An Examination of the Effectiveness of Flexible Work Hours on Retaining Women in the Workplace

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Abstract
Over the last 30 years, there has been a steady increase in the number of women in the workforce. The participation rate of women in the workforce has increased from 46% in 1975 to nearly 59% in 1996. It is projected that this number will continue to increase in the future. This increase has changed both the family and the workplace in a dramatic fashion. It has also prompted many researchers to advocate for the development and implementation of programs designed to support work and family within organizations. Some organizations have now begun to make improvements to their work/family programs. These improvements reflect the changing demographics and a workforce increasingly comprised of women with families. One of the most widely utilized work/family programs within organizations is flextime. Research suggests that the use of flextime programs in organizations can lead to improved recruitment, morale, public image, absenteeism and turnover. Through a review of related literature, this paper argues that the use of flextime programs in organizations is an effective retention tool for women with families in the workforce.

Document Type
Thesis

Degree Name
MS in Human Resource Development

Department
Education

First Supervisor
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Second Supervisor
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Third Supervisor
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Subject Categories
Education

This thesis is available at Fisher Digital Publications: http://fisherpub.sjfc.edu/education_ETD_masters/149
Flexible Work Hours as a Retention Strategy

Running head: THE EFFECTIVENESS OF FLEXIBLE HOURS ON RETENTION

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Acknowledgements

I would like to thank Dr. Marilynn Butler who has encouraged me and guided me throughout the last two years. Her support and confidence in me was essential for the completion of not only this project but also the program.

A special thanks to Dr. Seth Silver and Dr. David Baranov who have agreed to read this paper. Also, I would like to thank Maryanne Donovan-Wright for her assistance and guidance throughout this entire process.

To my family and friends who have continued to support and encourage me every step of the way, I would like to say a special thanks.

To Mom, your love and belief in my ability to reach my dreams has always been an inspiration. I would not be where I am today if it were not for your faith in me.

To my loving husband Scott, thank you for your encouragement, which has always given me strength. You are always there to motivate me and keep me going even when it may seem too difficult. Many times you have gone above and beyond to help me pursue my goals. You are my rock and I consider myself to be so fortunate to have you in my life.

Finally, I would like to say thank you to my beautiful daughter Riley. My sweet angel, you are the inspiration for all that I do and all that I want to be. I am so truly blessed!
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Abstract

Over the last 30 years, there has been a steady increase in the number of women in the workforce. The participation rate of women in the workforce has increased from 46% in 1975 to nearly 59% in 1996. It is projected that this number will continue to increase in the future. This increase has changed both the family and the workplace in a dramatic fashion. It has also prompted many researchers to advocate for the development and implementation of programs designed to support work and family within organizations. Some organizations have now begun to make improvements to their work/family programs. These improvements reflect the changing demographics and a workforce increasingly comprised of women with families.

One of the most widely utilized work/family programs within organizations is flextime. Research suggests that the use of flextime programs in organizations can lead to improved recruitment, morale, public image, absenteeism and turnover. Through a review of related literature, this paper argues that the use of flextime programs in organizations is an effective retention tool for women with families in the workforce.
Chapter 1

Introduction

Over the last 30 years, there has been a steady increase in the number of women in the workforce (Fullerton, 1999; Hand & Zawacki, 1994; Traynor, 1999; Meyer, Mukerjee & Sestero, 2001). The participation rate of women in the workforce has increased from 46% in 1975 to nearly 59% in 1996 (Hayghne, 1997). It is projected that this number will continue to increase in the future (Hayghne, 1997). This increase has changed both the family and the workplace in a dramatic fashion. It has also prompted many researchers to advocate for the development and implementation of programs designed to support work and family within organizations (Friedman, 1990; Friedman & Galinsky, 1992; Kraut, 1990; Lewis, 1992; Thompson, Thomas & Maier, 1992; as cited in Han & Moen, 1999). Some organizations have now begun to make improvements to their work/family programs. These improvements reflect the changing demographics and a workforce increasingly comprised of women with families (Han & Moen, 1999).

One of the most widely utilized work/family programs within organizations is flextime. Research suggests that the use of flextime programs in organizations can lead to improved recruitment, morale, public image, absenteeism and turnover (Mathews & Newman, 1999; Crouter, 1984; Friedman, 1990; Friedman & Galinsky, 1992; Gonyea & Googins, 1992; Kraut, 1990; Morgan & Miliken, 1992; Thompson et al., 1992; Grover & Crooker, 1995; Frone & Yardley, 1996; Fandray, 2000; Bolch & Galvin, 2001; Burud et al., 1984; Magid, 1983; Perry, 1982 as cited in Hammonds, 1996; Drago, Costanza, Caplan & Brubaker, 2001). Through a review of related literature, this paper argues that the use of flextime programs in organizations is an effective retention tool. The paper
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focuses specifically on working women with family responsibilities. Although the term flextime can be defined in many different ways which may include flexible work hours, telecommuting, part-time work, compressed work week, temporary work, shift work, comp time and job sharing to name a few (Beers, 2000; Mathews & Newman, 1999; Frone & Yardley, 1996; Kerka, 1990; Duffy, 2001; http://www.uaw.org/publications/jobs_pay/01/0601/jpe03.html). For the purposes of this study, flextime will be defined only as flexible working hours, telecommuting, job sharing and part-time work hours.

Organization of Paper

This paper consists of three chapters. Chapter One introduces the study and provides a background discussion. Also, a brief review about the recent history of flextime and women in the workforce as well as the relevance of this study to HRD is presented. Finally, a glossary of relevant terms used throughout the paper is provided. Chapter Two presents a comprehensive literature review. The literature that is outlined in this chapter focuses on the current use of flextime, and it’s effectiveness as a retention tool for women in the workplace. Finally, Chapter Three provides evidence that is in support of the argument that flextime is an effective tool in retaining women in the workplace. It concludes with recommendations for the HRD practitioner as well as implications for future research.

Preview of Chapter One

This chapter is comprised of five components. First the methodology is presented. Here the conceptual framework guiding this study is discussed as well as the criterion that was employed in selecting literature. Second, the use of flextime in
organizations is examined. This section specifically focuses on the increase in the use of flextime since 1970. This component also discusses the changes that have taken place in the workforce in regards to women with families within this time period. Third, a discussion of the relevance of this study to the field of HRD is offered. A glossary of relevant terms is presented as the fourth component. In the fifth section a conclusion for this chapter is provided.

Methodology

Conceptual Framework

The use of flexible work hours and other arrangements in the workplace is not a new idea. Organizations have been trying such innovative ideas for many years. In fact you can trace the term flextime back over four decades (Gariety & Shaffer, 2001). Organizations are now beginning to offer flexible work schedules in response to the changes that have taken place in the workforce composition. These changes include an increase in the number of women entering the workforce (Kerka, 1990; Frone & Yardley, 1996; Fullerton, 1999; Hand & Zawacki, 1994; Traynor, 1999; Meyer, Mukerjee & Sestero, 2001).

Selection criteria. To conduct this examination and to provide scope, literature was reviewed from 1970 to the present day. This period was selected because it was a time in history when there was a significant increase in the number of women entering the workforce. During the 1970’s alone, employment of women increased by 44 % (http://web.bryant.edu/~history/h497/prof_wmn/1970s.htm). Since then, the participation of women in the workforce has continued to steadily increase (Hayghe, 1997).
Today, women comprise the largest demographic group entering the workforce (Fullerton, 1999; Hand & Zawacki, 1994; Traynor, 1999; Meyer, Mukerjee & Sestero, 2001). Thus the selected literature focuses on women only. While it is true that these same issues are increasingly impacting men in contemporary society, examining issues regarding men in the workforce is beyond the scope of the study.

The examined literature targeted all female employees regardless of age, race, ethnicity or marital status. No specific boundaries were set with respect to profession, industry, wage or salary. The primary focus of the study examines working women with family responsibilities. These responsibilities may include children, spouses or elderly parents.

Literature was selected for this study based on its relevance to the topic. That is, studies that had been conducted on the use of flextime in organizations, effective retention tools and women in the workplace were used. When searching for literature, key words such as retention, flextime, job sharing, part-time, telecommuting, working women and working mothers were used. A majority of the sources that were used for this study came from professional business journals. Training, human resource, business and working women magazines were also used as well as books written on topics such as flextime, retention and working women.

The selected literature for this study provides evidence that flextime is an effective tool to retain women in the workforce. It is essential that organizations look at how flextime programs have been used in the past in order to comprehend the impact of these benefits. It is also crucial to understand the changes that are taking place in the workforce and the increasing demands of today’s employees in order for an organization
to remain competitive. A brief history of the use of flextime in organizations followed by a discussion of the changes taking place in the workplace brings focus to this examination.

**Flextime in Organizations**

In the workplace today many workers desire more flexibility in their schedule in order to meet their family and parenting demands. It is important for organizations to consider the needs of working women when looking to recruit and retain them in their organization (Frone & Yardley, 1996). With the increasing competition for skilled employees, employers may find that offering a work life program can give them an edge in attracting and retaining their employees (Traynor, 1999).

The work/life issues of employees are not a new concern for HR professionals and organizations. The difference is that today the expectations that employees have for a well-balanced life have increased significantly (Comeau-Kirschner, 1999). There seems to be a shift of values among workers as a whole. Offering flexible work schedules is one way that organizations are trying to compete with the changes that are taking place in the workforce (Traynor, 1999; Brown & Jurkiewicz, 1998).

**History of Flextime**

The notion of work/life issues goes back several decades in the U.S. However, it was in the 1970’s that research on the topic of work/family came to the forefront. Researchers such as Lawler (1975), O’Toole (1974), Agassi (1975), Kanter (1977), and Harrimon (1982), addressed how work experience and life situations intersected. There was a common theme that was found in this research, which focused on enhancing the quality of the employee's working life. Flexible work programs such as flexible working
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hours, job sharing and part-time employment were examined in this research in order to
determine their effectiveness in increasing the quality of the work life for employees.
This research was an important first step in examining whether or not organizations
should use these tools to retain employees and if these tools are effective (Mathews &
Newman, 1999).

Throughout the 1980’s, flexible work schedules were hot topics of conversation
for both manager and HR professionals. This rise occurred because employees were
increasing their demand for such programs (Kush & Stroh, 1994). The “New Ways to
Work Conference Board” suggested that “flexibility” was the watchword of the 1990’s
(Olmsted, 1990 as cited in Kush & Stroh, 1994). Due to the continually shrinking pool of
skilled workers during that time, managers and HR professionals were forced to look at
alternative ways to keep employees in their organizations (Withers, 2001). The demands
of employees continued to evolve and they were looking for more empowerment in their
jobs, more room for advancement and flexibility with their schedules (Withers, 2001;
Hagevik, 2001).

As we enter the 21st century, retaining our most talented employees is just as
important as it ever was. The new flexible option that is taking hold in the workplace is
telecommuting. In the year 2000, 23.6 million people telecommuted; this is a significant
increase over the 8.5 million who did so in 1995 (Duffy, 2001). Telecommuting is a
result of the 24-hour workday that was brought on by new technology such as personal
computers, the Internet, cell phones and pagers (Verespej, 1999). Due to the increase in
use of such technology, the cost of using it has gone down. This decrease in costs has
made it easier for organizations to give workers the freedom to participate in flextime
programs (Traynor, 1999). Nearly 18%, or about 21 million people, did some work at home as part of their primary job in 1997, compared with about 4 million who did so in 1990. By 2003, close to 30 million people will be doing their work outside of the traditional workspace (Gardyn, 2000).

Part-time employment is another flexible work arrangement that employers currently are using. Now, there are approximately 20 million Americans (16% of the workforce) employed part time. Today, women make up the majority of the part-time workforce (roughly 63%) (http://www.uaw.org/publications/jobs_pay/01/0601/jpe03.html). Interestingly, it is projected that by the year 2010, less than half of the work performed in U.S. organizations will be done by full-time employees (Gardyn, 2000). With more workers choosing to reduce their hours or work from home, HR professionals and managers must determine how to address these changes in the traditional workday hours as it pertains to retention.

Today, organizations are beginning to consider the idea of flexible work arrangements as an effective tool to retain employees. In fact, many of the organizations that have begun to use flexible working hours perceive that they have made a positive impact on retention in their organization (Gardyn, 2000). According to the Bureau of Labor Statistics, the percentage of workers who are now able to alter the hours they work has increased from 12% in 1985 to 28% in 1997. This increase shows that more organizations are now offering flextime benefits as compared with previous decades. Employers that are fighting to attract and retain skilled employees must begin to realize that a happy employee is a more productive employee (Gardyn, 2000; Traynor, 1999). A
happy, productive employee is also more likely to continue with that organization (Kerka, 1997).

**Changes in the Workplace**

Over the last several decades the workplace has changed dramatically. This change is partly due to the large number of women and minorities entering the workforce (Fullerton, 1999; Hand & Zawacki, 1994; Frone & Yardley, 1996; Traynor, 1999; Meyer, Murkjee & Sestero, 2001). Most of today’s working women have a second shift within the home with several different responsibilities (Friedan, 1997). These responsibilities may include care of children, elderly parents or a significant other. For example, a 1997 Families and Work Institute study reported that women logged nearly 60 hours a week on chores and child care, compared to men’s 45 hours (Finnegan, 2001). Despite the work women are doing in the home, they are still entering the workforce in increasing numbers. The rate of married women with children under the age of six in the workforce has increased rapidly from 12 % in 1950 to 64 % in 1995, which demonstrates this growth (U.S. Bureau of Census, 1977; U.S. Bureau of Census 1996).

The increase in stress and responsibilities that women are experiencing has caused a shift in their values (Traynor, 1999; Conlin 1999; Gardyn, 2000). This idea is demonstrated by a study that was conducted at the Boston College Center for Work & Family which found that a top priority for employees is getting the flexibility to control their own time and when, how, and where they do their jobs (Conlin 1999). In 1998, Bright Horizons Family Solutions/Mercer Inc. conducted a survey of work/life initiatives. Flexible work arrangements were deemed the third most valuable work/life initiative after health care and time-off leave policies (Verespej, 1999). Research suggests that this
shift in the importance of work relative to family and leisure over the past 30 years has continued to increase (Dumaine, 1994; Deutschman, 1992; Bernstein, 1997; Coolidge, 1997). These reports indicate that there is a trend toward the increasing importance of family and leisure relative to work for employees (Brown & Jurkiewicz, 1998).

Women who are continuing to make compromises in their lives to handle both their family and their career may jeopardize their personal and family well-being. They face many challenges such as their children getting sick, school vacations, holidays and child care arrangement problems to name a few. When these workers feel burned out by their jobs and when they don’t have the time or the energy for their family demands, their job performance may suffer (Traynor, 1999). A shorter workweek or more flexible hours can allow these workers to have more time with their families (Friedan, 1997).

In spite of the new way of thinking by organizations and the changes that are taking place in the workforce, most jobs are still modeled on the old clock punching culture of the industrial past. By allowing employed women and mothers to telecommute and work flexible hours, employers can make the lives of these women easier and less frustrating by allowing them a choice of when and where they work. Employers must begin to shift their way of thinking from the old to the new in order to retain their best employees (Edley, 2001).

Relevance to Human Resource Development

One of the key roles of the HRD professional is to help design and foster the retention process for their organization (Jordan-Evans & Kaye, 2000). The HRD professional must create awareness within the organization of the changes that are taking place in the workforce. Their role may include leading the process of managing employee
retention for that organization (Jordan-Evans & Kaye, 2000). Because women now make up a significant portion of the workforce, it is important to understand their changing needs, so that we can work to retain this dynamic group of employees (Frone & Yardley, 1996; Fullerton, 1999; Traynor, 1999; Meyer, Jurkjee & Sestero, 2001; Hand & Zawacki, 1994). As a leader in this process, the HRD professional should understand that flexible work schedules are one retention tool that responds to the changing composition and the shift in values of today’s workforce (Traynor, 1999; Brown & Jurkewicz, 1998).

Glossary of Terms

Flextime is described as work hours that do not fall inside the traditional 8-hour workday or 40-hour workweek. Listed below are definitions of the flextime schedules that have been examined for this literature review.

Flexible Work Hours - Flexible work hours allow employees to alter their arrival and departure hours of their workday. Typically, the employee is required to work within a specific range of hours each day or each week.

Telecommuting - Telecommuting allows employees to work from home or from another site other than their office location. Employees keep in touch with the office through the use of technology.

Part-Time Work - Part-time work allows the employee to work less than a 40-hour workweek.

Job Sharing - Job sharing allows two part-time employees share one full-time job.
Conclusion

Following, Chapter Two presents a comprehensive literature review. The literature outlined in this chapter focuses on the current use of flextime and its effectiveness as a retention tool for women in the workplace.
Chapter 2

Review of Related Literature

The purpose of this literature review is to argue that the use of flextime in organizations is an effective tool in retaining women in the workplace. For the purposes of this study, flextime will be defined as flexible working hours, telecommuting, job sharing and part-time work hours.

Chapter Two provides a three-fold discussion. First, background information about the changing role of women in the workplace is provided. This information includes a look at the increasing demands on today’s employees. Second, the current use of flextime in organizations is discussed. This component focuses specifically on flexible working hours, telecommuting, job sharing and part-time work hours. A discussion on specific organizations that are currently and successfully using flextime as a retention strategy for women in the workplace is also offered. Third, the effectiveness of flextime as a retention strategy for women is examined. This section looks at studies that have been conducted on the effectiveness of flextime as a retention strategy and reviews the results of those studies. The impact of flextime programs on job satisfaction and the relation of job satisfaction to retention is also discussed.

The Changing Workforce

In today’s fast paced world, working women are faced with a great challenge to balance their home life demands with the demands placed upon them by their employers. They are often managing the care of their children, elderly parents and other responsibilities at home along with trying to be successful in their careers (Friedan, 1997).
To complicate matters, today’s jobs are more demanding than ever. Employees are working an average of 44 hours per week (Families and Work Institute, 1998). The average time spent on the job in a given year has increased by 163 hours in the last 20 years; that’s roughly one month per year (Withers, 2001). New technologies such as cell phones, lap top computers, pagers and the wireless Internet have made it feasible for work to follow an employee home. Therefore, employees are sometimes unable to end their workday when they leave the office. This increase in demands has caused the amount of time that employees have for leisure or with their family to decline by one-third (Withers, 2001). A shift in values among all employees has prompted them to demand more freedom and flexibility from their employers (Traynor, 1999; Brown & Jurkewicz, 1998; Withers, 2001).

The working women of today are searching for a competitive salary as well as benefits that meet their needs. Like most employees, women have begun demanding more from their organizations in order for them to stay on long term. The old idea of company loyalty is gone and employees are starting to be selective about where they work (Brown & Jurkewicz, 1998).

Recently, due to the shift in values among workers, organizations have started to become more considerate of the work/family issues that their employees are facing. Research indicates that employees now value time with family and time for leisure over their work (Brown & Jurkiewicz, 1998; Dumaine, 1994; Deutschman, 1992; Bernstein, 1997; Coolidge, 1997). Flextime, job sharing and work-at-home arrangements are a benefit that an employer can offer to its employees without incurring too much of an additional cost (Hannay & Northam, 2000; Withers, 2001). Organizations have found that
offering more flexible work arrangements such as relaxed arrival and departure times, job sharing and telecommuting, can solve many of their employees conflicts (Fandray, 2000; Gardyn, 2000). Many of the organizations that currently offer flexible work arrangements find them to be quite successful. They have found that they can increase productivity and revenue by 20% by implementing a work/life program for their employees and reduce turnover as much as 50% (Withers, 2001).

Current Use of Flextime

Flexible work arrangements are now taking hold in the workplace. There is an increasing number of companies that offer flexible work arrangements and an increasing number of employees who take advantage of those arrangements (Bureau of Labor Statistics, 1989; Work and Family Survey Report, 1992; Kush & Stroh, 1994; Hewitt & Associates, 1996; Gregg, 1998). A 1999 Hewitt Associates’ survey of 1,020 U.S. employers (85% of which were Fortune 100 companies and 58% of which were Fortune 500 companies) found that 74% of organizations said that they offer flexible scheduling arrangements (including flextime, job sharing, and telecommuting) (http://was.hewitt.com/hewitt/resource/newsroom/pressrel/2001/04-23-01.htm). This is a significant increase over the number of companies that offered such programs in previous decades (Fandray, 2000).

Organizations That Use Flextime Benefit Programs

Several of the organizations that currently offer flexible scheduling arrangements find them to be successful in increasing productivity and retention. Hewlett Packard is an organization that has offered employees flextime options since the 1960’s, and it has been a very successful program for the company. Hewlett Packard believes that giving
employees the freedom and the power to create schedules to accommodate their work/life issues makes them more productive while they are in the workplace. Employees at Hewlett Packard are able to use flextime options to meet their personal commitments while staying committed to their jobs (Gale, 2001). Overall, organizations seem to be realizing that the needs of their employees are very real.


Allstate is another organization that currently offers flextime benefits (http://www.superperformance.com/100bestco.html). The company has reported a connection between its employees' quality of life and the company's success. The policies that Allstate has in place encourage job-share and telecommuting for employees. It feels that workers can't give their best if they are worried or conflicted about their families (http://www.superperformance.com/100bestco.html).

First Tennessee Bank found that the branch offices that were supportive of employees work/family balance retained these workers twice as long as those who were not supportive (Verespej, 1999). Royal Bank, a Toronto based company used surveys to track the impact of flextime initiatives. The flextime initiatives used include job-sharing, flextime and telecommuting. The results of the company's survey reported that 36% of employees said that they would leave the organization if such arrangements were not available to them (Verespej, 1999).

Ernst and Young is an organization that is considered to be a pioneer in flexible schedule options for employees. In the mid 1990's the company launched a work/life benefit program. This program was created to address the balance of personal and professional obligations, especially among their female employees. Today 1,600 of Ernst
and Young 23,000 employees take advantage of the flex schedule program. Women make up 79% of those who participate. An estimated 50% of employees occasionally take advantage of options like telecommuting. A recent Ernst and Young survey found 84% of flextime users said that the program is the primary reason they stay at Ernst and Young (Gale, 2001). Organizations such as Hewlett Packard, Allstate, First Tennessee Bank, Royal Bank and Ernst and Young show that using flextime benefits can be a very effective way to retain their employees.

**Effectiveness as a Retention Tool**

Research suggests that offering flexible work arrangements may reduce organizational turnover (Mathews & Newman, 1999; Crouter, 1984; Friedman, 1990; Friedman & Galinsky, 1992; Gonyea & Googins, 1992; Kraut, 1990; Morgan & Milliken, 1992; Thompson et al., 1992; as cited in Frone & Yardley, 1996; Hoechst Celanese, 1997; Dalton & Mesch, 1990). In 1995, Aon Consulting launched a 3-year study on employee loyalty. The study investigated several factors that could affect the employee workforce commitment. The study reported that recognition of work/life balance needs were among the top five factors for retention. Other retention factors that were found included a fearless culture, job satisfaction, opportunities for personal growth and the direction of the organization (Stum, 1998).

Aetna believes that focusing on an employees work/life balance can create an environment of loyalty and commitment. This organization has been able to increase employee retention by making changes to its work/life policies. In the 1980’s, Aetna had a turnover rate of 23% among high-potential professional women who took leave for childbirth. By changing its policies to allow employees to return part-time after family
leave, Aetna reported that attrition was cut in the organization by more than 50% (Verespej, 1999). The result of using these reduced work schedule policies was 90% retention rates for leave takers after five years (Verespej, 1999). Policies such as the ones implemented at Aetna can reduce the work/family role strain for working mothers as well as other employees (Brubaker, Caplan, Costanza & Drago, 2001).

Job Satisfaction

It is important for organizations to understand that job satisfaction can play a significant role in retaining employees. Work/life benefits can be a tool for employers to increase their employee’s job satisfaction. Long working hours and inflexible schedules that can increase an employee’s level of work-family conflict can have a negative effect on their satisfaction level (Galinsky & Stein, 1990). However, research has demonstrated that work/life benefits such as flextime can positively effect an employee’s job satisfaction (Glass & Holtzman, 1999). If a worker has a high level of job satisfaction, he or she will be more inclined to stay with an organization and be more productive. A reduced level of satisfaction can decrease productivity and may cause employees to look at other organizations that may offer more desirable benefits. Organizations are working to recognize the needs of employees and establish work/life benefits that increase the employees’ job satisfaction while driving productivity. They are looking to implement policies that will help them achieve the greatest return on investment. Given the demands of the current populations, work/life benefits are one tool that can help organizations achieve their goals (Traynor, 1999).
Effectiveness of Flextime Benefits in Retention

Employee perspective. The conflict that exists between work and family is positively related to the perceived importance of work/life benefits such as flextime (Frone & Yardley, 1996). Flextime programs can help employees manage family-related demands along with the demands from the workplace. Therefore, these programs can reduce the occurrence of family-work conflict (Crouter, 1984; Friedman, 1990; Friedman & Galinsky, 1992; Gonyea & Googins, 1992; Kraut, 1990; Morgan & Milliken, 1992; Thompson et al., 1992; as cited in Frone & Yardley, 1996). A study conducted on work/life initiatives by BFAM-Mercer (1996) reported that 87% of employees surveyed said that they would work harder for a company willing to help them deal with personal issues (Will A Mercer, Inc, 1996 as cited in Traynor, 1999).

Addressing the work/life issues of employees helps to keep them content in their position with the organization. A study conducted in 1997 by the Families & Work Institute addressed this idea. The study surveyed 3,000 wage and salaried workers. It compared work related trends over the previous 20 years. Results of the study indicated that workers were more likely to be satisfied with their jobs, productive in the workplace and committed to their organization when they felt that they had autonomy, meaning and learning opportunities in their work. Surveyed employees also reported that support from supervisors and flexible work arrangements helped meet their individual goals maintain their level of satisfaction with the organization (Gregg, 1998).

Employer perspective. The employer’s perception of the work/life benefits is important to discuss as well. Employers must believe in the success of such benefits in order to support them. The BFAM-Mercer study of work-life initiatives (1996) found the
reason that companies most often give for implementing flexible work arrangements is to increase retention. Organizations have found that flexible scheduling can be used as a strategic solution to reduce turnover (Mathews & Newman, 1999). A second study conducted by BFAM-Mercer (1998), surveyed four hundred employers in America and examined over 100 work/life initiatives. The study found that organizations see work/life initiatives like flextime as a valuable strategy to retain talented employees, enhance their recruiting results and increase competitiveness (http://wmm Mercer.com/). In 1997 alone, more than 25 million workers varied their hours to some degree, with staggered start times, compressed workweeks, job sharing and part-time hours (Beers, 2000). Work/life benefit policies may be necessary in today’s organizations in order to improve workplace productivity and increase retention (Mathews & Newman, 1999).

Flexible work schedules are currently identified as one of the most important retention factors for organizations. (Bolch & Galvin, 2001). Organizations are finding that offering flexible scheduling programs, as well as maternity leave and other work/life benefits along with helping their employees deal with personal issues can reduce the probability of turnover and increase long term employee commitment to the organization (Grover & Crooker, 1995). In 1997, Hoechst Celanese conducted an employee survey, which confirmed that issuing flexible scheduling could pay off for the organization. The results stated that employees who were aware of the work/life programs and policies were 39% more likely to expect to stay with the organization than other employees (Fandray, 2000). According to the Families and Work Institute, 45% of companies offering one or more flexible work arrangements perceive a positive return on their investments (Gardyn, 2000). Organizations are beginning to realize that working women
have demanding lives outside of the workplace. How these women juggle everything in their lives affects the quality of their work performance and their longevity in the organization. In order to remain competitive, an organization must change its ways.

It is said that job commitment and turnover are moderated by the quantity and quality of alternatives that employees perceive in their environment (Carsten & Spector, 1987; Schneider, 1976 as cited in Brown & Jurkiewicz, 1998). Employers who continue to ignore the work/family conflict of their employees may risk higher rates of tardiness, absenteeism, and turnover (Hall, 1990 as cited in Kush & Stroh, 1994).

The traditional raises and promotions that have been offered as incentives to workers in the past to decrease turnover are no longer enough. Due to the changes in today’s workplace, companies have been forced to look at other alternatives for retaining the best employees, especially their best female employees.

Conclusion

In the next chapter, a synthesis of this literature review is provided. Here, the importance of retaining key employees is reviewed. Second, evidence in support of flextime benefits is offered. The chapter concludes with a presentation of recommendations for the HRD practitioner as well as implications for future research on the topic.
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Chapter 3
Summary, Conclusions, and Recommendations

Introduction

Through a review of related literature, this paper supports the argument that flextime is an effective tool for retaining women in the workplace. Flextime is defined as flexible working hours, telecommuting, job sharing and part-time work hours.

In this final chapter of the paper, a three-fold discussion is offered. First, a summary of the literature review is provided. The evidence that is in support of the argument that flextime is an effective tool in retaining women in the workforce is discussed in the second section. Finally, recommendations for the HRD practitioner as well as implications for future research on the topic are presented.

Summary of the Literature Review

The literature suggests that retaining key employees remains one of corporate America’s biggest problems (Gardyn, 2000; Conlin, 1999; Traynor, 1999; Gregg, 1998; Withers, 2001; Gale, 2001; Jordan-Evans & Kaye, 2000; Comeau-Kirschner, 1999; Hannay & Northan, 2000). Turnover of employees is very expensive to an organization. The cost of replacing lost talent is 70 to 200% of that employee’s annual salary (Jordan-Evans & Kaye, 2000). Included in the cost of replacing an employee is advertising and recruiting expenses, orientation and training of the new employee, decreased productivity until the new employee is up to speed, and loss of customers who were loyal to the departing employee (Jordan-Evans & Kaye, 2000). Finding, recruiting, training and retaining the best employees are major investments for an organization. Once a company
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has found talented people, the company must work to prevent them from leaving the organization, in order to save its investment.

In response to the problem of turnover, many organizations are implementing new retention plans and strategies. The goal of these strategies is to match the needs of the employee with the needs of the organization. Many of the strategies that organizations are using fall within the work/life benefit category. Flextime benefits are just one of the work/life retention strategies that organizations are using. Examples of other work/life benefits currently being used are childcare benefits, extended maternity and paternity leave, tuition reimbursement and wellness programs to name a few (Kerka, 1990; Dalton & Mesch, 1990).

Employers must pay attention to the changing composition of the workforce as well as the fluctuating demands of employees in order to make effective decisions regarding the retention of their employees. If they can find a solution to the retention problem, they will become more profitable and their employees will be happier and more productive in the workplace (Gardyn, 2000; Traynor, 1999; Kerka, 1997).

Evidence in Support of Flextime Benefits as a Retention Tool For Women

There is evidence presented in this paper that supports the idea that flextime is an effective retention tool for women (Mathews & Newman, 1999; Crouter, 1984; Friedman, 1990; Friedman & Galinsky, 1992; Gonyea & Googins, 1992; Kraut, 1990; Morgan & Milliken, 1997; Dalton & Mesch, 1990; Traynor, 1999; Frone & Yardley, 1996; Gardyn, 2000; Gale, 2001; Stum, 1998; Grover and Crocker, 1995; Brown & Jurkewicz; Kush & Stroh, 1994). The changing composition and increasing demands of the workforce play a significant role in the use of flextime in organizations (Haygne,
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1997; Friedman 1990; Friedman & Galinsky, 1992; Kraut, 1990; Lewis, 1992; Thompson, Thomas & Maier, 1992; ac cited in Han & Moen, 1999; Kerka, 1990; Frone & Yardley, 1996; Fullerton, 1999; Hand & Zawacki, 1994; Traynor, 1999; Meyer, Mukerjee & Sestero, 2001). There are several organizations that have begun offering flextime programs to their employees in response to these workforce changes. Hewlett Packard, Ernst & Young, Allstate, First Tennessee Bank and Royal Bank are examples of organizations that have found these programs to be successful in retaining employees (Verespej, 1999; Gale, 2001; (http://www.workingmother.com/oct_2001/100_best.shtml; http://www.superperformance.com/100bestco.html). The success of flextime programs in organizations such as these has prompted more research and increased support (Verespej, 1999; Traynor, 1999; Mathews & Newman, 1999; Grover and Crooker, 1995; Gardyn, 2000; Hall, 1990 as cited in Kush & Stroh, 1994).

The Changing Workforce

Due to an increase in technology such as personal computers, the Internet and the use of pagers and cell phones, employees are working longer hours then ever before. Organizations now have the ability to keep their employees on the clock at all hours of the day and night. Therefore, employees have a difficult time leaving their work at the office (Verespej, 1999; Traynor, 1999; Gardyn, 2000; Withers, 2001).

Women have an especially difficult time with the new demands placed on them by the workforce. Not only are they working longer hours at their place of employment, but also they are still responsible for a majority of the work at home (Traynor, 1999; Friedan, 1997). After years of making compromises in order to juggle both their family life and their work life, women are now demanding that organizations help them create a
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balance (Finnigan, 2001; Comeau-Kirschner, 1999). One tool that can help create this balance is a flextime benefit program. This program may include flexible work hours, telecommuting, job-sharing or part-time work hours (Edley, 2001).

Current Use of Flextime in Organizations

Several of today’s companies are listening to women in the workplace and are implementing changes to meet their needs. These organizations have made changes to their work/life benefits in order to make them more appealing to their female employees. Organizations that have implemented flextime programs and have witnessed their retention numbers increase significantly (Traynor, 1999; Gardyn, 2000; Kerka, 1997; Withers, 2001; Verespej, 1999; Gale, 2001).

Flextime as an Effective Retention Tool

Employees that feel they are part of an organization that is sensitive to their internal and external needs will have an increased level of job satisfaction and an increased sense of loyalty. An increased sense of loyalty in an employee leads to increased retention (Gardyn, 2000; Traynor, 1999; Withers, 2001; Glass & Holtzman, 1999).

Recommendations

Recommendations for the HRD Practitioner

The key role of HRD professionals in retention of employees is to help design a retention process (Jordan-Evans & Kaye, 2000). In order to create this retention process, organizations must be able to think strategically. The process requires HRD professionals to demonstrate to their organization the ramifications and real cost of loosing talented employees. HRD must lead the process, not own it. The true owners of
this process are the managers within the organization who work with the employees everyday.

It can be a challenge for HRD professionals to help managers recognize the responsibility they have in this process and then give them the tools they need to do something about it. Some managers have a natural talent for retention and others may need more help. It is important to hold managers accountable for building a culture of retention within their organization (Jordan-Evans & Kaye, 2000).

As an HRD professional we must begin this process by taking inventory of where we are today as an organization when it comes to retention. We should have an understanding of where our managers are with regard to retention before beginning any interventions. In most organizations today there is a mix of both managers who understand the importance of retention and others who do not (Jordan-Evans & Kaye, 2000).

According to the Harvard Management Update (June 1998), nine of 10 managers think people stay or go because of money. Although money does matter to employees, that is not the only reason employees stay or leave their organizations. Employees are looking for challenging meaningful work. Employees of today want to work for good bosses, have opportunities for learning and development, get exposure to new challenges, and have upward mobility and flexibility in their work schedules (Jordan-Evans & Kaye, 2000). A 1999 Hay Group study of more than 500,000 employees in 300 companies found that of 50 retention factors, pay was the least important. According to the results of the study, career growth, learning and development, exciting work and challenge, meaningful work, making a difference and a contribution, great people, being part of a
team, a good boss, recognition, autonomy, sense of control over one’s work, flexible work hours, and fair pay and benefits were at the top of the list (Jordan-Evans & Kaye, 2000).

Flexibility in hours is one of the most rewarding practices in an organization. Offering this flexibility can eliminate some of the stress placed on the employee outside of the workplace and create an employee that is more focused while at work and also an employee who is loyal to the organization (Jordan-Evans & Kaye, 2000).

An HRD professional can help managers within their organization understand that keeping talented people is largely within their control. Organizations must be proactive in offering their employees a better work/life balance. Companies must be willing to use innovative strategies to attract workers and retain those workers. Retention today will require moving beyond just salary and standard benefit packages. The workforce of today is demanding work/life benefits that address their needs and concerns. If employers wish to retain women in their organizations, they must meet their personal as well as professional needs (Withers, 2000; Jordan-Evans & Kaye, 2000; Stum, 1998).

Implications for Future Research

There is still much to be learned about the success of using flextime to retain women in the workplace. Although the literature for this study supports the idea that flextime is an effective retention tool for women. There is still a need for more research to be done about this topic. Understanding of how to retain talented women in the workforce will help our organizations become more competitive in this tight labor market.
Some questions still remain unanswered such as, does taking advantage of flextime programs interfere with a women’s ability to advance in the organization? Does flextime have a positive effect on organizational productivity as well as improve the organization’s ability to recruit women? Are there other practices that an organization can undertake to increase retention?

Studies should be conducted to gain more insight into the success of retention tools. Specifically, are the tools currently being used effective and if not, which tools should an organization be using? These studies should examine working women at all levels, salary groups, ethnic groups and races. It is important that current data be collected from organizations as well as employees with regards to retention tools and family friendly flextime benefits.
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