

FACT SHEET:

THE BUSINESS CASE FOR WORKPLACE FLEXIBILITY

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

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

- Nearly a third of U.S. workers consider work-life balance and flexibility to be the most important factor in considering job offers.²
- Nearly 80% of workers want more flexible work options and would use them if there were no negative consequences at work, and young workers, those under 30 years old, are even more likely (85%) than older workers (77%) to want more flexible work options.³
- In a 2000 study, 71% of men aged 21 to 29 said they would give up some pay for more time with their families and 84% of workers in their 20s and 30s, both male and female, reported favoring family-friendly work schedules.⁴
- A survey of two hundred human resource managers found that two-thirds named family-supportive policies as the single most important factor in attracting and retaining employees.⁵

Flexible work arrangements make for happier, healthier workers.

- Employees with access to flexible workplace arrangements exhibit significantly better mental health than other employees,⁶ and low-income workers experience this positive effect even more strongly than higher earners.⁷
- Flexible work practices reduce stress, the leading cause of unscheduled absences and a factor in high turnover which costs U.S. Employers about \$300 billion per year in lost productivity, and increased healthcare and replacement expenditures.⁸

- A study of 1,000 32-year-olds found that 45% of new cases of depression and anxiety were attributable to stressful work,⁹ while another study has shown that employees who believe they have flexibility in their work lives have healthier lifestyles.¹⁰
- Stress and burnout is 45% lower for low-income workers with flexibility than for those without.¹¹
- Flexible work hours that allow employees to pick up their children from school can alleviate employee stress about their children's after school time. An estimated one third of the workforce experiences such stress, leading to decreased productivity and increased absenteeism that can add up to \$469 to \$1,984 of costs per employee per year.¹²
- Flexibility can also help improve the health of employees' families. Recent studies have suggested a link between parental work-family conflict and childhood obesity.¹³ Flexible work schedules that allow employees to sit down to dinner at home with their children on a regular basis and take them to the doctor when needed can help to reverse this disturbing trend.¹⁴

Workplace flexibility reduces costly absenteeism.

- Absenteeism can cost some large employers over \$1 million per year.¹⁵
- Workplace flexibility is one of the most effective means of reducing unplanned absences from work—in one study, 63% of workers using flexible work arrangements said they were absent less often from work thanks to those arrangements.¹⁶
- Telecommuting alone cuts absenteeism by nearly 60%.¹⁷

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

- It costs an employer 150% of a salaried employee's yearly salary to replace him or her. For hourly employees, turnover costs the employer anywhere from 50 to 75 percent of the employee's annual pay.¹⁸
- Employees with greater access to flexible work arrangements are more likely to stay with their current employers for at least the next year.¹⁹ Low-income workers who have flexibility are 30% less likely to leave their employer within two years than are those who have none.²⁰
- Costco, which notes flexibility as a key benefit, has achieved a rate of turnover that is one-third of the industry average of 65%.²¹

- The accounting firm of Deloitte & Touche calculated savings of approximately \$41.5 million in turnover-related costs in 2003, thanks to the firm's flexibility programs.²²

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

- Employees with access to flexible work schedules tend to have higher job satisfaction and appear more willing to work hard to help their employers succeed.²³
- Employees with flexibility are likely to be highly engaged, and feel they have a stake in their organization. Engagement/commitment among low-income workers with flexibility is 50% higher than among those who have none.²⁴
- Employee engagement translates into profits for the employer—double-digit growth companies have 39% more highly engaged employees (and 45% fewer highly disengaged employees) than single-digit growth companies.²⁵
- In a two-year study of 1,400 workers, 70 percent of managers and 87 percent of employees reported that workplace flexibility increased productivity. A 2002 Watson Wyatt study found a 3.5 percent rise in shareholder returns resulting from flexible work.²⁶
- Offering employees the option to telecommute can save businesses in real estate and other overhead costs. In 1996, Bell Atlantic reported that telecommuting saved the company between \$1,500 to \$5,000 per telecommuter, per year.²⁷

¹ Dozens of employers in the U.S. who have implemented flexibility programs for their employees have found that the programs have a significant positive impact on their bottom line. For a more detailed account of these companies' policies and findings, please see, Corporate Voices for Working Families, "Business Impacts of Flexibility: An Imperative for Expansion," November 2005.

² "In the Game of Hiring, Flexible Employers Win," Press Release, *available at* <http://biz.yahoo.com/iw/080212/0359530.html>.

³ Ellen Galinsky, James T. Bond, and E. Jeffrey Hill, "When Work Works: A Status Report on Workplace Flexibility. Who has it? Who wants it? What difference does it make?," Families and Work Institute, 2004, pg. 21, *available at* <http://familiesandwork.org/3w/research/downloads/status.pdf>.

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

⁵ Joan Williams, UNBENDING GENDER: WHY WORK AND FAMILY CONFLICT AND WHAT TO DO ABOUT IT, 85 (2000).

⁶ James T. Bond, Cynthia Thompson, Ellen Galinsky and David Prottas, “Highlights of the National Study of the Changing Workforce: Work-Life Supports on the Job,” Families and Work Institute, 2002, pg. 14.

⁷ Amy Richman, Arlene Johnson and Lisa Buxbaum, “Workplace Flexibility for Low Wage Workers,” Corporate Voices for Working Families, Oct. 2006, pg. 16.

⁸ Corporate Voices for Working Families, “Business Impacts of Flexibility: An Imperative for Expansion,” November 2005, pg. 14-15.

⁹ “Stressful Job Link to Depression,” BBC News, Aug. 1, 2007, *available at* <http://news.bbc.co.uk/2/hi/health/6925799.stm>.

¹⁰ “Employees with Workplace Flexibility Have Healthier Lifestyle Habits,” Wake Forest University Baptist Medical Center, Dec. 11, 2007, *available at* <http://www1.wfubmc.edu/news/NewsArticle.htm?Articleid=2218>.

¹¹ Amy Richman, et. al., “Low Wage Workers,” pg. 17.

¹² Jean Flatley McGuire, Kaitlyn Kenny & Phillis Brashler, “Flexible Work Arrangements: The Fact Sheet,” Workplace Flexibility 2010, Georgetown University Law Center, pg. 7, *available at* http://www.law.georgetown.edu/workplaceflexibility2010/definition/general/FWA_FactSheet.pdf.

¹³ Kelleen Kay and David Gray, “The Stress of Balancing Work and Family: The Impact on Parent and Child Health and the Need for Workplace Flexibility,” Research Paper—The Next Social Contract, New America Foundation, October 2007, pp. 8-9, *available at* <http://www.newamerica.net/files/The%20Stress%20of%20Balancing%20Work%20and%20Family-9-17-07.pdf>.

¹⁴ Ibid.

¹⁵ Flatley McGuire, et. al., “Flexible Work Arrangements,” pg. 6.

¹⁶ Ibid.

¹⁷ “Questions and Answers about Telework: A Sloan Work and Family Research Network Fact Sheet,” pg. 3, *available at* <http://wfnetwork.bc.edu/pdfs/telework.pdf>.

¹⁸ Jodie Levin-Epstein, “Getting Punched: The Job and Family Clock: It’s Time for Flexible Work for Workers of All Ages,” CLASP, July 2006, pg. 8. Employees who quit cost their employers \$40,000 each, on average, in hiring and training expenditures. Arlie Russell Hochschild, THE TIME BIND: WHEN WORK BECOMES HOME AND HOME BECOMES WORK, 31 (1997).

¹⁹ James T. Bond, et.al., “Work-Life Supports on the Job,” pg. 5.

²⁰ Amy Richman, et. al., “Low Wage Workers,” pg. 17.

²¹ Jodie Levin-Epstein, “Getting Punched,” pp. 9-10.

²² Corporate Voices, “Business Impacts of Flexibility,” pg. 10.

²³ Flatley McGuire, et. al., “Flexible Work Arrangements,” pg. 5.

²⁴ Amy Richman, et. al., “Low Wage Workers,” pg. 17.

²⁵ Corporate Voices, “Business Impacts of Flexibility,” pg. 13-14.

²⁶ Levin-Epstien, pg. 8.

²⁷ Flatley McGuire, et. al., "Flexible Work Arrangements," pg. 7.