

Access to family-friendly work practices

Differences within and between Australian workplaces

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Little is known about the differences in employee access to family-friendly work arrangements, particularly among those working for the same employer. Using data from the Australian Workplace Industrial Relations Survey, this article explores the factors which influence employees' access to, and use of, family-supportive work arrangements.

One of the major economic and social changes of recent decades has been the increasing numbers of mothers in paid employment. Such changes have increased the range of choices regarding work and family life that are available to women. This has emphasised the importance of work arrangements – often referred to as “family-friendly” work practices – that facilitate the reconciliation of work and family life. Such arrangements include: leave from work for family reasons; changes to work arrangements for family reasons; practical help with child care and care of the elderly; and relevant information and training (Evans 2001).

Over the last 20 years both the number of employers offering a range of family-friendly work practices, and the number of employees availing themselves of such opportunities, has increased (Work and Family Unit 1999). While much is known about *broad trends* in the availability and use of family-supportive arrangements, much less is known about *differences within organisations* in employee access to, and use of, these arrangements.

Existing research on differences within organisations has been based largely on small-scale case studies of large organisations, often selected for their reputation for providing innovative solutions for employees seeking to balance their family and working lives. This research has identified differences in internal access to family-friendly work arrangements, which is often related to the position employees hold in the firm (Biggs and Han 2000; Breakspear 1998; Whitehouse and Zetlin 1999).

Thus it seems that working for an organisation offering family-friendly work practices does not necessarily mean that all employees will be allowed to, or feel able to, take advantage of such opportunities. Employers may make a work practice available to some but not all employees, or employees may not make use of available work practices because they believe that to do so might jeopardise their job security, work assignments, or chances of promotion (Whitehouse and Zetlin 1999).

The extent to which differences exist in access opportunities among employees in the same workplace has important implications for the nature of changes needed to increase access to family-friendly work arrangements.

This article summarises the results of recent research that looks at access to family-friendly work practices among employees working within the same workplace – the first large-scale analysis of this issue in Australia. The study combines information from employers and employees, thus allowing a powerful analysis of the incentives and constraints employers face when deciding which work practices to make available to which employees. The analysis is based upon the Australian Workplace Industrial Relations Survey 1995 (AWIRS), a linked employee–employer data set.

Family-friendly work practices analysed

The analysis reported here focuses particularly upon four family-friendly work arrangements. While other factors obviously come into play, these four arrangements have been found to be particularly important.

The first work practice is *control over start and finish times*. Some control over the scheduling of work to meet unexpected and/or routine needs of family life is considered one of the best ways to assist a worker with family responsibilities.

The second is *access to a telephone for family reasons*. Telephone access can be very important in balancing family and work responsibilities. Such access enables employees to make care arrangements, check up on family members, and be contactable in the event of any problems.

The third is *availability of permanent part-time employment*. Permanent part-time employment has been advocated as a family-friendly work practice because it allows employees with care or other family responsibilities to reduce their working hours while retaining the benefits of permanent employment. Benefits include pro-rata entitlements to sick leave, holiday pay, maternity leave, and long-service leave.

The fourth is *availability of various ways in which time is taken off work for the care of a sick family member*. The ability to take time off to care for a sick or dependent family member can be vital when children are ill or when elderly relatives require assistance. While the vast majority of Australian employees are able to take time off, the ways in which such time is taken can vary markedly. For example, many employees are required to take such time as leave without pay, holiday pay or sick pay, which impacts on earnings and the ability of employees to take leave for themselves when required.

Economic theory hypothesises that whether an employee has access to, or is able to make use of, family-friendly work practices is likely to be determined by a number of factors. One is the value an employee places upon having access to the work practices. Employees who place a very high value on being able to use family-friendly work practice may seek employment with employers who offer such arrangements. Others may negotiate with employers about, for example, a lower rate of pay in return for access to family-friendly work arrangements. The value to an employee of having access to family-friendly work practices will be closely related to the need they have for such arrangements, which in turn will be determined by, among other things, their family responsibilities.

Employers' decisions about whether or not voluntarily to introduce a family-friendly work practice in the first place and, if so, whether or not to make it available to all or some employees, will usually be based on an assessment of the costs and benefits of doing so, and whether it is judged to be in the best interests of the employer.

In general, employers will be indifferent to the mix of the level of monetary compensation and the non-financial aspects of a job which produce the same cost to the employer and result in the same level of output. Employers are likely to bargain with employees in order to reach the optimal mix of financial compensation and job conditions. If it has no impact upon their profits, employers may be happy to accommodate employees who place a high value on family-friendly work practices and are prepared to negotiate for lower wages in return for greater access to such arrangements.

However, in reality, the extent to which individual employees are able to enter into such negotiations with employers may be limited. Typically a job has a specific set of terms and conditions with only limited provision for variation. Often these conditions have been set by a process of collective negotiation between employees and employers. As already noted, employees who place a high value upon a particular set of work practices may look for employers and jobs where these are offered. Hence we may expect to see

a "sorting" of employees into jobs according to the value placed on the work practices being offered.

The cost to employers of making family-friendly work practices available to employees is likely to vary between jobs, with employers being less likely to make them available to employees working in jobs in which it is more expensive to offer it.

So far, this discussion has assumed that the provision of family-friendly work practices is an additional cost to employers. However, such arrangements can have the potential benefits to employers of improved recruitment and retention of workers, and greater productivity resulting from better morale and reductions in tardiness and absenteeism. In addition, employers may see offering family-friendly work practices as a recruitment tool, both for the actual opportunities they provide and as a signal of broader attitudes within the organisation.

In summary, the profit maximising (or cost minimising) behaviour of employers means that they are likely to differentiate between employees in the extent to which family-friendly work practices are made available, and the ease with which employees can access them. Employers are most likely to offer such arrangements to employees in whom they have invested training, who are difficult and costly to replace, or who are able to bargain effectively. Differences in life circumstances mean that employees may desire different work arrangements and hence may seek employment in workplaces which offer the work practices that best meet their needs, or may negotiate with employers to trade-off wages in return for greater access.

Institutional context

The industrial relations system has been particularly important in workers' access to work-family provisions in Australia. The current Australian system of industrial relations is a hybrid of conciliation and arbitration, collective bargaining and employer power.

Since the 1980s, the influence of conciliation and arbitration has diminished. There remains, however, a significant residual system of conciliation and arbitration. Bargaining, and more specifically enterprise bargaining, have taken on increasing importance. The character of bargaining changed in the early 1990s with the expansion of enterprise bargaining and the diminished role of trade unions in workplace agreements.

Despite these changes, the Australian labour market still has a substantial degree of regulation. The current system is probably best characterised as a system in which the pay and employment conditions of most Australian workers continue to depend heavily on a combination of statutory regulation and collective bargaining.

Australian Workplace Industrial Relations Survey

Data used in this analysis are from the Australian Workplace Industrial Relations Survey (AWIRS) 1995, a large-scale survey of workplaces and employees conducted in 1995 by the then Australian Commonwealth Department of Industrial Relations.

The survey collected data from managers and a sample of employees from 2001 workplaces with 20 or more employees, and it covered all industry sectors except agriculture, forestry and fishing, and defence.

A total of 19,155 employees were interviewed, and the sample is generally representative of the population of workplaces (Morehead et al. 1997). Respondents were randomly selected from lists of employees at each of the workplaces where management gave permission for this to occur. Permission was granted at 1896 workplaces, or 95 per cent of the sample. A total of 30,005 questionnaires were distributed.

The survey gathered information on both employee level and workplace level variables. At the level of the employee, data are available on a range of job characteristics (for example, hours worked, occupation), human capital characteristics (for example, educational attainment, level of employer provided training), and demographic characteristics (for example, number and age of dependent children, difficulty speaking English, health conditions). The survey also contains information on a wide range of work practices that may assist employees to balance family and work demands.

A key feature of the survey with respect to the current study is that each respondent can be linked to workplace-level data collected in the main survey, allowing comparison of individuals at the same workplace.

Differences within and between workplaces

The research reported here takes the approach of comparing reports by different employees working for the same employer about their access to family-friendly work practices. This approach allows an

examination of the extent to which firms differentiate between employees in the access they provide to a range of practices.

The extent to which firms differentiate between employees in terms of access to family-friendly work practices can be quantified using statistical techniques. This involves separating differences in access to, and use of, these work arrangements between employees into the component due to variation between workplaces (termed *between workplace* variation) and the component due to differences between employees working in the same workplace (termed *within workplace* variation).

At one extreme, if all employees in the same workplace have equal access to family-friendly work practices, the within workplace variation will be zero and all differences between employees will be due to differences between workplaces. At the other extreme, if there is no correlation among employees working in the same workplace, the degree of variation in the within workplace and between workplace measures will be the same. The main results and conclusions are summarised in this article. Detailed results can be found in Gray and Tudball (2002).

Overall, just over half (52 per cent) of the employees reported having control over start and finish times. A slightly smaller proportion of employees reported that they could get permanent part-time work in their current workplace if they needed it (43 per cent). Three-quarters of employees reported that they had access to a telephone for family reasons.

Turning to the ways in which employees usually take time off to care for a sick family member, holiday leave and sick leave are the most commonly used form of leave, with 44 and 43 per cent of employees respectively reporting usually doing this.

Variables included in estimates of determinants of access and use

Variables taken into account in the regression analysis include employee characteristics, job characteristics and workplace characteristics.

Employee characteristics that are controlled for include demographic and human capital characteristics such as age, educational attainment, and migrant status. The impact of children is captured by the age of the youngest child. Many employees have care responsibility for non-child family members, so a control for having a non-child dependent was also included.

Mothers continue to undertake the majority of housework, child care and care of older family members, and so the effects of children and other caring responsibilities are allowed to differ between men and women.

Employee characteristics include occupation, hours of work, length of time with current employer (tenure), and having received firm-provided training.

A range of workplace and organisation level characteristics are included in the model. The most important of these are workplace size which may be related to the ability of an employer to offer flexibility, variables which control for work culture (proportion of managers who are female and the proportion of employees who are female).

Other factors included in the model are workplace sector (government, private or non-commercial), having an equal employment opportunity policy and the presence of an active trade union.

The next most common means of taking time off is leave without pay (33 per cent), paid family leave (18 per cent), and taking time off and making it up later (16 per cent). A very small proportion reported not being able to take any time off at all.

For each of the four work practices, there is a great deal of variation in access to family-friendly work practices among employees in the same workplace, as well as between employees working in different workplaces. Nonetheless, the variation in access to a range of work practices is greater among employees working in the same workplace than the variation between workplaces.

Indeed, there are relatively few workplaces in which a high proportion of employees reported having access to each work practice. For example, in only 35 per cent of workplaces did more than 70 per cent of employees report having control over start and finish times, and in only 6 per cent of workplaces did more than 90 per cent of employees report having flexibility of hours.

Modelling the determinants of access and use

The finding that employees have differential access within organisations to family-friendly work practices raises the question as to the characteristics which affect the likelihood of an employee having access to, or using, these arrangements. To identify these characteristics, a random effects probit regression model was used – a technique that allows the estimation of the relative importance of a range of variables in determining access to each of the work practices (see Gray and Tudball 2002 for a detailed description).

The fact that there are data on multiple employees from each workplace allows the effects of unmeasured differences between workplaces to be taken into account. This improves the accuracy with which the determinants of access to and use of each work practice can be estimated.

The modelling of the determinants of access and use is restricted to three of the work practices referred to earlier: control over start and finish times; access to a telephone for family reasons; and availability of permanent part-time employment. While it is possible to describe the overall distribution of the different types of leave used, it is not possible to model the determinants of the type of leave taken to care for family members. This is because of the lack of information on the frequency of use for each type of leave makes meaningful interpretation of the estimation results impossible.

The analysis is restricted to workplaces where at least some employees are using the work practice. (See accompanying box for further details of the specification of the model.)

A wide range of employee and workplace level factors are found to be determinants of the probability of an employee having access to each of the work practices. While there are some differences in the determinants, clear patterns emerge. The following discussion highlights the most important findings. (For a detailed discussion of the results see Gray and Tudball 2002.)

Hours flexibility

Of particular importance is the finding that within workplaces that offer some employees control over start and finish times, employees with children, or an adult dependent requiring care, are no more likely than employees without dependents to have control over their start and finish times. Further, there is no evidence that people with dependent children, who would benefit from flexibility of start and finish times, are “sorting” into workplaces that offer this work arrangement. No differences in the likelihood of having control over start and finish times are found between men and women once employee and workplace characteristics (observable and unobservable) are taken into account.

Occupation is an important determinant of the chances of having control over start and finish times. For example, professionals are the most likely to have flexibility over hours worked, followed by managers and administrators, and then salespeople and personal service workers. The occupations least likely to report having control over start and finish times are plant and machinery operators and drivers.

Having received organisation-provided training is estimated to increase the chances of having control over start and finish times, as are increases in tenure with the current employer.

Being a member of a trade union decreases the probability of having control over start and finish times. This is probably a reflection of the fact that unions tend to formalise work arrangements and reduce supervisor discretion. Given that many firms have a formal policy of fixed start and finish times, but supervisors exercise their discretion not to enforce this rule strictly, reducing supervisor discretion may reduce the chances of an employee having flexibility over the actual hours worked. Similarly, the presence of an active trade union in the workplace is estimated to have a negative effect on the flexibility of hours worked.

Part-time workers are estimated to be slightly less likely than full-time workers to have control over start and finish times. This finding suggests that part-timers trade off flexibility in working times for a lower number of hours of work. It has sometimes been argued that increases in the number of female managers will lead changes in work cultures and practices which will lead to work places becoming more family-friendly. There is no evidence of this occurring with workplaces in which a higher proportion of managers are female not increasing the chances of an employee having control over start and finish times.

Access to a telephone for family reasons

Regarding control over start and finish times, there is little evidence of a relationship between having caring responsibilities, as measured by the presence





of dependent children or a dependent adult, and having access to a telephone for family reasons. The only effect is that women whose youngest dependent child is 13 years or older are estimated to be 5 percentage points more likely than women with no dependent children to have access to a phone.

Employees with higher levels of educational attainment are more likely than otherwise similar employees with a lower level of education to report having access to a telephone. The effects of occupation are surprisingly small, with only professionals, managers and administrators being more likely than employees in other occupations to have access to a telephone. Employees who speak a language other than English at home are less likely than those who speak English at home to have phone access.

Having received organisation-provided training is estimated to increase the probability of telephone access. Part-time employees are 3 percentage points less likely than those working full-time to have telephone access. Being a casual employee is found to have no effect on the likelihood of having access to a telephone for family reasons.

Permanent part-time employment

As noted earlier, the estimates of the probability of being able to get permanent part-time work if needed are restricted to full-time employees. As for control over start and finish times and access to a telephone for family reasons, there are no statistically significant relationships between having dependent children and the probability of being able to get permanent part-time work.

The determinants of access to permanent part-time work differ somewhat from those of hours flexibility and telephone access. Women are 9 percentage points more likely than men to report being able to get permanent part-time work in their current workplace if needed. It is noteworthy that Indigenous employees are 15 percentage points more likely than non-Indigenous employees with otherwise similar characteristics to report being able to get permanent part-time employment.

Having received organisation-provided training in the previous 12 months increases by 11 percentage points the probability of permanent part-time work being available. Increases in tenure are estimated to increase the probability of being able to get permanent part-time employment at a decreasing rate. In other words, each additional year of tenure has a smaller impact upon the likelihood of being able to get permanent part-time employment if needed.

Overall patterns and implications

For the four work practices examined there is a great deal of variation within workplaces. This means that there are very few workplaces in which none of the employees have access to the work

practice and equally very few work places in which all, or even most, employees have access to the work practice.

While variations exist between each of the work practices examined, a number of clear patterns emerge. There appears to be no relationship between having dependent children and the likelihood of having access to each work practice, the only exception being that mothers with teenage children are more likely to report having access to a telephone for family reasons. No differences are evident between males and females in the probability of having control over start and finish times, or access to a telephone for family reasons. However, women are found to be more likely than men to be able to get permanent part-time work in their current workplace.

Employees who have recently received employer-provided training are much more likely than colleagues who have not received training to have access to each work practice, and increases in tenure are also estimated to increase that probability. These findings support the argument that employers are most likely to make family-friendly work practices available to employees in whom they have invested the most, either through formal or informal on-the-job training.

There is a very strong occupation effect, with professionals and managers and administrators being much more likely than those in other occupations to have control over start and finish times and access to a telephone for family reasons. However, full-time employed professionals, para-professionals, clerks and tradespeople are less likely to report being able to get permanent part-time work if needed.

Taken together, these findings suggest that even although the work practices analysed are of assistance to employees in successfully managing their family and work responsibilities, employees with the greatest care commitments (at least in terms of time) have no increased probability of being able to use these work practices. This finding applies to both men and women.

The analysis does not provide direct evidence on why employees with dependent children, particularly very young children, or other caring responsibilities, are no more likely than other employees to report having access to family-friendly work practices. However, one possible explanation is discussed below.

Employers may primarily offer family-friendly work practices on the basis of employee attributes which make them of value to the employer, and having dependent children or other caring responsibilities does not increase that value.

Employers may also be providing flexible work conditions to employees in the senior jobs as a way of increasing the value of these jobs as an incentive for junior employees to exert greater effort in an attempt to attain promotion. If this is the case it implies that employers are seeing the flexible work conditions in terms of the broader concept of work-life balance rather than work-family balance.

The question remains as to why, if employees with caring responsibilities value access to family-

friendly work practices, they don't trade-off their level of pay for better work conditions. Or why they don't take up jobs with employers who offer a mix of financial compensation and work practices which better suit their needs.

It could be the case that employees with caring responsibilities do not value flexible work conditions more highly than additional income than do employees with no caring responsibilities. This is plausible given that employees with dependent children need both flexibility *and* income, whereas those with no dependent children may have a lesser need for money. These are important questions that require further investigation.

Concluding comments

This paper examines the extent to which access to family-friendly work practices is influenced or determined by differential access within or between organisations. The study is based on the 1995 Australian Workplace Industrial Relations Survey data set – a large-scale representative linked employee–employer data set.

The analysis reveals that the variation in access to a range of work practices is greater among employees working in the same workplace than the variation between workplaces. This is the first time this issue has been explored empirically. There are relatively few workplaces in which a high proportion of employees reported having access to each family-friendly work practice. Statistical modelling suggests that a number of employee characteristics are found to be related to the probability of accessing family-friendly arrangements.

Overall, employers are most likely to offer such arrangements to employees with high skills levels or in whom they have invested training or other resources. This has significant ramifications for those who are the most vulnerable in the labour market. The analysis reveals that the employees most likely to need family-friendly work practices – mothers, fathers and other carers – have no greater access to family-friendly work practices than other employees.

These findings have important implications for policy. First, evidence of differential access of employees within organisations to family-friendly work practices means that policy makers need to focus on increasing the availability of such practices within organisations to *all* employees, regardless of occupational or employment status or training, who would benefit from access to these practices. Second, the finding that employees with the lowest levels of education, job tenure and organisation-provided training are least likely to have access to family-friendly work practices means that policies need to pay particular attention to the situation of these types of employees.

The question remains as to what policy instruments the government can use to increase the coverage of access to family-friendly work practices, particularly to employees with dependent children or other care responsibilities. Possibilities include regulation of the conditions of employment via industrial relations legislation and information campaigns aimed at raising the awareness of

employers to the potential workplace benefits of offering family-friendly work practices.

Any attempts to increase access to such work practices via legislative or other means must take account of the risk that if the costs to employers are perceived to increase, then employers may choose not to employ those likely to make heavy use of these work practices. Alternatively, employees with family responsibilities may bear the costs indirectly through lower wages and conditions.

There are relatively few workplaces in which a high proportion of employees reported having access to each family-friendly work practice.

It is worth highlighting that the research in this article is based on the latest data available, collected in 1995. The effect of the changes in the industrial relations system since that time – away from a centralised system towards one with increased bargaining and agreement making at the workplace and individual levels – is unclear. On the one hand, it is argued that the emphasis on individual level bargaining promotes the introduction of work conditions that are better tailored towards the needs of individual employees. On the other hand, the employees who are most likely to be able to negotiate successfully with employers over work conditions are those with skills in short supply and hence the greatest bargaining power. There is an urgent need for a new AWIRS-style survey to examine the effects of these changes.

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This article presents a revised and distilled version of *Family-friendly Work Practices: Differences Within and Between Workplaces*, by M.C. Gray and J. Tudball, Research Report No. 7, Australian Institute of Family Studies, Melbourne, 2002.