FLEXIBILITY

a critical ingredient in creating
an effective workplace

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It is more challenging than ever to manage effectively—to recruit top talent, to engage and retain this talent, and to maximize productivity—in the face of fierce competition, more complicated jobs, and changing workforce demographics. Growing numbers of employers are managing quite differently than they did only two decades ago: they are giving their employees greater shared responsibility, learning opportunities, flexibility, and support in carrying out their work with a focus on results not just time spent on tasks. Such employers provide a vision of the future—worth publicizing and emulating to spur further productivity gains and a better quality of life for all Americans.

Historically, management was exercised from the top down with relatively little input from the employees actually responsible for day-to-day operations—a command-and-control model of management. In the past several decades, however, management practice has begun to change rather dramatically—motivated by desires to reduce costs, improve efficiency, and enhance overall organizational performance and returns on investment.

Growing numbers of organizations have explicitly or implicitly embraced quality assurance practices, learning organization principles and teamwork—all of which give employees more control and responsibility in their jobs. Quality assurance practices encourage employees to take initiative to ensure product quality and customer satisfaction. Learning organizations reach deep into the ranks to identify more effective ways of working and provide learning opportunities for employees to develop their skills and advance. Employee teams have broad responsibility for deciding how work gets done, while also being held accountable for output and quality. All of these factors can lead to higher employee engagement, greater job satisfaction and productivity, and lower turnover.

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About the Study
The NSCW is a nationally representative study of the U.S. workforce conducted every five years. The 2002 NSCW includes 2,810 wage and salaried employees.
Saying that these changes have occurred is not just conjecture on our part. Families and Work Institute conducts the largest and most comprehensive study of the U.S. workforce, The National Study of the Changing Workforce (NSCW), and can make comparisons with the 1977 Quality of Employment Survey. It is clear that larger proportions of employees have greater learning opportunities on the job and more shared responsibility in performing their jobs in 2002 than in 1977, as shown by just a few indicators in Figure 1.

Figure 1: Changes in the Nature of Work and Jobs over the Past 25 Years

These and other changes that have occurred over the past 25 years are indicative of the increased expectations that employers have of employees, of a greater sharing of responsibilities between employer and employee, and of increased support for the development of employee value (or human capital).

From an employer perspective, these changes reflect an appreciation that each employee brings diverse strengths, talents and perspectives that can be developed. Not all employers/managers, of course, are prepared to give substantial new responsibilities to employees, and not all employees want to accept these responsibilities—“Just tell me what to do” may be their response. Nevertheless, change is afoot. Employers are expecting more of employees and vice versa.
THE EFFECTIVE WORKPLACE

Efforts to create more effective workplaces recognize that people are the employers’ greatest resource, that people make the critical difference between loss and profit, between doing just okay and business success. They move beyond the hackneyed rhetoric of “people first” to actually putting these ideas into practice.

What is particularly striking in “people first” approaches, as we will argue in this paper, is that most only consider one aspect of their people—the work side. They neglect the fact that employees are whole people, with lives outside of work.

Aspects of Workplace Effectiveness that Focus on Work

Many management consultants and researchers have identified factors as indicative of an effective workplace. Following are the factors we suggest because they motivate and support employees in being more effective in their jobs:

- Job autonomy
- Learning opportunities and challenges on the job
- Supervisor support for job success
- Coworker team support for job success
- Involvement in management decision-making

These factors are similar to those used by the Gallup Organization and other consulting groups to predict employee engagement, which has been linked to such business outcomes as retention, productivity, profitability, and customer engagement. Gallup’s research suggests that a large proportion of the workforce is not actively engaged in their jobs, to the detriment of their organizations, because their workplaces lack characteristics of effectiveness.

Aspects of Workplace Effectiveness that Focus on the Whole Person

One of the unique contributions of this paper is that we include flexible work arrangements as a critical component of the effective workplace. We do so for several reasons:

- Flexible work arrangements call for the same kind of shared responsibility for achieving business results as the other components of the effective workplace;
- Surveys consistently reveal that employees rate flexible work arrangements as the most important workplace policies and practices in helping them succeed at work and at home;
- Our own research consistently reveals that flexibility is linked to engagement, retention, job satisfaction, and employee well-being; and
- Other research also finds that flexibility is a key driver of retention and job satisfaction.

Some flexible work arrangements serve mainly the needs of employers and may or may not serve the needs of employees—such as mandatory overtime, shift-work, use of independent
contractors or temporary workers, and outsourcing. In this report, we examine flexibility that has been designed to help employees manage the sometimes conflicting demands of their work, personal, and family lives. Our interest, however, is not in flexible work arrangements designed simply to accommodate the needs of employees. Rather, we are interested in flexible work arrangements as strategic policies and practices intended to serve both business and employee needs. The strategically flexible workplace is not a “perk” for employees; it is a strategic business tool which enhances employees’ engagement and productivity, thereby serving employers as well as employees.

Obviously, not all jobs permit the same degree of flexibility in work arrangements, and employers must carefully evaluate what types of flexibility are reasonable given the operating demands of their businesses. It is also true that not all employees do a good job of managing the flexibility they are offered. This is not an area of human resource management that readily lends itself to the establishment of a one-size-fits-all approach. Rather, many flexible work arrangement options go beyond formal policies and are, and will remain, “practices” that can be promoted from the top down, but ultimately require managers/supervisors and employees to work out the details. Managing flexible work arrangements can be very challenging. Being fair to different employees in different jobs, while also optimizing business operations, requires creative management, the ability to take the perspective of the employee and employer and good problem solving skills. The findings presented here strongly suggest that a more flexible workplace that benefits both employers and employees is both possible and feasible. In addition, like other aspects of the effective workplace examined here, but unlike traditional fringe benefits, more flexible work arrangements for employees can typically be provided without any direct costs to the employer. To the extent that flexible work options do not impose costs but do generate benefits to the bottom line, the positive ROI of flexibility is ensured.

Flexible work arrangements have received increasing attention because of changes in the composition of the workforce and the disruptive effects of increasing work demands on life off the job. Today, men and women, single and married employees, parents and non-parents, and those caring for elderly parents and those not providing elder care find it increasingly difficult to manage work, personal, and family responsibilities. When employees don’t manage well, work suffers just as much as their lives off the job.

Thus, we include among our measures of workplace effectiveness an index of workplace flexibility based upon 13 discrete measures.

• **Flexible workplace**

In addition, we suggest creating a more abbreviated index of the flexible workplace for use by management consultants and employers.11

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* Flexibility is a way to define how and when work gets done and how careers are organized. Our index of the flexible workplace is based on 13 specific measures—having traditional flextime (setting daily hours within a range periodically); having daily flextime; being allowed to take time off during the work day to address family matters; being able to take a few days off to care for a sick child without losing pay, having to use vacation days, or make up an excuse for absence; being able to work some regular hours at home; being able to take breaks when one wants to; having a work shift that is desirable; having complete or a lot of control over work schedule; being able to work part-time (if currently full-time) or full-time (if currently part-time) in one’s current position; being able to work a compressed work week; being able to work part-year in current position; believing that one can use flexible work arrangements without jeopardizing job advancement; and seldom being required to work paid or unpaid overtime with little or no notice. We suggest a more abbreviated index of the flexible workplace in endnote 11.
Employee Desire for More Flexibility: The first question employers might ask is whether employees really want more flexibility—if not, it probably would not be worth the effort to provide it. In the 2002 National Study of the Changing Workforce, we asked employees whether they would “like to have more flexible work options” and whether they would “use them if there were no negative consequences at work and [their] job responsibilities permitted.” Fully 79 percent of employees said yes. Men and women, parents and non-parents, employees with and without elder care responsibilities, employees at different earnings levels, managers/professionals and employees in all other occupations, and employees in goods-producing and service industries are equally likely to want more flexible work options. The only difference we found was by age:

- Employees under 30 years old are more likely (85%) than older employees (77%) to want more overall flexibility in their workplaces.

Younger workers are less likely to have some of these options (e.g., personal sick days, vacation days) and this may explain part or all of their desire for greater flexibility. It may also be the case, however, that newer entrants to the labor force have higher expectations regarding workplace flexibility—a possibility that employers should consider. Nonetheless, it is clear from these findings that flexible work options are viewed as very desirable by the workforce in general—not just women and employed mothers—contrary to the opinions of some.

It should also be noted here that older employees find part-time employment—a dimension of the flexible workplace—particularly desirable. Fully 36 percent of employees 60 or more years old have part-time jobs and another 21 percent of those employed full-time would prefer to be working part-time—making a total of 57 percent. And among part-time employees 60 or older, nearly all (91%) prefer part-time employment. Clearly this is an important flexible work arrangement for the aging workforce.

Workplace Support for Using Flexible Work Options: Although we find that the vast majority of employees want and would use more flexible work options if there were no serious negative consequences, we also find that many employees believe that there are negative consequences for using flexible work arrangements that are “theoretically” available. In the 2002 NSCW survey, we asked: “Please tell me [whether] you agree or disagree with the following statement: ‘At the place where you work, employees who ask for time off for family reasons or try to arrange different schedules or hours to meet personal or family needs are less likely to get ahead in their jobs or careers.’” Overall, 39 percent of respondents agreed with this statement. Although this only represents employees’ perceptions, since our study does not evaluate the actual impact of using flexible work options on job advancement, perceptions contribute importantly to shaping behavior.

Men and women, employees with and without elder care responsibilities, employees at different earnings levels, managers and professionals versus employees in all other occupations, and employees in goods-producing and service industries are equally likely to believe that using flexible work options would have negative effects on their job advancement. However:

- Employed parents are more likely (43%) than non-parents (35%) to believe that using flexible work schedule options would have negative effects on their job advancement.
- Employees in goods-producing industries are also more likely (42%) than those in service industries (37%) to believe that using flexible work options might jeopardize their job advancement.
It is particularly disturbing that employed parents are concerned about using flexible work schedule options, since they are more likely than many other groups of employees to need and benefit from such flexibility.

**Overall Workplace Effectiveness**

In this paper, we have created an overall index of workplace effectiveness by averaging the six preceding measures: job autonomy, learning opportunities and challenges on the job, supervisor support for job success, coworker team support for job success, involvement in management decision-making, and flexible workplace options into one measure. We classified workplaces with scores in the top 25 percentile as effective and those in the bottom 25 percentile as ineffective, with those in the middle being considered neither effective nor ineffective but with a lot of room to improve.

**OUTCOMES OF IMPORTANCE TO EMPLOYERS**

We evaluate the relationships between different aspects of effective workplaces and four outcomes of importance to employers:

- **Job engagement and commitment**
- **Job satisfaction**
- **Employee retention**
- **Employee mental health**

Our expectation was that employees who work in what we hypothesize are “more effective workplaces”—where responsibility is shared between managers and workers, where workers are supported in developing and exercising their skills, and where workers have greater flexibility to manage their work, personal, and family lives—will be more committed and engaged in their jobs, experience greater job satisfaction, be more likely to remain with their current employers, and exhibit better mental health.

**Job Engagement and Commitment**

Concern about employees’ job engagement and commitment has received a great deal of attention in the past several years because of the apparent relationship of engagement and commitment to important business outcomes. Articles have begun appearing regularly on this topic in business and human resource publications. For example, a recent article by the Society for Human Resource Management presents current research findings, management consultants’ opinions, and case examples of companies that have undertaken initiatives to assess and enhance employee engagement and commitment.

In our study, job engagement/commitment is measured by a single direct question that has been used in our own research and research conducted by others over the past 15 years:

- “Please ... tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree [with the following statement]: I am willing to work harder than I have to, to help my company succeed.”
Employees who “agree strongly” with this statement are considered to be highly engaged and willing to go that “extra mile” to ensure that their jobs are done right. Employees who “somewhat disagree” or “strongly disagree” are considered to be “disengaged” from their jobs and probably difficult to engage by any means. Employees who “somewhat agree” fall in the middle and very likely could be more completely engaged in their jobs if their workplaces were made more effective along the lines suggested here. The proportion of employees in each category is shown in Figure 2.

Figure 2: Employee Engagement and Commitment

Undoubtedly, if we had employed more items in this measure of engagement—as well as items that included objective measures of job performance—we would have found that fewer employees are highly engaged than we did by asking this one question. However, even if our estimate is higher than the proportion of truly engaged employees, it does indicate that many stand ready and willing to do a great deal to help their companies, and that more than one third of employees are certainly not as engaged as they might be.

The positive implications of job autonomy, learning opportunities, decision-making involvement, coworker/supervisor support, and flexible work arrangements for job engagement and commitment are clearly evident in Figure 3. Employees who are employed in workplaces that we classify as effective—based on the criteria listed above—are more engaged in and committed to their jobs.

Among employees in effective workplaces—an average of ratings for each of the six specific aspects of effectiveness—more than twice as many (82%) express high levels of job engagement and commitment as employees in ineffective workplaces (36%). While it may seem counterintuitive that as many as 36 percent of employees in ineffective workplaces are highly engaged and committed, career-oriented employees who are doing the work they want to do are likely to take their jobs seriously and do whatever it takes to get it right despite the environment in which they work.
Figure 3: Job Engagement and Commitment Related to Different Aspects of Workplace Effectiveness

- Degree of job autonomy: 73% High, 53% Low
- Extent of learning opportunities/requirements: 80% High, 49% Low
- Extent to which managers seek information and new ideas from employees: 79% High, 46% Low
- Extent to which immediate supervisor provides support needed on the job: 76% High, 42% Low
- Extent of coworker support needed to do a good job: 74% High, 38% Low
- Extent of workplace flexibility: 66% High, 56% Low
- Overall degree of workplace effectiveness: 82% High, 36% Low
Job Satisfaction

Job satisfaction was measured by two questions that have been widely used in workforce and workplace research:

- “All in all, how satisfied are you with your job—very satisfied, somewhat satisfied, not too satisfied, or not satisfied at all?”
- “Knowing what you now know, if you had to decide all over again whether to take the job you now have, what would you decide? Would you decide without any hesitation to take the same job, would you have some second thoughts, or would you decide definitely not to take the same job?”

Employees who said they are “very satisfied” with their jobs and would take the same job again “without hesitation” were classified as very satisfied. Those who expressed dissatisfaction on either measure were classified as dissatisfied, while others were assigned to the somewhat satisfied category. The proportion of employees in each category is shown in Figure 4.

**Figure 4: Employee Job Satisfaction**

- Very Satisfied with Job: 46%
- Somewhat Satisfied: 44%
- Dissatisfied with Job: 11%

The positive implications of job autonomy, learning opportunities, decision-making involvement, coworker/supervisor support for job satisfaction, and workplace flexibility are clearly revealed in Figure 5. **Employees who are employed in more effective workplaces—based on the criteria listed above—are much more satisfied with their jobs.**

Among employees in effective workplaces—an average of ratings for each of the six specific aspects of effectiveness—nine times as many employees (81%) express high levels of satisfaction with their jobs as employees in ineffective workplaces (9%).
Figure 5: Job Satisfaction Related to Different Aspects of Workplace Effectiveness

- Degree of job autonomy: 65% (High), 27% (Low)
- Extent of learning opportunities/requirements: 72% (High), 29% (Low)
- Extent to which managers seek information and new ideas from employees: 64% (High), 24% (Low)
- Extent to which immediate supervisor provides support needed on the job: 66% (High), 18% (Low)
- Extent of coworker support needed to do a good job: 62% (High), 16% (Low)
- Extent of workplace flexibility: 67% (High), 23% (Low)
- Overall degree of workplace effectiveness: 81% (High), 9% (Low)
Job Retention

As with job engagement/commitment, we do not have independent and objective measures of actual job retention. Instead, in a survey of employees, we rely upon information provided by employees regarding their intentions to stay or leave. Our measure of job retention is based on a single question that we and others have used extensively in survey research with employees:

- “Taking everything into consideration, how likely is it that you will make a genuine effort to find a new job with another employer within the next year—very likely, somewhat likely, or not at all likely?”

The proportion of employees choosing each of these response categories is shown in Figure 6.

**Figure 6: Likelihood that Employee Will Leave Current Employer in Next Year**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Not at All Likely</td>
<td>61%</td>
</tr>
<tr>
<td>Somewhat Likely</td>
<td>21%</td>
</tr>
<tr>
<td>Very Likely</td>
<td>17%</td>
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Nearly 2 in 5 employees are somewhat or very likely to seek a job elsewhere in the next year—representing a voluntary turnover rate of nearly 40 percent. Although employees may not exercise their intentions to leave in a more turbulent economy, as we are in now, when the economy improves, a sizeable group of employees may begin streaming out.

The positive implications of job autonomy, learning opportunities, decision-making involvement, coworker/supervisor support, and workplace flexibility for job retention are evident in Figure 7. **Employees who are employed in workplaces that we classify as effective—based on the criteria listed above—are less likely to seek employment elsewhere during the coming year.**

Among employees in effective workplaces—an average of ratings for each of the six specific aspects of effectiveness—twice as many (77%) say they are “not at all likely” to seek a new job with another employer within the next year as employees in ineffective workplaces (38%).
Figure 7: Job Retention Related to Different Aspects of Workplace Effectiveness

- Degree of job autonomy
- Extent of learning opportunities/requirements
- Extent to which managers seek information and new ideas from employees
- Extent to which immediate supervisor provides support needed on the job
- Extent of coworker support needed to do a good job
- Extent of workplace flexibility
- Overall degree of workplace effectiveness

High Job Retention

Low Workplace Effectiveness | High Workplace Effectiveness

- Degree of job autonomy: 49% Low, 73% High
- Extent of learning opportunities/requirements: 50% Low, 74% High
- Extent to which managers seek information and new ideas from employees: 47% Low, 68% High
- Extent to which immediate supervisor provides support needed on the job: 47% Low, 71% High
- Extent of coworker support needed to do a good job: 43% Low, 71% High
- Extent of workplace flexibility: 49% Low, 72% High
- Overall degree of workplace effectiveness: 38% Low, 77% High
Employee Mental Health

We consider one more outcome here—mental health. It is well established that employees with poorer mental health have lower productivity on the job and generate higher health care costs for employers—not to mention the pain, suffering, and costs experienced by the workers themselves and their families.

Our measure of mental health is based on seven questions examining stress, coping, and depression. All of these questions have been used in other research and are predictive of morbidity, disability, coronary heart disease, clinical mental health problems, and higher health care costs. And responses to all questions are sufficiently correlated with one another to warrant including them in the same scale, which we use as an overall index of mental health. For purposes of this report, we consider employees with scores in the top 25 percent to exhibit very good mental health and those in the bottom 25 percent to exhibit poor mental health. Based on other research, it seems likely that many employees who are identified as having poor mental health by our measure are likely to have related problems both on and off the job and to generate higher health care costs for their employers, while those with very good mental health are not.

We find that employees in more effective workplaces—indicated by greater job autonomy, learning opportunities on the job, decision-making involvement, coworker/supervisor and workplace flexibility—are much more likely to exhibit very good mental health (Figure 8).

Nearly three times as many employees in effective workplaces—36 percent—exhibit very good mental health as employees in ineffective workplaces—13 percent. Obviously factors off the job as well as factors on the job may affect the mental health of employees. However, the large difference in the proportions of employees judged to be in very good mental health in effective and ineffective workplaces strongly suggests that workplace factors play an important role.
Figure 8: Mental Health Related to Different Aspects of Workplace Effectiveness

- **Degree of job autonomy**: 20% Low, 36% High
- **Extent of learning opportunities/requirements**: 22% Low, 34% High
- **Extent to which managers seek information and new ideas from employees**: 21% Low, 31% High
- **Extent to which immediate supervisor provides support needed on the job**: 15% Low, 34% High
- **Extent of coworker support needed to do a good job**: 16% Low, 31% High
- **Extent of workplace flexibility**: 19% Low, 35% High
- **Overall degree of workplace effectiveness**: 13% Low, 36% High

Very Good Mental Health

- Low Workplace Effectiveness
- High Workplace Effectiveness
OVERALL WORKPLACE EFFECTIVENESS

To illustrate the importance of an effective workplace in summary fashion, Figure 9 presents the outcomes employers consider important—job satisfaction, job engagement/commitment, retention, and mental health—only for employees in effective workplaces. Our index of overall workplace effectiveness is the average of measures of six different aspects of effectiveness: job autonomy, learning opportunities and challenges on the job, supervisor support for job success, coworker team support for job success, involvement in management decision-making, and flexible workplace options.

Note that very few employees in effective workplaces are rated “low” on any of the desirable outcomes considered, while most are rated “high.” The only exception to this pattern is mental health where nearly a majority of employees in effective workplaces are rated in the middle category. One aspect of our measure of mental health, stress—measured by the frequency of feeling stressed and not having enough sleep—is the main reason why more employees in effective workplaces are not rated as having “very good” mental health. Stress and inadequate sleep are pervasive within today’s workforce as employees struggle to manage unprecedented work demands and personal and family responsibilities. Uncertain job security during the period of data collection (late 2002 – early 2003) may also be a significant stressor. Most employees are able to handle relatively high levels of stress in their lives if they have sufficient supports on and off the job. In light of the fact (Figure 8, above) that more than two and one half times as many employees in effective workplaces (36%) as in ineffective workplaces (13%) exhibit very good mental health, we hypothesize that more effective workplaces can actually protect employees against the negative effects of stress.

Figure 9: Outcomes for Employees in Effective Workplaces
DO DIFFERENT SEGMENTS OF THE WORKFORCE RESPOND DIFFERENTLY TO PARTICULAR ASPECTS OF THE EFFECTIVE WORKPLACE?

Employers often ask whether some groups of employees have higher or different expectations of their jobs and workplaces than others or whether they respond more or less positively to various experiences on the job. To address this issue, we asked whether or not the aspects of what we define as effective workplaces are related to engagement/commitment, job satisfaction, retention, and mental health in different ways for different groups of employees.

We addressed this question in a series of exploratory analyses comparing employees of different ages (Generation-Y, Generation-X, Boomers, and so-called “Matures” who are older than the Boomer generation), men and women, employed parents and non-parents, employees with and without elder care responsibilities, and managers and professionals and employees in all other occupations.

In almost all instances, the various aspects of workplace effectiveness are related in the same way to desirable outcomes for all groups of employees. However, we did find several differences in the strength of relationships across generations and occupational groups that are noteworthy.

Generational Differences

Three differences are related to having greater learning opportunities and challenges on the job. Younger employees tend to have fewer learning opportunities on the job—for example, 58 percent of Gen-Y employees report having few opportunities versus 44 percent of mature employees. Yet, greater learning opportunities appear to be more important to job engagement and commitment, job satisfaction, and retention among younger employees than older employees.

• Greater learning opportunity on the job is more positively related to job engagement and commitment among the youngest employees (Gen-Y) than older employees (Gen-X, Boomers and Matures)—though the relationship is positive for all generations. When Gen-Y employees have equal learning opportunities to those of older employees they exhibit just as much job engagement and commitment. When Gen-Y employees have fewer learning opportunities than older employees they are less engaged and committed.

• Greater learning opportunity on the job is more positively related to job satisfaction among younger employees (Gen-Y and Gen-X) than older employees (Boomers and Matures)—though the relationship is positive for all generations. When Gen-Y employees have equal learning opportunities to those of older employees they are even more satisfied with their jobs.

• Greater learning opportunity on the job is much more positively related to job retention among younger employees (Gen-Y and Gen-X) than older employees (Boomers and Matures)—though learning opportunities are positively related to job retention for employees in all generations.
It is not surprising that employees who are at the beginning of their careers place higher value on learning opportunities—perhaps as a form of insurance against job loss, as a means of increasing their value in the job market, or even as a way of helping them decide what career they ultimately want to pursue. Many, if not most, younger workers actively seek jobs where they can grow and learn. If they do not find these opportunities, they tend to be dissatisfied with their jobs, feel less engaged, and are more likely to seek employment elsewhere.

There is also a generational difference related to how involved employees are in management decision-making.

- More involvement in management decision-making is more positively related to job satisfaction among younger employees (Gen-Y and Gen-X) than older employees (Boomers and Matures)—though the relationship is positive for all generations. There is no apparent difference in the average degree to which employees of different generations are involved in management decision-making. It appears, however, to be more important to younger employees that they be involved. Perhaps this reflects a generational change in expectations regarding “democracy” in the workplace.

**Occupational Differences**

Two statistically significant—perhaps “practically significant”—differences emerged from comparisons of managerial and professional employees with employees in all other occupations. Greater job autonomy and workplace flexibility are more important to job engagement and commitment among non-professional and non-managerial employees than among managerial and professional employees, who tend to have greater autonomy and flexibility already.

- Greater autonomy on the job is more positively related to job engagement and commitment among non-managerial and non-professional employees than their managerial and professional counterparts—though this aspect of jobs is positively related to engagement for both groups. Non-managerial and non-professional employees have significantly less autonomy on the job than managerial and professional employees, but when they have the same degree of job autonomy, they are just as engaged in and committed to their jobs as managerial and professional employees.

- Greater workplace flexibility is more positively related to job engagement and commitment among non-managerial and non-professional employees than their managerial and professional counterparts—though this job characteristic is positively related to engagement for both groups. Non-managerial and non-professional employees have significantly less flexible workplaces than managerial and professional employees, but when they have the same degree of workplace flexibility, they are just as engaged in and committed to their jobs as managerial and professional employees. When non-managerial and non-professional employees have less flexibility than their managerial and professional counterparts, they are less engaged and committed.
DISCUSSION

These are powerful findings—supported by various small-scale, non-representative studies and confirmed by this large nationally representative survey of employees. When workers are empowered and supported, they are more satisfied with their jobs, more committed and engaged, and more likely to stay with their current employers. They also exhibit better mental health, which bodes well for higher productivity and lower health care costs.

Our findings about workplace flexibility are particularly noteworthy since the relationships between workplace flexibility and business outcomes have not received the same attention as the relationships of other aspects of effective workplaces to the outcomes employers care about. Our findings show that flexible work arrangements have the same positive relationships with measures of business success outcomes for men and women, single and married employees, as well as parents and non-parents and employees with and without elder care responsibilities. This strongly suggests that flexible workplaces do not merely benefit small segments of the workforce but the workforce as a whole. Specifically, flexibility is not just for women, mothers or caregivers.

CONCLUSION

For some time, management theory, with limited support from small-scale and often non-representative empirical research studies, has argued that sharing greater responsibility with employees and increasing workplace flexibility have positive effects on the bottom line. We strongly believe that these findings from the 2002 National Study of the Changing Workforce provide consistent and strong support for contemporary management theory regarding the characteristics of effective workplaces. There seems to be little doubt that this course of action makes sense. Moreover, as growing numbers of employees experience greater autonomy in their jobs and greater flexibility in their workplaces, we expect it to become increasingly difficult for employers who are not on board to attract, grow, and retain the talent they need.

In particular, we urge employers to consider new options for flexibility—not as “perks” designed to accommodate employee needs, but as strategic management tools that can improve business performance, while also helping employees manage the sometimes-conflicting demands of their work, personal, and family lives. When employees are unable to manage their “whole” lives effectively because of inflexible work arrangements, work suffers and turnover often results. But flexibility has to meet both the operational needs of the business and employee needs to be viable. One size does not fit all; rather, each organization must carefully review its operational needs, employee roles, potential costs, and benefits.

The effective and flexible workplace requires new ways of managing and working. It requires both managers and employees to assume greater responsibilities in organizing and scheduling work. Some managers may find it difficult to break with traditional ways of doing things and some employees may not be able to handle new responsibilities of working more flexibly. In addition, some jobs are less conducive to flexibility than others. Organizations that have committed themselves to developing more effective and flexible workplaces, however, are generally persuaded that they have made the right decision and reaped benefits far outweighing costs.
ENDNOTES

1 Bond, J.T. with Thompson, C., Galinsky, E. and Prottas, D. (2003) *Highlights of the National Study of the Changing Workforce*. New York: Families and Work Institute. In our 2002 National Study of the Changing Workforce, we surveyed a representative sample of 2,810 wage and salaried employees to examine (among other things) the relationships between experiences on the job and outcomes that are important to employers. Because we interviewed employees—not their managers—we are reasonably certain they are telling it like it is.


3 Job Autonomy (control over work content, method, and pace): Our index of job autonomy is based on three questions used in the 1977 Quality of Employment Survey and in many other research projects—having freedom to decide what I do on my job; having basic responsibility for deciding how my job gets done; having a lot of say about what happens on my job.

4 Learning opportunities and challenges on the job: Our index of learning opportunities/challenges is based on three questions used in the 1977 Quality of Employment Survey and in many other research projects—being required to learn new things on the job; having a job that requires one to be creative; having a job that allows one to develop one’s skills and abilities.

5 Supervisor support for job success: Our index of supervisor support for job success is based on four questions used in previous Families and Work Institute research projects—supervisor or manager keeps me informed of things I need to know to do my job well; has expectations of my performance on the job that are realistic; recognizes when I do a good job; is supportive when I have a work problem.

6 Coworker team support for job success: Our index of coworker support is based on two questions—feeling that one is really a part of the group one works with; having the support from coworkers needed to do a good job.

7 Involvement in management decision-making was measured by a single question: having managers at my workplace who actively seek out information and new ideas from employees at all levels of the organization to guide their decision making.

8 Internal corporate surveys of more than 150,000 employees at over 40 large corporations conducted by WFD Consulting since 1995, as well as hundreds of employee focus groups in those same organizations.


10 JPMorganChase Case Study written by Families and Work Institute.

11 We understand that our index of workplace flexibility is a new measure and, perhaps, more comprehensive and complicated than employers are likely to use in internal surveys. Thus, we suggest obtaining an index of flexibility by asking employees whether or not they have the flexibility they need to manage their work, personal, and family lives. We also believe it is extremely important to assess whether employees believe they can use flexible work arrangements without jeopardizing their job advancement.
Employee mental health: Our index of mental health is based on seven measures used in psychiatric/medical research that tap various dimensions of stress, coping, and depression: how often in the past month have you been bothered by minor health problems such as headaches, insomnia, or stomach upsets; how often in the past month have you had trouble sleeping to the point that it affected your performance on and off the job; how often in the past month have you felt nervous and stressed; how often in the past month have you felt unable to control the important things in your life; how often in the past month have you felt that difficulties were piling up so high you could not overcome them; during past month, have you been bothered by feeling down, depressed, or hopeless; during the past month, have you been bothered by little interest or pleasure in doing things. (Cohen, S., Kamarck, T., & Mermelstein, R. (1983). A global measure of perceived stress. *Journal of Health and Social Behavior*, 24, 385-396) (Browner, W.S. (1997). Case finding instruments for depression. *Journal of General Internal Medicine*, 12, 439-445)


We addressed the question of possible differential effects for different groups of employees using univariate GLM models with tests for interactions.
Research Background

The research findings reported here are drawn mainly from Families and Work Institute’s National Study of the Changing Workforce (NSCW). The NSCW is conducted every five years, beginning in 1992 and most recently in 2002. This representative sample of approximately 3,500 workers includes wage and salaried employees, self-employed workers, and business owners, although the data presented here pertain only to wage and salaried employees.

In addition to the National Study of the Changing Workforce, we sometimes include data from the 1977 Quality of Employment Survey (QES) conducted by the University of Michigan Institute for Social Research, which was commissioned by the U.S. Bureau of Labor Statistics. A number of questions in the NSCW parallel questions in the QES, making historical comparisons possible. The 25-years separating the 2002 NSCW and 1977 QES represents what demographers typically consider a generation.

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