

Flexible Work Arrangements: The Fact Sheet

A "flexible work arrangement" (FWA) is any one of a spectrum of work structures that alters the time and/or place that work gets done on a regular basis. The term includes (but is not limited to):

1. flexibility in the *scheduling* of hours worked, such as alternative work schedules (e.g., flex time and compressed workweeks), and arrangements regarding shift and break schedules;
2. flexibility in the *amount* of hours worked, , such as part-time work and job shares; and
3. flexibility in the *place* of work, such as working at home or at a satellite location.

I. The need for flexible work arrangements

There is a growing desire among employees for access to various forms of flexible work arrangements.¹

- Nearly 80% of workers say they would like to have more flexible work options and would use them if there were no negative consequences at work.²
 - However, close to 40% of workers surveyed believe they would be less likely to advance in their career if they were to use flexible scheduling options.³
- Among employees who do not work any regularly scheduled hours at home (89% of wage and salary workforce), 43% would like to be able to do so.⁴
 - In one survey, 90% of telecommuters reported the opportunity to telecommute better enables them to balance work and family. Moreover, half of these telecommuters, 46%, indicate they are more productive working from home.⁵
- Among full-time employees, nearly 20% would prefer to be working part-time.⁶
 - When asked why they don't work part-time, 70% indicated they couldn't afford to do so, and 44% said they would not be allowed to by their employers.⁷

II. Access to and utilization of flexible work arrangements

A. Flexibility in scheduling work hours⁸

- The percentage of the workforce that works a flexible schedule increased dramatically from 1985 to 1997 and has since leveled off. In 1985, 12.4% of the working population worked on a flexible schedule, compared to 27.6% in 1997⁹ and 27.5% in 2004.
- The majority of workers who have flexibility in their work schedules are those who are using flexibility on an informal basis; only 38.8% of workers with flexible schedules report participating in a formal flextime program.
 - In the public sector:
 - 28.8 % of all full-time federal employees use flexible work schedules.
 - 28.4 % of all full-time state employees use flexible work schedules.
 - 13.7 % of all full-time local employees use flexible work schedules.
 - In the private sector:
 - 28.9 % of all full-time employees use flexible work schedules. Within the private sector:
 - the highest rates of flextime are found among those working in financial activities (37.7%), professional and business services (37.6%), and information (34.9%) industries.
 - the lowest rates of flextime are found among those working in the construction (20.3%), manufacturing (24%), transportation and utilities (25.7%), and education and health services (25.6%) industries.
- In a study exploring the impact of occupational status on access to flexible schedules, one researcher found that managerial, administrative and professional occupations have considerably more flexibility than all other occupational types, often on the order of almost 20% to over 30% more. In particular, attorneys, engineers and math/computer professionals have the greatest access to flexibility.¹⁰
- The availability of data regarding compressed work schedules is more limited. However, according to one national survey of employers, nearly 40% of organizations allow some employees to work a compressed workweek for at least part of the year. However, only 10% of organizations surveyed allow all or most employees to work a compressed workweek for at least part of the year.¹¹

B. Flexibility in the Place of Work¹²

- Census data illustrates very moderate growth in telecommuting from 1980 to the present time. In 1980, 2.3% of workers 16 and over worked at home at least 3 out of 5 days a week, this rose to 3.0% in 1990 and 3.3%, or 4,184,223 workers, in 2000.
- Utilization of telecommuting options vary greatly by industry and by occupation. (Chart One provides the percentage of telecommuters by industry; Chart Two provides the percentage by occupation.)

INDUSTRY	PERCENT OF TELECOMMUTERS (in %)
Professional, scientific, management, administrative & waste management services	20.1
Education, health, and social services	18
Agriculture, forestry, fishing and hunting, & mining	9
Retail trade	8.1
Finance, insurance, real estate & rental and leasing	8.1
Other services (except public administration)	7.8
Manufacturing	6.7
Leisure & Hospitality	5.6
Construction	5
Wholesale trade	3.9
Information	3.6
Transportation and warehousing, and utilities	2.1
Public administration	1.3
Armed forces (not elsewhere specified)	0.6

OCCUPATION	PERCENT OF TELECOMMUTERS (in %)
Management, Professional & Related Occupations	44.7
Sales & Office Occupations	24.9
Service Occupations	18.4
Natural Resources, Construction & Maintenance	5.9
Production, Transportation & Material Moving	5.9
Armed forces (not elsewhere specified)	0.3

- Another nationally representative survey of employers illustrates the trend of differential access to flexi-place benefits within organizations. While 30% of organizations allow some employees to work at home either occasionally or regularly, only 3% of organizations allow all or most employees to do so.¹³
- A recent survey of human resource managers indicates that telecommuting is more likely to be available to workers less than five full days a week. In 2005, 37% (or 137 out of 370) of survey respondents offered telecommuting on a part-time basis, while 19% (or 70 out of 370) offered telecommuting on a full-time basis.¹⁴
 - These data highlighting the limited availability of telecommuting options are interesting given research suggesting approximately 65% of all jobs are amenable to telecommuting at least on a part-time basis.¹⁵

C. Flexibility in Number of Work Hours

1. Part-Time Work*¹⁶

- The most recent national data suggests that nearly 32 million people are working part-time in non-agricultural industries.
- Among part-time** employees, 63% indicate they are working part-time voluntarily while 37% indicate they would prefer to be working full-time.¹⁷
 - Among part-time workers working part-time by choice, frequently cited reasons for this work status include personal or family obligations, being in school, or training.¹⁸
 - One analysis revealed significant differences by gender as to reasons for working part-time. Nearly half of women working part-time, 45.5% reported working part-time to balance childcare problems, personal or family obligations, and school. However, of men working part-time only 12.3% reported doing so for reasons related to work-life balance.¹⁹
- Among part-time workers the greatest percentage are found in the following industries: education and health services (25.7% of part-time workers), wholesale and retail trade (17.9%), and leisure and hospitality (15.9%). Conversely, a very small percentage of part-time wage and salary workers work in mining (<1%), information (2.3%), and public administration (3.5%).
- By industry, part-time workers constitute a large portion of workers in the leisure and hospitality and education and health services industries (42.8% and 28.6% of workers in each of these industries, respectively). However, part-time workers constitute a very small percentage of workers in the following industries: construction (16.8%), public administration (16.3%), manufacturing (10.7%), and mining (8.2%).

* It is important to note that there are varying definitions of part-time work. Except where otherwise noted, this term utilizes the definition of the Current Population Survey (CPS) which defines part-time employment as working 1-34 hours per week. Additionally, except where otherwise noted, part time refers solely to wage and salary part-time workers, not those who are self employed or who are unpaid family workers.

** Here, part-time employment is defined by each of the employees included in the survey.

2. Job Sharing

- Research on job sharing is extremely limited. There are two sources of data that provide some insight on the extent to which job sharing opportunities are offered to employees: a national survey of employers and a private organization survey of member companies. However, the data derived from these two reports do not provide a consistent estimate on the availability of job sharing arrangements.
- Based on a nationally representative survey of employers, the percentage of companies allowing *some* employees to share jobs has risen from 38% in 1998 to 44% in 2005. However, highlighting differential access to flexible work arrangements within organizations, only 13% of companies surveyed in 2005 allowed *all or most* employees to share jobs. Interestingly, small companies were nearly four times more likely to offer job sharing to *all or most* employees than large companies (15% compared to 4%).²⁰
- Based on a survey of its members, the Society for Human Resource Management (SHRM) reports that 19% of survey respondents offered job sharing to employees (70 out of 370 respondents).²¹

3. Control over Overtime Hours

- Research documenting employee control of overtime hours is sparse. Only one nationally representative survey of employers has been identified that provides data on this topic.
- According to this report, only 28% of organizations report they allow at least some employees to have control over paid and unpaid overtime hours. Only half of these organizations, 14%, allow all or most employees to control use of paid and unpaid overtime hours.²²
- Twice as many (16%) small organizations (50-99 employees) allow employees to control have control over paid and unpaid hours as do large organizations (1,000 or more employees)(8%).²³

III. Business Experience with Flexible Work Arrangements

Generally, most businesses provide flexible work arrangements on an informal or individual basis.²⁴

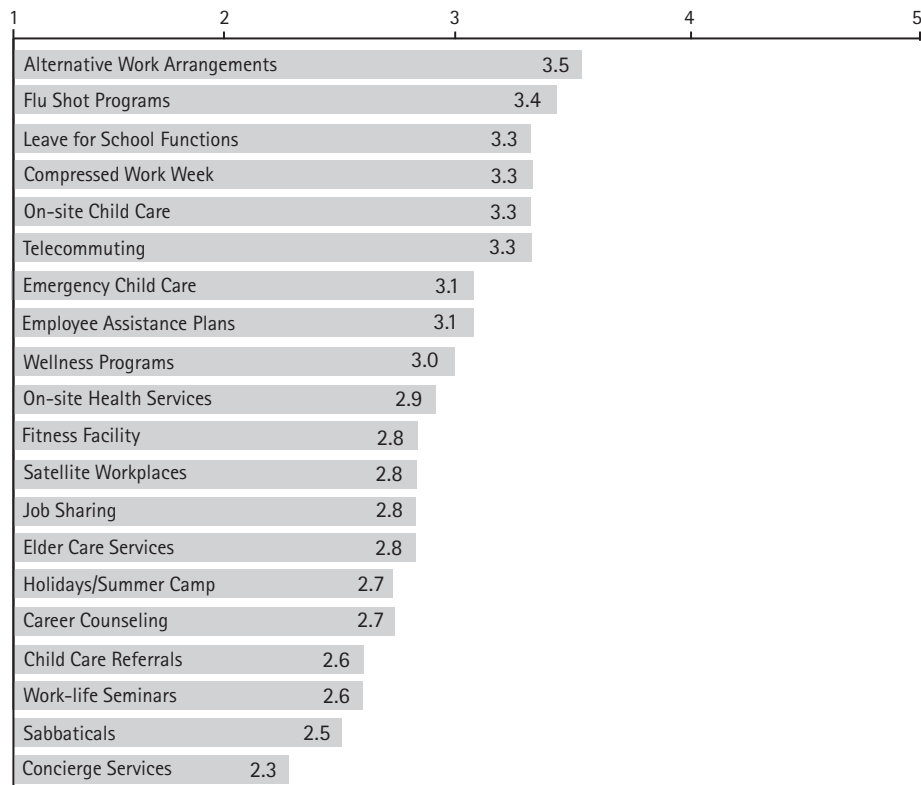
- Although more than 1 in 4 wage and salary workers indicate they can work a flexible schedule, only about 1 in 10 are enrolled in formal, employer-sponsored flexitime programs.²⁵
- However, recent anecdotal evidence suggests businesses are experimenting with different formal flexible work arrangements through pilot programs. The success of these trials has prompted some businesses to expand these formal work scheduling arrangements.²⁶

Based on a limited number of research studies, a number of benefits associated with flexible work arrangements have been revealed.

- Because of the range of options employees have in scheduling their work time, offices are often able to provide customer service over a greater span of hours.²⁷
- Employees with access to flexible work arrangements tend to be more satisfied with their jobs and also appear more willing to work hard to help their employers succeed.²⁸

- Employers report flexible options are advantageous as they aid in recruiting and retaining valuable employees.²⁹
- According to one recent survey, alternative work arrangements rank at the top of work-life programs in effectiveness in reducing unplanned absences from work.³⁰

Effectiveness of Work-life Programs • 2005 Ratings



- In another study, 63% of workers using flexible work arrangements said they were absent less often as a result of their flexible work arrangement schedule.³¹
- This benefit, curbing unscheduled absence, is particularly important to business given the high costs associated with unplanned absence. In 2005, 2.5% of organizations reported that absenteeism was a problem in their organization, costing around \$660/employee. For some large employers, absenteeism resulted in a loss of over \$1 million per year.³²
- Flexible work schedules and other family-friendly programs can be effective tools in reducing turnover and tardiness and increasing productivity, job satisfaction, and company loyalty. Collectively, these positively impact a company's bottom line.³³
 - For example, with respect to flexibility programs that enable workers to work from home, if the proportion of employees working from home increases by one percentage point, the firm's profit rate increases by an additional six-tenths of one percent. For the average firm included in this sample, this equates to a profit increase of approximately \$84 million.³⁴

- For example, employee stress due to concerns about their children after school is associated with decreased productivity and increased absenteeism. Estimates indicate this can cost business anywhere from \$496 to \$1,984 per employee per year.³⁵
- Flexible work arrangements, particularly telecommuting, have been used by organizations as a means to diminish real estate and other overhead costs.³⁶ Estimates regarding the value of this savings vary depending on firm size, location, and other factors.
 - For example, in 1996, Bell Atlantic reported that telecommuting allowed the company to save between \$1,500 - \$5,000 per telecommuter, per year, due to reduced real estate costs.³⁷
 - An information technology director from the Gartner Group in Connecticut estimated telework could save facility managers 15-25% or more on future real estate costs.³⁸

In those organizations that have implemented flexible work arrangements, some challenges have been revealed.

- Supervisors and managers report hesitancy to promote flexibility due to apprehension regarding the impact this may have on work quality and productivity. Additionally, they voice concerns about difficulties in ensuring office coverage or scheduling meetings.³⁹
- One challenge frequently cited by workers is the lack of reliable access to relevant information regarding the availability of flexible work options or the appropriate procedures for utilizing them.⁴⁰
- Employees also report frustrations stemming from inconsistent program implementation, resulting in part from the apparent autonomy managers have in administering workplace flexibility benefits.⁴¹ For some workers, access to flexibility appears to be based on the sole discretion of a given manager. This concern is exacerbated in private sector organizations that do not have formal policies on workplace flexibility.⁴²
- Employees are often hesitant to request or adopt flexible work schedules due to fears of negative career consequences.⁴³
 - 78% of employees feared that they would be perceived as less committed to their job by their supervisors if they utilized flexible work arrangements.⁴⁴

(Endnotes)

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- ³ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). p. 22.
- ⁴ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). p. 10.
- ⁵ University of Connecticut and Rutgers University, Center for Survey Research and Analysis and John J. Heldrich Center for Workforce Development (1999). *Work and family: How employers and workers can strike the balance*. New Brunswick, NJ: Author. p. 3.
- ⁶ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). p. 12.
- ⁷ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). p. 12.
- ⁸ Unless otherwise noted, all data in this section is from U.S. Department of Labor (2005). *Workers on flexible and shift schedules, 2004 summary*. Washington, D.C.: Bureau of Labor Statistics. Retrieved November 2005, from <http://www.bls.gov/news.release/flex.toc.htm>. (Nationally representative of non-institutionalized population 16 and over; data is derived from the Current Population Survey (CPS), a monthly survey of about 60,000 households conducted by the Bureau of the Census that serves as the primary source of information on the labor force characteristics of the U.S. population).
- ⁹ Beers, Thomas. (2000). Flexible schedules and shift work: replacing the '9 to 5' workday? *Monthly Labor Review* 123(6), p. 33.
- ¹⁰ Golden, L. (2005). The flexibility gap: Employee access to flexibility in work schedules. In I.U. Zeytinoglu, (ed.), *Flexibility in workplaces: Effects on workers, work environment and the unions*. Geneva: IIRA/ILO.
- ¹¹ Bond, James T., Galinsky, E., Kim, S., and Brownfield, E. (2005). 2005 *National study of employers*. New York, NY: Families and Work Institute. p. 6. (Nationally representative of U.S. employers with 50 or more employees; based on survey of 1,092 companies)
- ¹² Unless otherwise noted, all data in this section are from the U.S. Bureau of the Census (2004). *Working at home, 2000*. Washington, D.C. Author. Retrieved November, 2005, from <http://www.census.gov/population/www/socdemo/workathome.html>. It is important to note that the Census defines telecommuting as working from home at least three out of five days per week. As a result, it is very likely that Census data underestimates the true number of telecommuters, such as individuals who work from home one or two days per week.
- ¹³ Bond, James T., Galinsky, E., Kim, S., and Brownfield, E. (2005). p. 6.
- ¹⁴ Society for Human Resource Management (SHRM). (2005). *2005 Benefits survey report*. Virginia: Author p. 5-6. (Cohort study; this is based on a survey of human resource representatives from 370 member organizations from both the public and private, for-profit and not-for profit sectors).
- ¹⁵ Potter, E.E. (2003). Telecommuting: The future of work, corporate culture, and American society. *Journal of Labor Research* 24(1), p. 73.
- ¹⁶ Unless otherwise noted, all data in this section are from U.S. Department of Labor (2005). *Employment and earnings: Characteristics of the employed*. Washington, D.C.: Bureau of Labor Statistics, p. 231, p. 232. Retrieved November 2005, from <http://www.bls.gov/cps/cpsa2004.pdf>. (All data is derived from the CPS; nationally representative of non-institutionalized population 16 and over).
- ¹⁷ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). p. 10.
- ¹⁸ Galinsky, E., Bond, J.T., & Hill, E.J. (2004). p. 10-11; Employment Policy Foundation (2003). *Work-life balance: Key factor for part-time workers during prime working years*. Washington, D.C.: Author, p. 1. Retrieved February 2005 from, <http://www.epf.org/pubs/newsletters/2003/ba20031124.pdf>. (Nationally representative of non-institutionalized population 16 and over; based on organization's analysis of CPS data); and U.S. Department of Labor (2005). p. 231.
- ¹⁹ Employment Policy Foundation (2003). p. 3.
- ²⁰ Bond, James T., Galinsky, E., Kim, S., and Brownfield, E. (2005). p. 6.
- ²¹ Society for Human Resource Management (SHRM) (2005). p. 11.
- ²² Bond, James T., Galinsky, E., Kim, S., and Brownfield, E. (2005). p. 6.
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- ²⁸ See for example, Galinsky, E., Bond, J.T., and Hill, E.J. (2004). and Landauer, J. (1997). Bottom-Line Benefits of Work/Life Programs. *HR Focus* (July): 3-4.
- ²⁹ See for example, Galinsky, E., Bond, J.T., and Hill, E.J. (2004); Rose, K.L. (1998, August). The business case for FLEX. *HR Focus* 75(8), S1; Golden, L. (2003, February). *Flexibility Gaps: Differential Access to Flexible Work Schedules and Location in the U.S.* Paper presented at the International Symposium on Working Time, Paris, France.
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- ³² CCH Incorporated (2005). *2005 CCH unscheduled absence survey: Costly problem of unscheduled absenteeism continues to perplex employers*. Riverwoods, IL: Author.
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- ³⁴ Meyer, C.S., Mukerjee, S., Sestero, A. (2001). p. 40.
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