease in turnover; opportunities to tap into a wider talent pool; diversity; others)
- Type of evidence base (e.g. (1) company-specific findings; findings based on qualitative studies involving more than one organisation; findings based on targeted surveys; findings based on secondary data analysis; reviews or meta-analysis); (2) hard (ex-post); medium (interim findings); soft (anticipated))
- Success of policy intervention for each type of policy (e.g. some, unclear, not known)
- Type of policies that successfully encourage employers to implement family-friendly workplace policies (text only)
- Type of untested interventions that could be successful (text only - e.g. awareness raising)
- Summary of key findings (text only)
- Additional comments or observations from the researcher (text only)

Stage 5: Synthesis and reporting

Evidence was synthesised by research question.