The Surprising Benefits of Work/Life Support

By Alexandra Kalev and Frank Dobbin

Corporate programs that support work/life balance promote productivity, reduce turnover, and improve employees' mental and physical health. That much is well-known. But our research has revealed another benefit: They can also boost your organization's diversity. In fact, when it comes to increasing diversity among managers, they're better than the most popular racial-equity programs.

To assess how various work/life initiatives affect the management workforce, we looked at data from over 800 U.S. companies across more than 30 years and talked to dozens of managers. We found that when companies had universal policies for family leave time, flexible scheduling, and help with childcare, the percentages of Black, Hispanic, and Asian American male and female managers increased significantly. So did the percentage of white female managers.

Why do those groups benefit so much from work/life support? Because they face the greatest work/life challenges. Women and people of color are, for example, more likely to be single parents than white men are. Single mothers head 41% of Black families, 25% of Hispanic families, 13% of white families, and 11% of Asian American families. Single fathers head 12% of Black and Hispanic families and 7% of white and Asian American families.

Then there's the fact that people of color in the United States, on average, have fewer resources than white people do. They're more likely to be in poorly paid jobs, with even two-parent households needing both partners' 40 (or 60) hours' worth of weekly wages just to make ends meet. Before Covid-19, the median Black or Hispanic family of three earned just 61% of what the median white family did and was twice as likely to live in poverty. Those numbers have barely changed since the 1970s.

People of color also more often lack access to reliable and affordable childcare—which allows parents to stay in their jobs and develop the skills and reputation needed for career advancement. On top of that, they often face stronger performance pressures and have to work harder to prove their talents. For instance, as Ella Bell Smith and Stella Nkomo document in the pathbreaking book Our Separate Ways, Black women are more likely than white women to be underestimated by their supervisors and to be disciplined.

When employees lose childcare or when their partners' work schedules change, they sometimes have to quit their jobs. That sets their seniority clock to zero if and when they take on a new job, delaying their opportunities for promotion. This pattern has prevented many women and people of color from moving into supervisory roles and helps explain why the face of corporate management has been changing so slowly.

To succeed, almost every employee needs work/life support at some point, and the data suggests that women and people of color need it the most. But they are the least likely to actually get it. Three reasons for this stand out. First, many companies offer work/life perks only informally and dole them out to prized high-wage employees. When the CEO's white right-hand man has twin newborns, he gets whatever he needs, but the Hispanic woman in the mailroom who is in the same situation may not be so lucky. Second, many companies offer support only in workplaces dominated by professionals and managers—notably, headquarters and R&D labs—where white men typically prevail. Third, supervisors often have to sign off on requests for flextime and leave and have to rank-order employees for childcare spots. When they do those things, they tend not to be very accommodating to people in frontline jobs that they view as easy to fill.

The problem, at heart, is that many companies' attitudes toward work/life balance have changed little since the 1950s. Sure, big companies today list generous work/life benefits on their websites and during recent hiring sprees may even have expanded the support they offer. But those same companies signal in countless ways that their ideal worker is somebody unencumbered by family obligations who can adhere to the kind of demanding daily schedules and career trajectories that were standard for white-collar white men 70 years ago. That model rarely worked back then for Black, Hispanic, or Asian American employees or white women. And it rarely works for anyone now.

Covid-19 provided the ultimate proof of the concept that firms can remain efficient while allowing employees more leeway in where and when they do their work: Even though millions switched to flexible and remote work arrangements during the pandemic, productivity didn't decline. But as the pandemic faded, many companies reverted to what executives still perceive as their safe place: office work. However, two-thirds of Covid-era remote workers report that they don't want to return to the office. When required to, many who can afford to resign do just that. Others who appreciate the extra time they've had with their families negotiate to keep their newfound flexibility. In fact, in a recent survey 64% of employees at top companies said they would forgo a $30,000 raise if it meant they didn't have to return to the office.

But stepping out of the labor force is rarely an option for the many workers in low-wage positions where people of color prevail or those who have worked hard to build professional careers—such as the 3% of lawyers who are Black women. Those workers may still be on the job but in desperate need of support.

In this article we'll discuss the work/life challenges that employees commonly face today. We'll argue that to really improve work/life balance, firms need to clearly spell out, widely communicate, and uniformly apply their policies in three areas: flexibility, time off, and childcare support. We'll also show how some firms have made access to work/life arrangements more democratic, enabling employees with work/life challenges to stick around and flourish. The lessons these examples offer are clear: When work/life support for all is treated as normal, it has huge positive effects on workers, lowering stress, increasing productivity, and boosting retention. And significantly, it also boosts diversity among managers.

Why Everyone Needs Flexible Scheduling

In many kinds of jobs—from hotel cleaning to equities trading—people have little control over their hours. A surge in guests or a dip in the stock market can disrupt well-laid plans in an instant. Among food service and retail workers, for example, unpredictable hours are standard. The sociologists Daniel Schneider and Kristen Harknett found in 2017 that 80% of them have little say about their schedules, 70% face last-minute shifts, and 50% have back-to-back shifts. One cannot be a reliable parent under those conditions.

Professionals, too, often have to be available around the clock. The problem is so well-known in finance and consulting that many female MBA students, anticipating an impossible work/life balance, don't even apply for jobs in those fields. Professionals are frequently expected to be at work during regular business hours and to be available, as the sociologists Erin Kelly and Phyllis Moen found, for "early morning calls to offshore colleagues, last-minute but all-too-common work requests at 10 PM, and ubiquitous emails, texts, and instant messaging." Kelly and Moen describe a culture of inflated expectations: People work long days and weekends, sometimes to no business end, just to look busy to their managers, who themselves need to look busy to their managers.

For low-wage workers in manufacturing and health care, the problem is often inflexible schedules. One manager described the challenges of hiring for his production line. "It's a 12-hour position," he told us, "so finding female workers is really, really hard. We're not family focused." His firm's competitors offer flexible schedules, he explained, but not his employer, which means it has to resort to other measures. "We try to find women who are very independent," he said—those who "don't have kids, family, you know?"

A tech-industry HR manager told us that attendance policies are tough on parents on the production line, where workers get a point deducted each time they miss a shift—even if they call in sick. After a few points they get fired. At a health care company we visited, a line manager spoke of similar hardships for staffers who are single parents. "I don't know how they do it," she said. "It is very much: Clock in at 7:00, clock out 3:30," with no exceptions. Low-wage workers, it's fair to say, are often just one case of strep throat away from being terminated.

Covid-19 intensified the need for less-rigid schedules, especially for people of color. Fifty-two percent of nonwhite adults who quit a job in 2021 cited a lack of flexibility, compared with 38% of white adults.

Before the pandemic some eight in 10 companies offered flextime, but employees rarely used it. One hurdle is that managers keep it under wraps. In 64% of companies that offer flextime the arrangements for it are informal. An HR manager at an advertising agency told us that he doesn't publicize flexibility options for fear that "within minutes the line would be out the door and down the hall." Poor corporate transparency about work/life options may be partly why before the pandemic, 63% of workers reported that they needed more flexibility.

Even when flexibility is offered, employees frequently don't ask for it, fearing they'll be penalized. They're not wrong. The sociologist Lisa Dodson found that when low-wage mothers tried to negotiate for flexibility, employers tagged them as unreliable and irresponsible. Across high- and low-skill jobs, employees who seek flexibility are often seen as lacking commitment and are given poor performance ratings, meager raises, and less-frequent promotions. So employees simply don't request it, opting to get by with patchwork solutions.

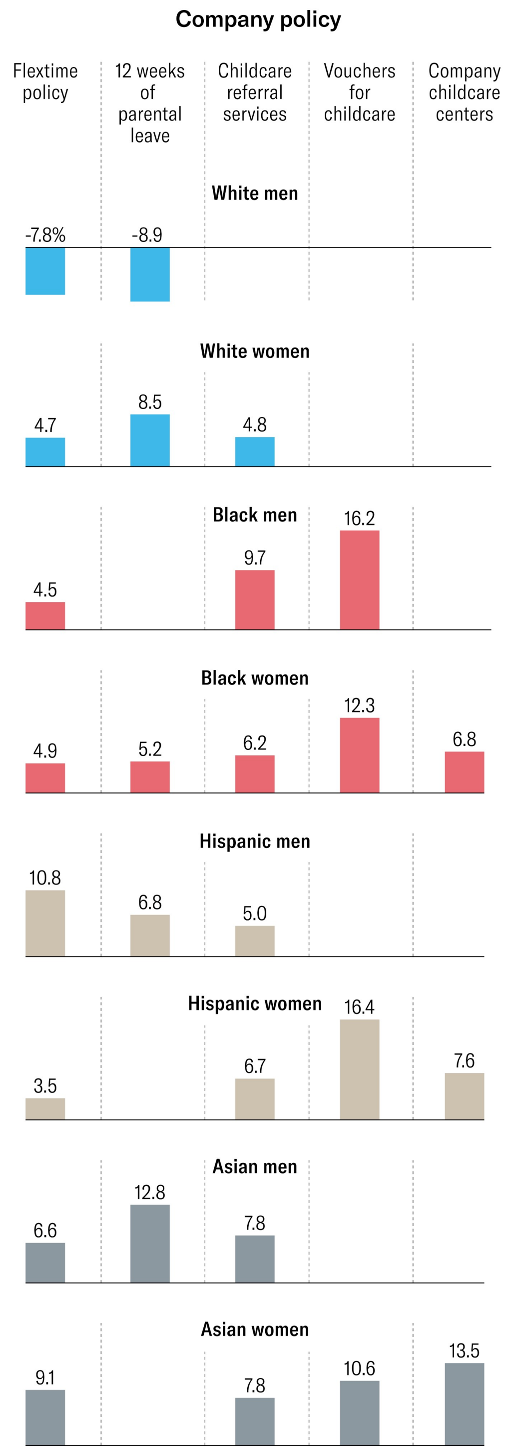
As the pandemic has waned, some employers have added more flexible-work options, but if they continue to send the message that people who use those options will pay a price, we may see a return to the bad old days.

Flextime boosts performance. Companies worry about the costs of implementing flextime. But not those that have done the math. Among them is the Gap, which in 2015 ran an experiment to figure out how much it would cost to make employees' schedules more predictable and flexible. To help with predictability the chain ended on-call shifts and began providing work schedules two weeks in advance; to increase flexibility it offered electronic shift-swapping. The company asked managers to schedule consistent start and finish times whenever possible, add hours for part-timers who wanted them, and increase peak-hours staffing.

The results were eye-opening. After nine months workers reported that they were better able to deal with work/life challenges. Supervisors found the changes to be manageable and said that they had improved associates' morale and productivity. Best of all, instead of costing the chain money, the changes increased sales by 7% and labor productivity by 5%.

How Work/Life Benefits Affect Organizational Diversity

Programs that support work/life balance produce significant changes in the percentage of management jobs held by women and people of color. (No bar indicates no statistical certainty of a program's effect.)



Source: Authors' survey of 829 U.S. firms and their EEOC workforce composition data

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Flextime boosts diversity. Our data clearly shows that flexible hours improve the recruitment and retention of women and people of color. Looking at firms before and over the seven years after they put in flextime programs, we can see that the impact is striking, even after taking into account other changes in the firms, the labor market, and the economy: The representation of white women and nonwhite workers in management increases. (We examined effects on the eight groups large enough to run statistical models on.) Not surprisingly, as the share of women and people of color goes up, the share of white men goes down. (See the exhibit "How Work/Life Benefits Affect Organizational Diversity.")

Why Firms Should Encourage Family Leave

Since 1993 U.S. federal law has required companies with 50 or more employees to give eligible workers 12 weeks of unpaid leave to care for a newborn or an ailing family member or deal with a medical problem of their own. But not all employers obey the law. Today one in 14 doesn't offer the required 12 weeks to new mothers, and nearly one in four doesn't offer them to new fathers. Moreover, companies with leave policies often don't advertise them and sometimes discourage new parents from taking leaves or ask them to return to work as soon as possible.

Why the resistance? Employers often fear that leaves will disrupt operations. But in firms that discourage them, parents often quit unexpectedly after the birth of a child. So the question is: Would you rather have to cope with the disruption of a planned leave or the disruption of a sudden resignation?

With a little ingenuity, managers can cover for workers on leave. At Tennessee's First Horizon Bank, for example, to make up for a person's absence on a team under a deadline, managers might ask a junior staff member to take on a challenging, visible part of the assignment. Or they might look for someone who is coming off another project and has time to spare. Not giving a staff member time off for a pressing family need is considered unacceptable.

Managers can prepare for leaves by cross-training workers so that when someone has to take time off, others will be ready to step in. Cross-training provides plenty of knock-on benefits, too, such as increasing employee retention and making teams more agile in the face of changing demands. A leave policy thus costs employers little beyond the time it takes to coordinate coverage while workers are away.

More and more employers are wise to the benefits of supporting workers who need leaves. A growing number even pay staff members during leaves—an unimaginable luxury a generation ago. Nordstrom now offers new parents six weeks of pay, with birth mothers getting another six. Walmart gives new parents the same baseline. Target offers new parents four weeks, with birth mothers getting another six to eight. Big retailers are starting to figure out that leaves pay off. That said, fewer than 10% of low-wage workers are eligible for any pay during family and medical leaves.

Tech firms have taken things up a notch. Since 2015, Netflix has offered salaried workers up to a year of paid parental leave. Meta provides full pay for four months, to be taken all at once or intermittently. And when Google (now Alphabet) extended its 12-week paid leave to 18 weeks, it cut in half the number of new mothers who quit. (The company recently increased paid leave for new mothers to 24 weeks.)

How does the introduction of a family-leave policy affect management diversity? For paid leave it's hard to say, because most of the firms we contacted didn't provide it. What's easier to determine is what happens when firms introduce at least 12 weeks of unpaid leave: It significantly boosts the number of white and Black women and Hispanic and Asian American men in management. (Positive effects on Black men and Hispanic and Asian American women are not statistically significant.) That men as well as women benefit from leaves attests to the needs and wants of working fathers. Paid leaves would have even broader effects, because more workers could afford to take time off. Again, it's no surprise that as these programs enable more women and people of color to move into management, the share of white men decreases.

Childcare Support

Finding childcare is a big hurdle for Black, Hispanic, and Asian American parents. While the cost of sending two children under age 5 to a childcare center is 29% of the median income for all American families, it is 42% of the median for Hispanic families and 56% of the median for Black families. Not surprisingly, Black women are nearly twice as likely as white women to have quit a job, refused a job offer, or "greatly changed their job" because of childcare problems. And since the start of the pandemic, it has gotten harder for many parents of color to get affordable childcare because they have seen sharp declines in income and because many providers in their communities have closed permanently.

Corporate childcare support programs vary greatly, of course. We've examined the effects of three common kinds: referral services (the least-expensive option); vouchers (a middle-range option); and company childcare centers (the most expensive option).

Referral services. Such programs provide contact information for local childcare centers, usually in online listings where openings are regularly updated. They're the most common type of childcare support, offered today by about 40% of all U.S. employers and 60% of large employers. Small employers sometimes build provider lists from employee suggestions, but large employers often use a national vendor like WFD Consulting to cover all their sites.

Referral programs provide no financial help, but they signal that an employer wants to help workers solve their childcare problems. They make childcare concerns a normal part of workplace discussions, and they're strikingly effective: At companies that introduce them the number of managers increases for all four groups of women and for Black, Hispanic, and Asian American men.

Childcare vouchers. Another approach is to offer employees vouchers that subsidize childcare, usually at independent centers. Vouchers accommodate changes in demand better than company centers with fixed enrollment do. And when vouchers are administered through flexible spending accounts, both employers and employees save on payroll taxes, and employees save on income taxes. The firms in our analysis that introduced vouchers saw double-digit increases in the share of Black men and women and Hispanic and Asian American women in management.Company childcare centers. One of the first corporate daycare centers was opened in 1971 by

Stride Rite's president Arnold Hiatt at a shoe factory in Boston's predominantly Black neighborhood of Roxbury. At the time, the New York Times deemed the move "radically countercultural for a titan of commerce." In 1983 Patagonia's cofounder Malinda Chouinard also made a pioneering move—by parking a trailer in front of the office to provide a place for the company's chief of marketing to nurse her colicky infant. Patagonia now has a child-learning center at its headquarters, in Ventura, California, and another at its distribution center in Reno. According to Patagonia's former CEO Rose Marcario, the company recoups 91% of calculable costs for its centers through tax refunds, decreased turnover, and increased engagement. Add to that such intangibles as heightened employee loyalty and trust, Marcario figures, and the centers more than pay for themselves. JPMorgan Chase and the consulting firm KPMG also argue that their full-time and backup childcare centers pay for themselves.

Today about one out of every six big companies has at least one childcare center, including Fannie Mae, Walgreens, Boeing, and Home Depot. These programs, too, boost diversity in management: The firms we studied that established them saw increases in the share of management jobs held by Black, Hispanic, and Asian American women. There was no effect on white women here, perhaps because their career decisions are less often determined by childcare costs.

It's worth noting that although on-site childcare centers are usually subsidized, they're nonetheless out of reach for many workers. As one line manager in an Atlanta hospital put it to us when explaining why the hospital had closed its center: "It was extremely pricey. I don't think anybody at $8, $9 an hour could afford to leave one let alone two kids there while they worked." A combination of income-based vouchers and a center can help make childcare available to all employees, however.

What Can Employers Do?

If work/life programs are good for not only productivity and well-being but also workforce diversity, then why aren't they more common? And why aren't firms encouraging employees to use them?

In some cases the problem is conceptual: Many managers believe that employees who take advantage of work/life support will do less work and that overseeing them will become harder. In other cases the problem is practical: Managers simply don't have the tools to administer systems of support for everyone and to push people to use them.

The following practices can help address those issues.

Put policies in writing. Firms should offer all employees, from janitors to C-suite executives, the same work/life support options—and should make them official. One bank executive told us that when her organization offered flextime informally, people didn't take it seriously. By putting it in writing, she explained, the bank signaled that "flexibility is part of our culture." And one professional services firm found that it wasn't until it produced a brochure about the flexible arrangements it offered that employees began to understand the policy was real and take advantage of it.

Have leaders do the messaging. That's how it's done at PwC. Anne Donovan, who oversaw strategy for cultural change at the firm, has described the process this way: "We gave permission at the top to allow for flexibility [among the entire staff], and then we went to the bottom and said, 'This is your right, this is what you're allowed to have, now go get it.'" Having leaders talk up work/life programs kept the company's new approach front and center. "It helps to start infusing the culture with the words, to hear leadership use the terminology, and start to get everybody comfortable with the thing we're going to do," Donovan explained.

Have leaders walk the walk. Modeling is important. If supervisors see the top brass working flexibly, they may ask for the flexibility they need and be more likely to approve requests from their subordinates. The CEO at a health care firm we visited has two small children and publicly takes advantage of work/life support so that she can spend time with them. "She wants people to work hard," her HR manager told us, "but she wants people to balance their lives, and she has been a very good model for that." The HR manager at a southern manufacturing plant told us, "When we see managers going home at 8 o'clock at night, we tell them to stop." Meta's CEO, Mark Zuckerberg; Twitter's CEO, Parag Agrawal; and Reddit's cofounder Alexis Ohanian have endorsed parental leaves by taking them.

Use technology to coordinate. Collaboration and communication platforms such as Slack, Microsoft Teams, and Airtable can make flexible scheduling easier to manage. When Dell formalized flexible work arrangements, its HR department worked with IT and facilities to make sure everyone had the right training, technology, and collaboration tools to stay in touch and remain productive. GoBrandgo, a St. Louis marketing company, introduced an online calendar that lets all employees see when team members are working and when they're out and implemented project management software that tracks the status of every task.

Measure output, not time put in. If managers want the work done, they should measure the work done. When Best Buy experimented with tracking employees' results rather than their hours, their work/life balance and productivity increased—and turnover declined. (The initiative was killed when Hubert Joly, who believed in taking a tough stance with employees, came in as CEO—but not before it was copied by at least 40 other companies.) The software developer Trainual has taken a similar approach. Its CEO, Chris Ronzio, told USA Today that flexible work freed him from having to keep a detailed ledger of employees' time. "We're putting more trust into our team," he explained, "measuring them more by the results they produce than by the hours they log."

Train managers to be work/life champions. At First Horizon Bank incoming managers attend a half-day class on how to help their staff balance work and personal life, and a leadership success guide and internal website spell out the company's work/life programs. As the bank's HR specialist Leigh Ann Spurlin sees it, manager training has helped make the principle of work/life support a reality, and new managers soon realize that "flexibility is part of our fabric."

Work/life programs are a remarkably powerful resource for employees and employers alike. When employees don't have to worry about how to get away for a child's soccer game, ask for a leave to care for a newborn, or find childcare, they can focus on their work. And when managers are paying attention to employees' output rather than hours clocked, they can focus on improving the performance of their teams. Covid-19 showed many managers that allowing employees flexibility in where and when they do their work doesn't hurt their effectiveness and may even improve it. Widespread resistance to returning to the office indicates how important work/life balance has become.

Work/life support enhances diversity in two ways. It improves all corporate jobs, including the many low-wage ones that typically come with little flexibility and are held disproportionately by women and people of color. And it increases management diversity by making it possible for women and people of color—who often struggle the most with work/life balance—to stay at their companies and move up the ladder. This, too, benefits employees and employers alike.

Employers sometimes worry about the bother or cost of implementing work/life programs, but what they should really worry about is the bother and cost of not implementing them. Specifically, they should be concerned about losing workers who are good at their jobs, about the cost of finding and training their replacements, and about losing the battle for diverse talent.

The bottom line is simple: It's time at last for firms to acknowledge that every employee has a life outside the organization and to adopt programs that have been proven to help balance it with work demands. Why not give everyone a shot at success?

https://hbr.org/2022/09/the-surprising-benefits-of-work-life-support