

ISSUES AFFECTING PART-TIME OPPORTUNITIES
FOR PROFESSIONALS

by

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Submitted to the Sloan School of Management
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ABSTRACT

More and more women in the United States and other countries have entered the workforce over the past decade. The labor participation rate for mothers with young children has risen particularly rapidly. This demographic trend has highlighted dual career families' needs for increased flexibility at work. This thesis examines the issues and trade-offs employers in the United States face with regard to offering increased flexibility to these employees, particularly with respect to accommodating part-time work schedules for professionals who are also mothers of young children.

This thesis reviews the national leave and part-time employment policies in four OECD countries to provide a context against which to analyze the U. S. case. Maternity leave and part-time public policies in the United States are described briefly, and the extent to which employers make either opportunity available to employees is also reviewed. This thesis then describes the typical characteristics of part-time employment for professionals and analyzes the issues that arise for employers in managing part-time professionals. The results of several interviews with managers of professional part-time employees are included and are used to highlight the indirect costs managers encounter in accommodating part-time schedules.

Introduction

The labor force participation rate for women in all OECD (Organization for Economic Co-operation and Development) countries has increased rapidly since World War II. Increasingly, women with children have entered the labor force or have remained in the labor force after bearing children. As is widely recognized in the work and family literature, this demographic shift has increased stress for families and highlighted a need for greater flexibility at work in order to meet both career and family demands. For U. S. employers, the changing demographics of the labor force has increased turnover costs. The purpose of this thesis is to examine the issues and trade-offs that employers in the United States face with regard to offering increased flexibility to their employees, particularly to those managerial and professional employees who face the challenge of juggling variable career demands with family responsibilities. In particular, this paper will focus on factors that affect employers' decision to employ professionals or managers on a part-time basis.

Throughout this thesis I will use the term "professional" in a loosely defined way intended to include 'management level' or 'knowledge' workers, few of whom would be strictly classified as professionals. In addition, as discussed in chapter two, the largest group of part-time professional employees are mothers with young children. Thus, although retirees or workers approaching retirement are a significant element in the part-time professional labor market, my analysis will focus mainly on employers' efforts to retain employees who are also mothers with young children.

In chapter one, I review the national parental leave and part-time employment policies in several other OECD countries to provide a context against which to analyze the U. S. case and to highlight the relatively restriction-free labor market in which U.S. companies operate. In chapter two, I will

describe the U. S. parental leave and part-time work environment and the extent to which employers make either opportunity available. I will also review differences within the part-time labor market and the common characteristics of part-time professional employment. In the third chapter, I analyze in greater depth the issues that arise in managing part-time professionals, particularly with respect to indirect costs, and address the genesis of these 'costs' or disincentives for employers to offer part-time work arrangements to professionals. In addition, I draw upon the results of interviews with managers of part-time professionals to amplify and test the salience of the issues identified in the literature.

Chapter One: A Comparative Look at Parental Leave and Part-Time Policies

Introduction

The labor force participation rate for women in all OECD countries has increased rapidly since World War II. Increasingly, women with children have entered the labor force or have remained in the labor force after bearing children. As is widely recognized in the work and family literature, this demographic shift has increased stress for families and highlighted a need for greater flexibility at work in order to meet both career and family demands. The purpose of this thesis is to examine the issues and trade-offs employers in the United States face with regard to offering increased flexibility to their employees, particularly to those women employees who face a major challenge in juggling a career with family responsibilities.

In the United States, women have both entered the labor force in large numbers and succeeded in entering managerial and supervisory level careers. However, the United States is virtually the only OECD country with no national parental leave or child care policy, and solving how two-career couples with children can balance family and career needs has been left largely to employers and individual employees, with some intervention from particular state governments

Many other OECD countries have addressed the perceived need for measures to ease conflicts between work and family by implementing extensive policies that mandate maternity and parental leaves as well as guarantee rights to certain conditions of employment. In this chapter, I will examine the policies of several other OECD countries in order to contrast those environments with that found in the United States. As will be discussed below, this exercise in comparative analysis is most interesting for what it does not reveal. Although

national work and family policies in several OECD countries afford families greater support for balancing work and family responsibilities, there is little correlation between the extent of those policies and women's labor participation rates. With the exception of Sweden, the U. S. female labor participation rate is higher than in any of the countries we will examine, even though, as noted above, U. S. policies to support working mothers are minimal. In addition, despite similar entitlements to part-time work and parental leave programs, the countries studied show quite different work patterns for women, particularly women with young children. Cultural attitudes towards the role of women in the family seem to play a very important role in shaping work patterns, as does the availability, affordability and acceptance of widespread child care for young children.

After analyzing the different public policy environments, in this chapter, and in chapter two, I will assess how those policies affected companies' response to the need or requirement for flexibility. Studies of corporate responses to management level women seeking to balance careers and family are scarce. This is particularly true outside of the United States, where women have made fewer in-roads into management. However, where information is available, it seems to indicate a pattern of corporate behavior where firms prefer to offer women career breaks (unpaid leaves of more than one year) rather than part-time arrangements. Thus, despite the variety of public policy contexts found in Sweden, Germany and the United Kingdom, firms in the different countries shared the same concerns with respect to turnover among trained workers, and their responses were very similar. Company initiatives with regard to both career breaks and part-time alternatives seem to be driven predominantly by perceived shortages of skilled labor and are responses designed to tie employees (especially women) to the firm. It is interesting that firms pursue a linkage of

more flexible work and family policies with expanding their firm-based labor supply even though an initial look at aggregate data shows little linkage between similar government policies and aggregate female labor participation rates.

Comparing Work and Family Environments

While more and more women are working outside the home throughout the OECD countries, they do so in a wide variety of environments that are shaped by cultural biases, government policies (or lack thereof) and varying corporate responses to the need for two wage earner families to balance family and career demands. Family work policies are very much influenced by each country's cultural norms and societal attitudes towards the role of women and society's responsibility to children and the family. Some governments legislate and mandate maternity and family leaves; others do not. In certain countries, part-time workers are protected from discounted wages and are guaranteed benefits while in others they are not. Although there is fairly good information on government policies towards work and family issues, there is far less material on employer responsiveness. Thus, I selected the countries I would examine in part based on the availability of at least some evidence regarding corporate behavior contained in two studies: "Exploring Ways of Integrating Men and Women as Equals at Work: Parental Leave in Sweden and Career Breaks in the United Kingdom" by Rhona Rapoport and Peter Moss, and "The Implementation of Flexible Time and Leave Policies: Observations from European Employers" by Ellen Galinsky. Each of these studies is based on a series of interviews with various companies in Sweden, Germany and the United Kingdom.

The work and family environment is quite different across Sweden, France, Germany and the United Kingdom. It is useful to first evaluate these

environments in terms of the formal support they offer to the employee through public policy mandates before evaluating how corporations have responded to employee needs. To this end, I examined the legislative policies regarding maternity/paternity and family provisions existing in each country. Table 1 provides a quick comparison of the maternity and parental leave policies in each country, and more detailed descriptions have been included in the Appendix to chapter one. (The replacement rate refers to the percentage of previous wages that continue to be paid to the recipient while on leave.)

Table 1
Maternity and Parental Leave
(Universal Governmental Policies)

| <u>Country</u> | <u>Maternity Leave</u> | | <u>Parental Leave</u> | |
|----------------|---|---|---|--|
| | <u>Maximum Duration</u> | <u>Replacement Rate</u> | <u>Maximum Duration</u> | <u>Replacement Rate</u> |
| France | 16-28 weeks (Depends on # of children) | 84% (Generally additional 16% from employer) | Up to 3rd birthday (if company has > 100 employees) | Fixed allowance for third child |
| Germany | 14 weeks | 100% | Up to 18 months | Fixed allowance |
| Sweden | 12 weeks | 90% | Up to 18 months | 90% for 270 days after which fixed allowance |
| U. K. | 18 weeks (must have two years tenure) | 90% | --- | --- |
| U. S. | --- | --- | --- | --- |

(Source: OECD July 1990, p. 144, Table 5.8)

In terms of evaluating the level of support provided by government legislation, I reasoned that support for maternity and parental policies could be judged by what percentage of income they replaced, the length of leave they guaranteed, and the extent to which all women were covered. With respect to part-time workers, I also analyzed formal government policies (see Table 2 below) and defined supportiveness as the extent to which employees were entitled to work part-time and the extent to which part-time workers' salaries were required to be on a pro-rata basis and benefits such as social security and vacation were protected. Using the above criteria, I would rank the "supportiveness" of the work and family environment for the five countries as follows: Sweden, France, Germany, the United Kingdom and the United States.

Table 2
Government Policies Protecting Part-time Employees

- France:
- o Provides for equal treatment of part-time employees under collective agreements.
 - o Guarantees proportional pay.
 - o Guarantees proportional leave.
 - o Part-time employees enjoy same protections against dismissal.
 - o Same rights to maternity and parental leave benefits provided work a minimum of hours in preceding six months.
 - o Entitled to unemployment benefits if worked 91 days or 507 hours in the prior 12 months. Benefit reduced proportionally to hours worked.
 - o Eligible for disability benefit if work at least 12 months or 800 hours within past 12 months.
 - o Employers must provide a written contract that details work schedule and terms of employment.
 - o Part-time employee has a prior claim to the next full-time opening in same occupation or comparable job.
 - o Parents are entitled to work half-time following maternity leave rather than take parental leave. Applies to employees with more than one year tenure in firms employing more than 100 employees.

Germany:

- o Part-time employees should be treated equally with full-time employees unless their terms of employment are altered through collective agreements.
- o Guarantee proportional pay and allowances related to hours of work.
- o Part-time employees entitled to full allowances that are not related to hours worked, including family allowances.
- o Entitled to same amount of annual leave as full-time employees.
- o Proportional pay for national holidays.
- o Part-time salaried employees entitled to six weeks of sick pay annually; hourly workers received sick pay only if they work more than 10 hours per week or 45 hours per month and for longer than 4 weeks.
- o Pension requirements are waived if employee works less than 15 hours per week. Pension benefits are based on the amount of income earned and years employed for both part-time and full-time employees.
- o Part-time employees are eligible for proportional unemployment benefits if they work at least 18 hours per week.
- o While on parental leave may work less than 18 hours per week for same employer without losing federal monthly child-care allowance.

- Sweden:
- o Part-time employees are covered by the same terms and conditions of employment as full-time employees unless specified.
 - o Right to proportional pay and allowances.
 - o Same amount of annual leave as for full-time employees (not pro-rated)
 - o Part-time employees afforded same protections against dismissal.
 - o Sick pay and pension benefits are calculated based on income earned.
 - o Eligible for unemployment benefits if work at least 17 hours per week and 5 out of 12 months.

United Kingdom:

- o Entitled to written statement of reasons for dismissal if employed continuously for 6 months and work at least 16 hours per week.
- o Entitled to unemployment benefits if earned more than 39 pounds per week (as of 87-88) and contribute to National Insurance.
- o Entitled to maternity leave if work at least 16 hours per week for 2 years for the same employer or at least 8 hours per week for 5 years.

(Source: "Part-Time Work." Conditions of Work Digest, Volume 8, Jan. 1989. Geneva: International Labor Organization.)

Supportiveness of Work and Family Policies Has Little Effect on Labor Participation Rates

Based upon my ranking of the supportiveness of the different country environments, an initial look at the figures in Table 3 reveals a lack of relationship between labor force participation and the extent to which government policies support maternity leaves and attempt to address work and family concerns.¹ Although Sweden, judged the most supportive, has the highest female labor force participation rate, the French and German rates are significantly lower than those for the U.K. and the U.S., which both have far less supportive policies.

Table 3
Female Labor Participation Rates (%)

| <u>Country</u> | <u>1973</u> | <u>1979</u> | <u>1983</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| France | 50.1 | 54.2 | 54.4 | 55.7 | 55.7 | ---- |
| Germany | 49.6 | 49.6 | 49.7 | 54.4 | 54.4 | ---- |
| Japan | 54.0 | 54.7 | 57.2 | 57.8 | 58.4 | 59.3 |
| Sweden | 62.6 | 72.8 | 76.6 | 79.4 | 80.1 | 81.0 |
| U. K. | 53.2 | 58.0 | 57.2 | 62.4 | 63.5 | 65.2 |
| U. S. | 51.1 | 58.9 | 61.8 | 66.0 | 66.9 | 67.9 |

(Source: OECD Employment Outlook, 1990)

However, the impact of family policies seems clearer when female labor force participation rates are broken out by age of dependent children:

¹ Amy Andrews makes this point in her term paper: "The Effects of Work/Family Legislation: Rhetoric or Reality." Spring 1990.

Table 4
Female LFPR by Age of Dependent Children

| <u>Years of age</u> | <u>0-2</u> | <u>3-5</u> | <u>6-13</u> |
|---------------------|------------|------------|-------------|
| France | 60 | 65 | 69 |
| Germany | 36 | 42 | 52 |
| U.K. | 39 | 55 | 70 |
| U.S. | 53 | 63 | 72 |

(Source: OECD Employment Outlook, July 1990, p.123.)

(Data for Sweden was not included in this source, but approximately 81% of women with pre-school age children work in Sweden.)

With this finer breakdown in participation rates, family policies seem to have an effect. The major difference between French and Swedish policies on the one hand, and Germany's on the other, center around state provision of child care for young children and the right to work part-time. However, the participation rate for mothers with young children in the United States is nearly as high as those in Sweden and France, even though there is very little child care provided by the state and no right to part-time work. The difference in participation rates could also be explained by a difference in societal attitudes towards institutionalized child care for young children.

Part-time Employment

In Germany, companies cited motivations for hiring part-time workers that were very similar to those cited by U.S. employers and discussed in chapter 2. Their primary motivation was to solve scheduling problems and avoid paying a full salary when it was not necessary.² Companies in

² Galinsky, Ellen. "The Implementation of Flexible Time and Leave Policies: Observations from European Employers." Paper

Germany and the U.K. also cited retention of skilled employees as the primary reason for accommodating part-time arrangements for trained employees.³ (In Ellen Galinsky's interviews with German employers, her findings reinforced those by U.S. sources that the expected inefficiencies and costs of accommodating part-time workers, especially in higher level positions, were higher than those actually encountered.) In both the U. K. and the U. S., employers also hire part-time workers as a way to reduce hourly labor costs since public policies did not require pro-rating salary.

There are many problems with the aggregate data on part-time workers, not least of which is that the definitions for part-time workers for the OECD data may not match those definitions of part-time workers covered by national legislation.⁴ Nevertheless, one can make an argument that government protection of part-time workers' benefits and pro rata wages as exist in Germany and France discourage use of part-time workers. (Alternatively, it may be that part-time workers in these countries are hired "off the books" to avoid regulation.) The high level of part-time workers in Sweden is likely a result of that country's mandated right for people to work a six hour day until their children are eight years old. In contrast, employers'

commissioned by the Panel on Employer Policies and Working Families, National Academy of Sciences. March 1989.

³ Galinsky.

⁴ Joseph E. Thurman and Gabriele Trah. "Part-time Work in International Perspective", International Labour Review, Vol. 129, 1990, No.1. They make this point for ILO data, but I found no evidence the OECD data was any less susceptible to this problem.

access to a cheap secondary labor market accounts for the higher use of part-time workers in the United States and the United Kingdom.⁵

Table 5
Part-time Workers as a % of Total Workers

| | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> |
|---------|-------------|-------------|-------------|-------------|-------------|
| France | 10.3 | 11.0 | 11.9 | 11.7 | 12.0 |
| Germany | 13.1 | 13.6 | --- | --- | --- |
| Japan | 11.1 | 11.1 | 11.7 | 11.6 | 12.0 |
| Sweden | 24.4 | 23.8 | 25.8 | 25.1 | 24.4 |
| U. K. | 22.4 | 22.6 | 23.5 | 24.3 | 24.7 |
| U. S. | 17.6 | 17.3 | 17.4 | 17.4 | 17.3 |

(Source: Conditions of Work Digest, pps. 45-53)

Table 6
Percentage of Part-time Workers Who Are Women

| <u>Country</u> | <u>1988</u> |
|----------------|-------------|
| France | 83 |
| Germany | 90 |
| Japan | 72 |
| Sweden | 85 |
| U. K. | 78 |
| U. S. | 67 |

(Source: Conditions of Work Digest)

Table 7
Percentage of Women Workers Who Work Part-Time

| <u>Country</u> | <u>Definition of Part-time</u> | <u>1988</u> |
|----------------|--------------------------------|-------------|
| France | < 30 hrs/wk | 23 |
| Germany | < 37 hrs/wk | 31 |
| Japan | < 35 hrs/wk | 23 |
| Sweden | < 35 hrs/wk | 43 |
| U. K. | Self-defined | 45 |
| U. S. | < 35 hrs/wk | 25 |

(Source: Conditions of Work Digest)

⁵ Christopher C. Tilly, "Half a Job".

As noted earlier, and shown in Table 6, a large majority of part-time workers are women. Both France and Sweden mandate that parents are entitled to work part-time rather than take parental leave. While Swedish parents, especially mothers, tend to exercise this option, French women do not. In addition, with the exception of Sweden, use of part-time workers appears higher in the U.K. and the U.S. where government policies afford less protection, and employers can benefit from reduced labor costs. In an attempt to understand why similar policies elicit different results, it is necessary to look at each country separately.

Public Policy and Women's Work Patterns

The Swedish Environment

Among the OECD countries, Swedish women have the highest labor participation rate, at 81.0% in 1989, as well as the lowest earnings differential between men and women.⁶ Swedish work and family policies appear to be motivated by both a chronic labor shortage and a cultural norm that views children as a societal responsibility. In addition, there appears to be greater commitment to equality between men and women than in most other societies.⁷ To address a tight labor supply and encourage women to work, the Swedish government has implemented a very comprehensive package of work and family policies that permit families initially to provide care to young children and later to replace that care so that both parents can work. In addition to the

⁶ Bakker, Isabella. "Women's Employment in Comparative Perspective" in Feminization of the Labor Force, p. 25.

⁷ Nancy E. Dowd, "Envisioning Work and Family: A Critical Perspective on International Models." *Harvard Journal on Legislation*, Vol. 26 (1989).

above policies, the Swedish government changed the tax system so that each individual is treated as a single wage earner regardless of marital status. As Nancy Dowd notes, ". . . a family may be better off with two moderate incomes than with an equivalent, single, high income. The consequence...has been to encourage women to enter the labor market,..."⁸

The comprehensive nature of Sweden's work and family policies appears to have established a very strong tradition of parental leave as well as widespread use of part-time work. The high female labor participation rate has resulted in a subsequent shortage of babysitters so that almost all families keep one parent at home for nine months.⁹ In addition, the public debate that preceded the part-time entitlement may have set cultural norms so that "good parenting" is associated with limiting children's time in institutional day care settings to six hours per day. In any case, whether out of personal preference or in response to societal pressure, 43% of all female employees work reduced hours.¹⁰ Nevertheless, Swedish women remain employed with over 80% of young mothers remaining in the workforce following maternity/parental leave. At the same time, Swedish women also experience severe market segmentation with over 60% of women in the public sector and very few women in middle management or executive positions.¹¹

Germany

⁸ Nancy E. Dowd, p. 323.

⁹ Nancy E. Dowd, p. 327.

¹⁰ Rhona Rapoport and Peter Moss, "Exploring Ways of Integrating Men and Women as Equals at Work: Parental Leave in Sweden and Career Breaks in the United Kingdom", p. 24.

¹¹ Nancy E. Dowd, p. 326.

In Germany, policies governing maternity and parental leave are extensive, but the female labor participation rate is far lower than that in Sweden. In addition, the labor participation rate drops precipitously for women with children and never recovers to the same level of participation as for non-mothers, although some mothers of older children return on a part-time basis.¹² In contrast to Sweden, government policies leave more scope for companies and employees to negotiate over the extent of work and family benefits, and in general, federal policies have been strongly influenced by collective agreements. In addition, there has been no equivalent campaign in Germany as there was in Sweden to promote equality for women nor has increasing the female labor force participation rate been a government objective.

German part-time workers are protected by a general statutory principle of non-discrimination, although this protection can be altered through collective bargaining.¹³ As a result, companies must provide the same benefits to part-time workers as to full-timers if those benefits are not related to working time (including family allowances).¹⁴ Unlike in Sweden and France, parents are not entitled to work part-time while children are young, and part-time workers comprise only approximately 10.2% of the total German (West German) workforce. This modest percentage may be attributable to the relatively high cost of employing such workers who are eligible for expensive benefits such as a non pro-rated annual leave.

¹² OECD Employment Outlook 1988.

¹³ Joseph E. Thurman and Gabriele Trah. "Part-time Work in International Perspective", p. 29.

¹⁴ *Ibid*, p. 27.

France

From a U. S. employer's perspective, French women's work patterns are particularly interesting. As noted above, French national policies provide generous maternity and parental leave as well as a right to work part-time until a child is three for employees of large firms. Part-time workers in France are covered by special "part-time" employment contracts and are also protected by a general statutory principle of non-discrimination.¹⁵ In addition, there is an extensive system for child care, particularly for children age three and older. Indeed, most three year olds attend state-run preschools whether both parents work or not. Child care for younger children and babies is less extensive but remains more plentiful than in most countries.¹⁶ If a family has three or more children, the parent receives a generous family allowance.

In light of these supportive policies, one might expect French parents, particularly mothers, to exercise their leaves and return to work on a part-time basis as their Swedish counterparts tend to do. Instead, although only approximately 55% of French mothers of young children under three work, two-thirds of them work full-time (even though many of them are entitled to work part-time). In addition, in France, 'part-time' workers prefer to work a four day week (schools are closed on Wednesdays) versus a more modest 18 hours as in the U.K. or shorter days as in Sweden.¹⁷ As shown in Table 4, the

¹⁵ Ibid.

¹⁶ OECD Employment Outlook 1988.

¹⁷ Shirley Dex and Patricia Walters, "Women's Working Experience in France and Britain" in Keeping Women In: Strategies to facilitate the continuing employment of women in higher level occupations. Susan McRae, ed. London: Policy Studies Institute, p. 60.

labor participation rate for mothers of older children is substantially higher than overall female labor participation rates (probably owing to a 'cohort' effect where older women established a pattern of staying home). The percentage of these mothers who work part-time is also low relative to that of the other countries researched for this paper.

The disparity between the French and Swedish experiences suggests that the availability of flexible work schedules may not be the most valuable solution for women seeking to balance career and family, and that availability of child care may be a more important factor. Nancy Dowd makes an important point that French work and family policies are designed to give families a choice for one parent (and in France it is almost exclusively the mother) to stay home while raising children, as well as to encourage childbearing. In addition, the French case may be influenced by a strong cultural tradition of substitute child care (via 'wet nurses') and of institutional care for infants and children of the poor that has extended to middle class children as well.¹⁸ With near universal use of the country's preschool system, and less societal disapproval of substitute care for small children, women may choose to continue their employment rather than seek part-time work. Alternatively, it may be that the 'marriage tax' in France, which does not exist in Sweden, discourages a parent from working part-time.

Unfortunately, I could not find case studies of French companies' experience or response to the need to accommodate part-time workers. However, based on aggregate national data, it appears that French employers

¹⁸ "Child Care in France" in Family and Work, Hewlett, Iichman and Sweeney.

have access to a smaller supply of women workers (since the overall French female labor participation rate is relatively low), but face lower turnover costs as women who choose to work, continue to work while they have children, and mainly work on a full-time basis. At the same time, French women have made relatively few inroads into managerial positions, although the data available is old.

United Kingdom

Although the United Kingdom has formal parental leave policies, they have been weakened or at least de-emphasized by the Thatcher government. Thus, although policies exist, the private sector environment may more closely parallel that of the United States where employers are left to offer family oriented benefits or not as they deem is best for the company's self-interest in light of labor market conditions. In addition, societal attitudes towards women with children working appear to remain more conservative than in many other countries and this is reflected in only 39% of mothers with children under 2 in the workforce.¹⁹ Moreover, only 10% of mothers with children under 3 work full-time.²⁰ Although the overall labor force participation rate for mothers of older children recovers and approaches that for non-mothers, only 15% of mothers with children under 15 work full-time.²¹

The United Kingdom has one of the highest percentages of part-time workers in the OECD. However, firms' main motivation in hiring part-

¹⁹ Rapaport & Moss.

²⁰ OECD, 1988.

²¹ Ibid.

timers appears to be reducing costs rather than retaining workers. The part-time labor force is heavily concentrated in a few service industries and is characterized by both low wages and wages that are discounted relative to full-time workers. In addition, "under British law, large numbers of part-timers are excluded from statutory employment rights by the operation of hours thresholds for eligibility."²² As a result, employers save on both wages and social security costs if they keep part-time hours below that threshold.

According to one study, a typical British woman's employment pattern would be to work until having children, exit the labor force until the youngest child is school age, and then re-enter on a part-time basis.²³ However, this study also notes that these women do not return to careers for which they are trained, but instead take jobs in the service sector that offer wages heavily discounted for the "privilege" of working part-time. "What we have is a widening of the expectations gap--the gap between the kinds of careers that women are trained for and the kinds of jobs that they will end up in their late thirties and early forties [after re-entering the labor force]."²⁴

Each of the above countries has adopted a unique mix of work and family policies designed to meet the public's needs as defined according to local cultural values. In Sweden, policies are designed to promote equality for women and adequate care for children.²⁵ In France, the welfare of children

²² "United Kingdom: Part-time working and labour flexibility", Social and Labour Bulletin, Jan. 1988.

²³ Peter Elias, "Part-time Work and Part-time Workers: Keeping Women In or Out?" in Keeping Women In, pps. 68-69.

²⁴ Ibid p. 81.

²⁵ Nancy E. Dowd.

and the ability of women to choose to remain at home have been driving forces behind work and family policies.²⁶ The government has also sought to encourage population growth.²⁷ In Germany, collective agreements have largely shaped the extent of government policies. In the United Kingdom, far fewer family-oriented policies have been adopted, reflecting a reluctance to involve government in family issues that is somewhat similar to attitudes in the United States.

As indicated earlier in this chapter, for the most part, different policies can not be correlated with female labor force participation rates (LFPR) or the extent of part-time work. However, among mothers with children there are some tentative linkages. In Germany and the United Kingdom, where little child care is available, the LFPR for mothers of children under 3 decline precipitously and although they rise for mothers with older children, much of that increase is in part-time work.²⁸ In Sweden and France, where child care is more readily available, the female LFPR remains steady, or rises among women with children, although the proportion of part-time workers among mothers rises dramatically in Sweden.

How Do Corporate Responses Differ?

²⁶ Ibid.

²⁷ Nancy E. Dowd.

²⁸ It is not clear in which direction the causal relationship runs. Women may stay home because child care is not available (or affordable), or mothers may stay home because cultural norms indicate that they belong there, and the need to be home after school may determine that those who do work, work on a part-time basis.

Swedish parent's entitlement to part-time work seems to evoke a negative response from Swedish employers. The high level of part-time workers in Sweden is likely a result of that country's mandated right for people to work a six hour day until their children are eight years old. As a result, the availability of part-time work in Sweden is not necessarily voluntary on the part of the corporation. In addition, as noted above, 60% of working Swedish women are employed in the public sector and there is some evidence that the private sector corporate response to the Swedish environment is to avoid employing women of child-bearing age. In their study of four Swedish employers, Rapoport and Moss conclude that the "adverse consequences for wages, training opportunities or career development were more likely to be reported by parents in connection with using part-time work than parental leave."²⁹ Apparently, Swedish companies find accommodating part-time schedules troublesome and seek to discourage part-time work by imposing penalties on employees' advancement.

In both the U. K. and Germany, companies interviewed perceived that they faced a shortage of skilled workers and sought to reduce turnover among trained female employees. Despite the considerable difference in national policies, companies in both countries chose initially to offer career breaks (rather than part-time arrangements) in an effort to retain workers. My information with respect to German corporate preferences for career breaks versus part-time work arrangements was limited to one report of admittedly exceptional German companies.³⁰ Two of the three German companies studied by Ellen Galinsky for her study, "The Implementation of Flexible

²⁹ Rapoport and Moss, p. 24.

³⁰ Galinsky.

Time and Leave Policies" offered their employees career breaks following maternity leave. One company permitted parents to take an unpaid leave until their children finish first grade, while the other offered an unpaid leave until the child is three. In both cases, parents were guaranteed jobs with the same seniority level upon their return. According to Galinsky, employers were motivated to extend leaves in order to retain trained women and in response to a shortage of trained workers.³¹ Although part-time work is not as prevalent as in other countries, the German companies responsiveness seemed to be influenced by collective bargaining. All three of the companies in Galinsky's study offered part-time work. In addition, there was a wide breadth of part-time options available from half-days to alternating weeks to four day weeks. In at least one instance this emphasis on part-time options was facilitated by co-determination where the company's works council initiated the idea.³²

In the U. K., the perceived tight labor supply issue prompted a number of employers to offer "career break" schemes, consisting of a 2-5 year leave or break, to employees who are managers or are perceived to have management potential.³³ Initially, these schemes were initiated by large U.K. banks and aimed at their professional staff although they have been copied by employers in other industries and have been expanded to include more staff levels. Most of the career break schemes require that employees on a career break work two to four weeks a year or otherwise maintain contact with the

³¹ Galinsky.

³² Ibid.

³³ Rapoport and Moss, pps. 18-19.

organization.³⁴ It is particularly interesting that despite a strong tradition of part-time work (discussed above), employers chose to offer career breaks as a means for retaining workers. It is only since implementing these schemes that employers have expanded them to include part-time alternatives where employees work part time for two to five years and then are reinstated to their former job grade.³⁵ In addition, this response appears motivated by employee (as opposed to employer) preferences: "where available, options to work more flexible, part-time hours are particularly popular. In [one career break scheme], the option to return after maternity leave with renegotiated hours is more popular than the career break."³⁶

Curiously, although there is no clear linkage in the aggregate data between supportive maternity and family policies and an increase in women's labor participation rates, on a very micro level, companies appear to perceive that there is such a link. In Germany, Sweden and the U.K., as companies have become more concerned about shortages of skilled labor, they have turned first to career break schemes and then to part-time arrangements as a way to tie valued employees to the firm.

Conclusion

Intuitively one might expect employers to prefer part-time schedules to career breaks in order to preserve continuity and continue to reap gains from past training and investment in the employee. However, based upon the

³⁴ "Career Break Schemes -- growing in popularity." European Industrial Relations Review 182, pps. 23-27.

³⁵ Ibid, p. 26.

³⁶ Rapoport and Moss, p. 22.

evidence I could find, all but one corporate preference was to offer women in management positions a career break. Interestingly, co-determination was an important influence in the one exception where the company emphasized a range of part-time options rather than an absolute break. Apparently, it is only after companies become comfortable with a "break" scheme that they extend it to include part-time options for management level or professional women. In Sweden, the extensive social policies make gathering information on corporate preferences difficult. In addition, I was unable to find field work describing preferences for French companies. However, I would argue that the low level of French part-time workers and the very high concentration of part-time workers in the public sector can be taken as indications that both Swedish and French companies are reluctant to accommodate part-time work arrangements. This strong preference exhibited by companies operating in very different environments indicates that there are some very strong internal organizational barriers to coordinating part-time managerial employees and that these barriers are independent of 'cultural norms' or the external environment in which the company operates.

APPENDIX

Work and Family Related Government Policies

Sweden

- o Women are fully covered for prenatal, childbirth and postnatal care.
- o Women may transfer to less physically taxing jobs or leave two months prior to birth.
- o Families receive a basic child allowance that rises more than proportionately with the third child.
- o Parents are eligible for 360 days of paid leave to care for newborns, adopted or sick children. They receive 90% pay for 270 days and 90 days leave with a nominal stipend. This income support is capped at 209,250 SEK.³⁷ Ninety percent of the cost is covered by social insurance with the remainder covered by the employer. Alternatively, employees may work two years of half-time for 90% of their full pay.
- o Parents are entitled to their same or an equivalent job upon their return from parental leave.
- o In addition, parents are entitled to work part-time, defined as six hours per day for a pro-rata salary until the child is eight.
- o Fathers receive 10 days of paid leave post birth or adoption.³⁸
- o Parents receive 60 days per year of leave to care for sick children.³⁹

³⁷ Ellen Galinsky.

³⁸ Nancy E. Dowd.

³⁹ Nancy E. Dowd.

- o Both day care and family care arrangements are operated by municipalities which split the cost with the federal government 45:45 with the remainder paid by parents. There is little care available for children under 18 months or for children older than twelve.⁴⁰

Germany

Maternity Leave Entitlements

- o 14 weeks (6 before birth and 8 weeks after) of paid maternity leave. The state pays a nominal amount to all mothers, with the employer making up the difference between that and her normal net pay.⁴¹ If the company has fewer than 20 employees it is reimbursed by the state.⁴²
- o Eligibility for maternity leave is restricted to claimants who have worked at least nine months out of the last twelve or who have been claiming unemployment benefits.⁴³

Parental Leave Policies

- o Parents are entitled to twelve months of job protected leave if both parents work or are in school. Leave may be absolute or reduced hours below 19 hours per week. The State pays an allowance of up to 600 DM per month to a non working parent caring for a child.

⁴⁰ Ellen Galinsky.

⁴¹ "Time off for family responsibilities: part one, maternity/paternity leave." European Industrial Relations Review 186, July 1989.

⁴² Ellen Galinsky.

⁴³ "Time off for family responsibilities: part one, maternity/paternity leave." European Industrial Relations Review 186, July 1989.

- o Civil service workers may take a three year parental leave or work half-time.

- o Parents may claim five days of sick pay for caring for ill child if both parents work.

Other

- o Part-time workers are entitled to pro-rated social insurance (unless they work less than 19 hours per week) and vacation. This entitlement may be reduced through collective bargaining agreements.

France

Maternity Entitlements

- o Women are required to take 16 weeks of maternity leave (paid?) (six weeks before birth and 10 weeks after) Women receive 84% of earnings paid by maternity insurance but which is made up to 100% through most collective agreements.⁴⁴

- o Women are eligible for maternity leave if they have been registered with social security at least 10 months and have worked at least 200 hours in three months or have contributed some minimum amount to social security in the last six months.⁴⁵

Family Entitlements

- o Women are entitled to maternity allowances from the fourth month of pregnancy to the third month after birth.

⁴⁴ Ibid.

⁴⁵ Ibid.

- o Child allowances are paid until the age of 2 or 3 to cover out-of-home care for infants. This allowance increases substantially with a third child.
- o For companies with more than 100 employees, there is an optional two year unpaid parental leave with their job guaranteed. The leave may be half-time or full-time.

United Kingdom

- o Six weeks maternity leave at 90% pay followed by 12 weeks at lower flat rate of approximately 22% of average pay.⁴⁶
- o Restricted to women with two years of continuous employment of at least 16 hours a week or five years for between 8 and 15 hours a week.⁴⁷
- o There are no statutes covering parental or family leave for non-maternity purposes.⁴⁸

⁴⁶Ibid, pps. 14-15.

⁴⁷ Ibid.

⁴⁸ Ibid.

Chapter Two: Use of Parental Leave and Part-time Work in the United States

Introduction

In researching this chapter I was struck by two notable differences between the U.S. case and its continental counterparts (with the U.K. serving as a sort of hybrid bridge between the two extremes). First, in the United States, even where companies provide parental leave or part-time work arrangements, the former is generally for weeks, not months, while most part-time arrangements are also for a short duration of a year or less. Thus, not surprisingly, in the absence of national policy, the responsiveness of U.S. employers seems to be qualitatively different from that of employers in Sweden, France or Germany. Second, women in the other countries are generally perceived as having fewer career advancement opportunities than their U.S. counterparts, although they receive greater accommodation for work and family conflicts.

The purpose of this chapter is to describe the current state of both part-time employment for professionals and the use of parental leave in the United States and consider why companies choose or choose not to offer professional employees part-time work schedules or parental leaves. In general, U.S. employers appear to respond to a demand for professional part-time positions on a one-on-one basis, employee by employee, and are motivated by their economic interest in protecting their investment in highly skilled employees.

The U.S. Environment

In the United States, public policy intervention with regard to either parental leave or part-time work is minimal. For the most part, the realm of balancing work and family is left to employers and employees or their unions to negotiate. With respect to parental or maternity leave, the sole federal law is the

Pregnancy Discrimination Act of 1978 which amends Title VII of the Civil Rights Act of 1964, and which states that if a firm offers short term disability benefits to its employees, it must extend those benefits to women following childbirth.⁴⁹ Several states offer additional coverage. New York, California, Hawaii, New Jersey and Rhode Island provide Temporary Disability Insurance that covers a portion of lost wages during disability leaves including maternity leave.⁵⁰ In addition, eight states (Connecticut, Maine, Minnesota, Oregon, Rhode Island, Tennessee, Washington and Wisconsin) have passed parental leave bills requiring private and public sector employers to provide varying amounts of unpaid parental leave with guaranteed reinstatement to the same or a similar job.⁵¹ Three states provide parental leave for state employees and 28 state legislatures had parental leave bills pending as of January 1989.⁵² Federal employees may use a combination of sick leave, annual leave or unpaid leave to meet childbirth needs while employees wishing parental leave may use annual leave or leave without pay subject to their department head's approval.⁵³

In 1990, Congress passed the Family and Medical Leave Act which would have provided 12 weeks of combined medical and family leave over a one year period. Employers with fewer than 50 employees would have been exempted and only workers with at least one year tenure and a minimum of working 20

⁴⁹ Leslie W. Gladstone. "Parental Leave: Legislation in the 101st Congress" CRS Issue Brief. Updated December 11, 1990. p. 3.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Ibid.

hours/week would have been eligible. The bill was vetoed by the President, but family leave legislation was subsequently reintroduced.⁵⁴

Parental Leave in Practice in the United States

Based upon 1981 data from the Social Security Administration, approximately 63% of all workers were covered by some temporary disability insurance plan.⁵⁵ In general, women covered under these plans received an average of 7.5 weeks of benefits for maternity disability.⁵⁶ Comprehensive data is not available on the provision of additional maternity and parental leave by private employers in the United States although there is some information on the provisions made by larger employers.⁵⁷ Based upon 1988 Bureau of Labor Statistics (BLS) data, 36% of full-time employees in medium and large firms in private industry were covered by maternity or paternity leaves in addition to any disability leave mandated by the 1978 Pregnancy Discrimination Act.⁵⁸ These leaves ranged from 6 to 26 weeks with 6 weeks the most common duration and bunching at 13, 26 and 52 weeks.⁵⁹ Only 2% of these leaves were paid.⁶⁰ In a study conducted by Catalyst, Inc. (384 respondents out of the 1600 largest companies), 95% of those companies provided 6 to 8 weeks of disability benefits,

⁵⁴ Ibid, p. 1.

⁵⁵ Ibid.

⁵⁶ Ibid, p. 5.

⁵⁷ Ibid, p. 4.

⁵⁸ Joseph R. Meisenheimer II, "Employer Provisions for Parental Leave." Monthly Labor Review, October 1989, pps. 20 - 24.

⁵⁹ Ibid.

⁶⁰ Ibid.

38.9% of which were fully paid and 57.3% of which were partly paid.⁶¹ In general, employers continued to cover employees with benefits. In addition, 2% of the respondents offered an additional two to three months of job protected, unpaid leave.⁶² Smaller employers, particularly those with less than 25 employees were unlikely to offer job-protected maternity leave.⁶³

In general, when U.S. employers grant parental leave and part-time work opportunities, the duration of these benefits is far shorter than in countries where leave is mandated by government policy. This may be a result of the difference between public policy where the well-being of children and the importance of parenting are a concern and a laissez-faire negotiation in which the objective is to meet the employee's physical needs. In other words, the U.S. solution is mainly concerned with factors affecting an employee's ability to work, while policies in other countries stem from concern for social welfare, including that of dependents. The two start from different perspectives and arrive at qualitatively (and quantitatively) different results.

The costs and benefits of offering parental leave or a career break seem to be fairly straightforward (at least compared to the decision to offer a part-time alternative). The major benefits are:

- 1) Retention of a valued employee provided they return.
- 2) Accommodating work and family needs without changing the organization of work.

⁶¹ Catalyst Study as cited by Margaret Meiers in "Shaping an Effective Parental-Leave Policy," Training and Development Journal, January 1989, pps. 46-51.

⁶² Ibid.

⁶³ Gladstone.

- 3) Creating a potentially useful labor pool for temporary work.

The major costs would seem to be:

- 1) Losing the employee's output for the duration of the leave.
- 2) Taking the risk that an employee will not return at the end of the leave.
- 3) Cost of replacing the employee with someone else for the short duration of the leave.
- 4) The complication of what to do with the replacement worker at the end of leave (assuming the leave-taker returns).

Career Breaks

There is very little information available on career break schemes (i.e. leaves longer than 52 weeks) among U.S. employers. According to one study of 837 major U.S. employers, 312 offered unpaid parental leave, of which 13% offered leaves of 52 weeks or longer and 16% of which left the length of leave management's discretion.⁶⁴ In 1988, IBM started a 3 year parental leave program under which employees continued to receive benefits and were guaranteed a job. In return, employees had to be willing to work part-time in the second and third years should IBM need them.⁶⁵ Such lengthy programs seem to be embraced only by a few companies which are typically known for their innovative human resource practices.

There are several plausible explanations as to why on the one hand European employers prefer career breaks, while U. S. employers seem to favor part-time solutions. It is generally acknowledged that women in the U.S. have

⁶⁴ "Work and Family Benefits Provided by Major U.S. Employers in 1990", Hewitt Associates.

⁶⁵ Lotte Bailyn, "Changing the Conditions of Work: Responding to Increasing Work Force Diversity and New Family Patterns," p. 4.

been promoted to more positions of authority than their counterparts in other countries. In general, this is ascribed to a more aggressive enforcement of Equal Employment Opportunity laws. Perhaps, at least for skilled workers, once companies have invested in women, some firms have found that they have a strong incentive to provide solutions to work-family pressures that also allow the company to benefit from the employees' skills and productivity. Even though career breaks are offered only to 'management potential' or skilled workers in the U.K. and Germany, perhaps the different response by U.S. employers stems from higher replacement costs for more senior employees. If a larger number of U.S. women are in positions of greater responsibility, the higher costs of replacing these women may push U.S. firms to make an added effort to provide part-time opportunities.

In his doctoral thesis, Christopher Tilly argues that the availability of part-time positions for trained 'professional' workers varies with the economy so that in economic downturns, fewer part-time positions are created as firms can more easily fill the incumbent's position.⁶⁶ Thus, perhaps the labor supply for trained workers is tighter in the United States than it is in the other countries which would therefore also increase the costs of searching and replacing skilled workers.

For employers of women with skills for which substitute or temporary workers can easily be found, the costs of replacing the skills lost to a career break may be less than the potential costs of adapting to a part-time schedule. However, as the employer's investment in the employee increases, and especially as the employee's skills become more specific to the organization, the

⁶⁶ Christopher C. Tilly, "Half a Job: How U. S. firms use part-time employment," Diss. M.I.T. 1989, Chapter 9.

costs of even temporarily replacing the missing skill set may be greater than the perceived costs of accommodating a part-time schedule.

Part-time Work in the United States

Public Policy

As noted earlier, there is minimal regulation of part-time employment in the United States. With respect to part-time work, ERISA and the 1986 tax code require equal statutory benefits such as Social Security and workers compensation for part-time workers and require that companies include employees working over 20 hours per week in their pension plans.⁶⁷ Other federal legislation also affects part-time work, but more indirectly. The Federal Employees Part-time Career Act of 1978 has increased the government's expertise in adapting to managing part-time workers. This Act encourages the creation of part-time career-oriented employment opportunities and requires federal agencies to set annual goals for establishing or converting positions to part-time.⁶⁸ Under this law, salary is pro-rated as is annual leave and sick pay. Part-time employees have access to fringe benefits with life insurance based on salary and a pro-rated government contribution to health insurance premiums.⁶⁹ In the private sector, the federal minimum wage sets a floor for all wages (both full-time and part-time) while laws governing overtime encourage employers to hire part-time workers as a means to reduce overtime expenses.⁷⁰ Finally, Social

⁶⁷ Tilly, Chapter 11.

⁶⁸ Conditions of Work Digest, p. 188.

⁶⁹ Ibid, p. 189

⁷⁰ Tilly.

Security rules encourage retirees to work part time (rather than full-time) as a way to add income without sacrificing benefits.⁷¹

Who Works Part-time?

Part-time employment is concentrated among women (particularly young women with children) although there are also substantial concentrations of teenage and older workers. In 1990, only 7% of men in the labor force held voluntary part-time positions in contrast to 21% of women in the labor force. With respect to the occupational categories mentioned above, approximately 74% of those managerial, professional and technical part-time workers were women. Nevertheless, retirees are increasing as a percentage of part-time workers as are male workers.⁷²

Table 1
Voluntary Part-time Employment by Occupation
(as a percentage of total voluntary part-time workers)
(September, 1990)

| <u>Occupation</u> | <u>Men</u> | <u>Women</u> | <u>Total</u> |
|---------------------------|------------|--------------|--------------|
| Exec., mngmt & admin. | 6.1 | 4.8 | 5.2 |
| Technicians & related | 2.7 | 3.0 | 2.9 |
| Professional specialty | 11.0 | 13.6 | 12.9 |
| Sales | 16.5 | 19.3 | 18.5 |
| Admin. support; clerical | 9.7 | 25.3 | 20.9 |
| Craft, production, repair | 6.8 | 1.2 | 2.8 |

⁷¹ Tilly.

⁷² Rebecca Blank, "Part-time and Temporary Work"

| | | | |
|------------------------|------|-------|------|
| Machine operators | 3.5 | 1.8 | 2.3 |
| Transport, mat. moving | 5.8 | 1.4 | 2.6 |
| Laborers | 13.0 | 1.5 | 4.7 |
| Private hshld service | 0.2 | 3.0 | 2.2 |
| Other service | 24.7 | 25.1 | 24.9 |
| All occupations | 100 | 100.0 | 100 |

(Source: Bureau of Labor Statistics, September 1990, Table A-31, p. 36.)

Based on the BLS statistics for September, 1990, 14% of the total U.S. work force worked part-time on a voluntary basis. Forty percent of these workers were in skilled occupations such as management, professional specialties, technical and related support functions and sales occupations. In addition, administrative support and clerical occupations accounted for an additional 20% of total voluntary part-time workers. Executive, administrative and managerial workers alone account for only 5% of all voluntary part-time workers (i.e., 0.7% of the total U.S. work force); if I include technicians and related support, the percentage increases to 8%. Including the professional specialty and sales occupations may be misleading, for although this category includes lawyers and doctors, it also includes such occupations as nursing in which part time positions are treated as secondary labor.

Nine percent of managerial and professional specialty workers held part-time jobs on a voluntary basis as did 19% of technicians, related support functions and sales occupations. However, the opportunity to work part-time diminishes as an employee rises in an organization. According to one survey of 1600 organizations, 29% offered part-time opportunities to professional and

technical staff, 12% to supervisors, 7% to middle managers and only 3% to senior managers.⁷³

Multiple Part-time Labor Markets

A description of part-time employment is complicated by important distinctions between groups of part-time workers. When discussing part-time work in any country it is important to differentiate between "voluntary" part-time workers and those forced to work part-time for lack of full-time employment. In addition, as noted by Hilda Kahne in her book Reconceiving Part-time Work, and elaborated on by Christopher Tilly in his doctoral thesis "Half a Job", there appears to be more than one part-time labor market in the United States. (Tilly's 1989 thesis is based on 82 interviews at 31 companies as well as 15 unions in the insurance and retail businesses.) A very large percentage of part-time workers have few skills and are poorly paid with little job security, opportunity for advancement or benefits.⁷⁴ These workers tend to be concentrated in low-paying service industries and to represent the bottom of the organizational hierarchy. Tilly labels this the 'secondary' part-time labor market.⁷⁵ The dominance of this type of part-time employment in the United States makes analyzing other groups of part-time workers difficult as the statistics on wages, etc. tend to aggregate all part-time workers together.

A much smaller group of part-time workers are highly skilled, and generally receive a pro-rated salary and some proportional amount of benefits.

⁷³ Diane S. Rothberg, "Part-time Professionals: The Flexible Workplace." Personnel Administrator, August 1986, pp. 28 - 39; 104 - 106.

⁷⁴ Tilly.

⁷⁵ Ibid.

This is the group Tilly refers to as "retention" part-time workers who have shifted from full-time status (often following a maternity leave).⁷⁶ Their employers have agreed to accommodate their need to work part-time in order to retain their skills. People in these part-time positions receive high wages, varying degrees of benefits and some opportunity for advancement although the latter may be linked with a return to full-time status. This thesis focuses on employers' motivations, costs and benefits in providing the latter type of part-time employment as well as parental leaves for highly skilled workers in 'white collar' jobs. A third, but somewhat related group, are contingent part-time workers who may be former employees hired back as consultants (as one way to avoid paying benefits) or may be part-time workers hired through a temporary agency. As companies strive to increase their flexibility and move to create a 'core' of permanent employees augmented with contingent employee relationships, the number of contingent part-time workers is likely to increase.⁷⁷

What Determines the Decision to Hire a 'Secondary' Part-time Worker?

Employers' decision to hire a part-time worker is most often in response to a scheduling problem, e.g. to meet peak demands in a cost effective way.⁷⁸ Other considerations may include pay differentials between full and part-time workers as well as who is available to fill the position. However, according to Rebecca Blank, employers rarely subject their decision to an explicit cost/benefit

⁷⁶ Tilly

⁷⁷ Kathleen Christensen, "Women and Contingent Work," *Social Policy*, vol.17, No. 4 (Spring 1987) pps. 15 - 18.

⁷⁸ Blank.

analysis.⁷⁹ In general, the decision to hire secondary part-time workers parallels a company's decision to hire poorly trained, full time workers for low pay, and trades off productivity and higher turnover for lower compensation and in the case of part-time workers, improved scheduling.⁸⁰ The decision to access this labor market is often a strategic one made by senior management in an effort to reduce labor costs.⁸¹ In contrast to other part-time categories, this strategic decision tends to create large numbers of part-time jobs since entire job categories (versus individual positions) are designated to be filled from the secondary part-time labor market.⁸²

Characteristics of Part-time Employment for Professionals

Employer policies creating part-time opportunities for professionals are rare (with the exception of a few leading companies and the federal government). In general, employers shy away from establishing policies for creating these part-time positions, and where policies exist, the decision whether to accommodate a request is usually left to the employee's manager. The company's responsiveness is generally perceived as a 'reward' for particularly good employees and involves a one-on-one negotiation between the employee and supervisor.⁸³ Indeed, several studies indicate that a supervisor's support is critical for the success of a part-time arrangement. Overall, part-time

⁷⁹ Ibid.

⁸⁰ Tilly.

⁸¹ Ibid.

⁸² Ibid.

⁸³ Tilly, p. 195.

professionals are concentrated in health services, banking, financial services, insurance companies and the legal profession and tend to be either women returning to work following childbirth, or older workers approaching or returning from retirement.⁸⁴

- o Salary is typically pro-rated although an hourly rate may be negotiated. Although there is a significant discount on part-time wages in the secondary labor market, this is less of an issue for part-time professionals. In fact, Blank's research shows that part-time professional women may actually be paid a higher (pro-rated) salary than their full-time counterparts.⁸⁵ (This may reflect that often only particularly good employees are granted part-time status.)

- o The extent of benefits provided varies across employers. In some instances benefits are pro-rated by the number of hours worked while in other cases employers offer full benefits to employees working a set minimum of hours. In instances where few hours are worked or the employee's "terms of employment" are altered to those of a consultant, the employer may provide no benefits.⁸⁶

- o Part-time schedules vary as well, although increasingly the number of hours worked (and the corresponding percentage of salary) is based on a total that includes some overtime work as is widely expected of a 'professional' or exempt employee. (e.g. "half-time" might mean 25 hours per week rather than 20 hours to reflect that a full-time incumbent might average 50 hours per week.)⁸⁷

⁸⁴ Barney Olmsted and Suzanne Smith, Creating a Flexible Workplace, (New York: American Management Association, 1989), Chapter 3.

⁸⁵ Blank.

⁸⁶ Ibid.

⁸⁷ Catalyst.

o Certain types of tasks lend themselves to a part-time arrangement. In her book, Reconceiving Part-time Work, Kahne notes that part-time positions are most successful if tasks can be planned ahead, are discrete, are not subject to crisis and can be delegated without tight deadlines.⁸⁸

o According to the most recent Catalyst study, many part-time professional employees are eligible for promotion, particularly for "progression" promotions, e.g. from editor to senior editor.⁸⁹ However, promotion to supervisory or managerial positions tends to be withheld until after the employee returns to full-time status. This restriction appears to be tied into the nature of performance evaluations as discussed in chapter three and to the difficulties of accommodating a part-time manager or supervisor. In addition, promotions and career advancement may be slowed by the nature of part-time professional work as described above, which is perhaps less challenging and may not develop the employee's skills to the same extent as do less predictable assignments.

o Whether a firm budgets using full-time equivalents (FTEs) or headcounts can very much affect a supervisor's willingness or ability to accommodate a request for a part-time position.⁹⁰

Why Do Employers Offer Part-time Employment to Professionals?

⁸⁸ Hilda Kahne, Reconceiving Part-time Work, (Totowa, New Jersey: Rowman & Allanheld Publishers), 1985.

⁸⁹ Catalyst, p. 9.

⁹⁰ Catalyst, p. 19.

Based on survey responses from employers, part-time positions are created most often to avoid turnover costs of searching for and training a replacement for a highly productive employee.⁹¹ As Tilly notes, "Unit costs for a given [part-time] employee tend to be higher, while the cost of availability affects per hour productivity....Thus, companies only extend retention part-time jobs to people whose productivity exceeds that of a possible full-time replacement."⁹² To some extent, rising turnover costs are an outgrowth of changing work force demographics. Equal Employment Opportunity laws have increased the number of women in which a company has already invested and this coupled with demands on women to continue to bear the primary burden for caring for children has increased turnover. As noted by Carol Goldberg, former president of Stop and Shop, "Consider that 54 percent of all new entrants into the work force in the next ten years will be women of childbearing age, 90 percent of whom will become pregnant during the course of their employment. Then consider the expense of recruiting and training replacements for 49 percent of these new entrants only to have the cycle begin again."⁹³ Catalyst's survey showed that 62% of the companies they questioned cited retention as the primary reason for accommodating a request for part-time work. Employers found part-time opportunities an especially effective way to shorten maternity leaves taken by valued employees.⁹⁴

⁹¹ Blank.

⁹² Tilly, p. 136.

⁹³ Carol Goldberg, "Issues in the Corporate Workplace", *New England Journal of Public Policy*, p. 68.

⁹⁴ Catalyst, p. 2.

Other employer motivations for establishing positions for part-time professionals fall into a 'problem-solving' category similar to that used by employers deciding to use poorly skilled workers. By using a part-time arrangement, the company can lower labor costs, meet fluctuating needs for certain skills, or purchase only those skills actually needed by 'deskilling' a job into low skill and high skill segments. The company may then seek a contingent labor relationship with a former employee or self-employed consultant to purchase less than a full-time equivalent of the costly skills.⁹⁵

⁹⁵ Christensen.

Chapter Three: The Issues for Employers in Managing Part-time Professionals

Introduction

In chapter one, I reviewed the national parental leave and part-time employment policies in other countries to provide a context against which to analyze the U.S. case. In chapter two, I described the U.S. parental leave and part-time work environment and the extent to which employers made either opportunity available. I also reviewed differences within the part-time labor market and characteristics of part-time professional employment. In this chapter, I will analyze in greater depth the issues that arise in managing part-time professionals, particularly with respect to indirect costs, and address the genesis of these 'costs' or disincentives for employers to offer part-time work arrangements to professionals.

As noted earlier in this paper, there have been a limited number of surveys on part-time arrangements for managers and professionals. One of the most recent sources is the 1989 study "Flexible Work Arrangements: Establishing Options for Managers and Professionals", conducted in 1988-1989 by Catalyst Inc. Two other in-depth studies of the issue are Nollen's work on permanent part-time employment in 1978 and Christopher Tilly's survey work which formed the basis for his 1989 doctoral thesis at M.I.T. However, the former is over ten years old, while the latter focused more on the secondary labor market than on part-time professionals. Thus, for this chapter, I have drawn heavily upon the Catalyst study, which included in-depth interviews with people in 47 organizations that had experience with flexible work arrangements. In addition, researchers interviewed 78 employees working part-time, job sharing or

telecommuting along with 48 of their managers and 31 co-workers, subordinates and clients.⁹⁶

In an effort to provide some texture to the analysis, and to better understand how part-time arrangements affected the employees' managers, I interviewed three managers of part-time professionals as well as one part-time professional employee. Based upon these sources, I would argue that firms' reluctance to accommodate part-time professionals rests first with the potential part-timer's manager whose workload may well increase as a result of accommodating the part-time arrangement. Second, within a traditionally hierarchical organization, there is an implicit understanding that a manager may accommodate such a request provided that accommodation does not require other groups or work processes to adjust. The risk of poor performance or the burden of additional supervisory costs may discourage a manager who is initially open to the request for a part-time schedule. On the other hand, based upon these limited interviews I would also argue that managers can offer part-time opportunities as a way to attract top performers for demanding staff positions that may lack the sort of high profile career track necessary to attract a comparable performer on a full-time basis. In a sense, these managers are implementing the strategy suggested by Felice Schwartz in her controversial article, "Management Women and The New Facts of Life".

Brief Description of Four Cases

University Administrator

⁹⁶ "Flexible Work Arrangements: Establishing Options for Managers and Professionals", (New York: Catalyst Inc), 1989, p. xi.

In this case, I interviewed the employee rather than the manager. She had negotiated a flexible arrangement as a pre-condition to accepting the position. According to the Catalyst study and my own observation, this is a rare occurrence as retention of a known performer is the primary reason to accommodate a part-time schedule. In this instance, the manager was familiar with the quality of the employee's work through a different context.

The position itself met several of the criteria mentioned by Kahne and described earlier. Responsibilities were task and project oriented and deadlines were known in advance. The previously full-time position was scaled back somewhat, mostly by reducing contact with outside organizations, to accommodate a part-time schedule. However, salary was negotiated based upon total expected hours, including some overtime so that the employee was expected to work a core of 25 hours in the office (four short days) and work up to an additional 15 hours a week at her discretion except during peak load periods when she would work essentially a full-time schedule during normal working hours. The administrator noted that she felt she completed a full-time job in fewer hours because she maintained focus while at the office and because she did not seek to expand the responsibilities of the position. She also cited the defined nature of her tasks as a key factor underlying the success of the arrangement.

In many ways, the administrator's position shared characteristics common to many professional positions that are adapted to part-time status where the incumbents are: "individual contributors not necessarily in management-track positions irrespective of whether they work full- or part-time."⁹⁷ In particular, the position demands a high level of training and intelligence but does not offer an extensive career track or ready opportunities to expand into other areas. In

⁹⁷ Ibid.

this case, the manager used the relative scarcity of stimulating part-time positions to his advantage to attract a highly trained individual whose desire for flexibility may compensate her for the apparent lack of promotion opportunities.

The Economic and Industry Analysis Group

In this case, I interviewed the manager of three part-time professionals who had been chosen to staff a new industry analysis group in the credit department of a large commercial bank. Two of the analysts were young mothers who shared a full-time equivalent position for headcount purposes with each working 2 and 1/2 days. One woman had a previous one-year tenure with the bank and returned in April 1990 after a four month leave. The other woman had worked for the credit department for two years, and was returning from a two year leave of absence. The third part-time professional had worked for the bank several years ago and had left to work elsewhere. She wished to spend more time with her grown children and worked five short days (8:00 a.m. - 2:30 p.m.).

Initially, the department had sought to accommodate the first woman's request for part-time work in the mainstream credit analysis function. The arrangement was judged unsuccessful as the tasks were time sensitive and dependent upon communication with others outside the department, in particular, with lending officers. The latter are accustomed to greater availability of credit analysts and could not or would not accommodate the analyst's shorter work week. Consequently, the immediate manager was required to complete analyses and make last minute adjustments. This was judged as an unsatisfactory situation. As a result, the officer in charge (OIC) of the department had clustered those seeking part-time work arrangements in a new industry analysis group where the schedule for industry analyses was more flexible. (The

manager noted that the OIC was herself a mother with a young child and wanted to accommodate other mothers' needs for flexibility.)

The part-time employees were paid a pro-rated salary and participated in the bank's usual performance review process. The manager felt the analysts were likely to receive "progression" promotions, (e.g. from analyst to senior analyst or from Assistant Credit Officer to Credit Officer) but were unlikely to be promoted to managerial positions while working on a part-time basis. The manager did not expect the part-time analysts to work overtime even though most full-time analysts work more than 40 hours a week. She noted that the part-time employees did take some work home, but not to the same extent as full-time analysts, and she felt that the group's turnaround time was slower as a result of the part-time schedules.

The credit manager was positive about the arrangement, however, as the analysis performed by the part-time employees was more complex than typical credit analysis and she felt the department had been able to attract more experienced, higher-calibre analysts by offering part-time flexibility than they could have attracted on a full-time basis (given the department's salary and career ladder structure). In addition, she noted that the learning curve for industry analysis was much longer than for credit analysis, and thus reducing turnover in this group was particularly valuable. However, the manager noted she would be reluctant to accommodate an average or below average performer's request for part-time work owing to the additional demands the arrangement placed on her time. This is a second example where flexibility was offered as compensation for a slower or less traditional career track in order to attract high achievers.

An Internal Consulting Group

In this case, I interviewed the manager of a group of internal consultants who worked on projects to support various organizations in a large computer company. He manages five people, three of whom work part-time. In general, the part-time consultants worked between 30 and 35 hours per week, generally taking Fridays off or working a short day on Friday. He estimated that department wide, six of forty-five consultants worked on a part-time basis. The manager cited retention as the major advantage to offering part-time opportunities and noted that two of the part-timers were his most experienced employees and served as project managers. Both employees had been promoted while working part-time.

Managing part-time professionals has affected his scheduling of staff meetings which he has moved from Monday mornings to the middle of the day and the middle of the week. In addition, he must think more carefully about what constitutes a reasonable workload for his part-time employees. Although he observed that time sensitive projects tended to be assigned to people in the office, he noted that employees' particular skill sets tended to dictate who was assigned what task, and if necessary he simply re-prioritized an employee's projects. To cope with part-time scheduling issues and relatively frequent parental leaves within the department, this manager noted he tended to "borrow" workers from other managers if necessary. However, he also noted that bringing in a consultant who was unfamiliar with the client increased the training requirements. As a result, this manager felt that he served as a 'back-up' resource and did more actual consulting for clients than he would if all five employees were full-time. While this added effort is recognized through a performance review process that evaluates managers on development of their subordinates and support for affirmative action, he did not directly receive additional compensation for the added effort.

Human Resource Manager in Large Insurance Company

In this case I interviewed the employee relations manager for a large insurance company who also managed a part-time employee. During the course of the interview, she observed that there were several advantages to accommodating part-time schedules for employees such as: part-time employees are more productive than average because they are grateful for the flexibility; the company can retain a productive worker with valuable experience; and continuity is preserved. In addition, she noted that their company had received good public relations as a result of its work and family policies. She also thought that accommodating a good employee's needs improved general morale as other employees recognized they could also access the company's flexible policies should they need to.

The company had an explicit part-time policy that left the decision to accommodate a part-time schedule to the individual manager, but which encouraged flexibility so long as 'business' needs were met. Part-timers working less than 18 hours per week received no benefits, while those working more than 24 hours per week received full benefits. Employees were discouraged from working between 18 and 24 hours. The company chose not to pro-rate benefits in order to minimize benefit administration costs, and budgeted using full-time equivalents so that managers could mix and match schedules. However, the Human Resource manager acknowledged that the high cost of benefits sometimes limited the number of part-time employees a manager was willing to accommodate under his or her budget.

With respect to managing a part-time professional, the manager noted that her greatest challenge was allowing for sufficient time for completion of tasks. In addition, she tends to call her part-time employee at home more

frequently than she does with other employees and has altered staff meeting times.

What Are the Costs and the Benefits to Employers of Part-time Professionals?

In chapter one I noted that there seemed to be a preference among employers operating in other countries to offer employees a leave of absence rather than a part-time position as a means to assist them with balancing career and family issues. Their behavior may imply that employers view part-time arrangements for professionals as a costly proposition. This section will attempt to identify what those costs (and benefits) might be.

According to various sources in the literature, the major advantages for employers who accommodate part-time professionals are:

- o retaining valued workers and reducing turnover;
- o better fit for fluctuating needs (as in the case of a half-year accountant);
- o lower labor costs if the reduced hours are not replaced;
- o lower benefit costs depending upon the negotiated agreement;
- o a positive signal for recruitment purposes i.e., companies with part-time arrangements, or particularly those with part-time policies send a signal to job seekers that they are accommodating to work and family conflicts.
- o lower absenteeism and higher (or unchanged) productivity relative to full-time employees.

The findings in the literature were borne out by both the Catalyst study and those managers I interviewed who cited retaining trained workers as their major incentive for accommodating part-time requests. In addition, in two interviews the respondents believed they could retain and attract more qualified employees

by offering flexibility than they could attract to a similar full-time position owing to the position's lack of a clear career path.

Direct Costs

Employers face a number of higher fixed costs for recruitment, training and administration of part-time professionals since these per person costs are spread over fewer hours of work. In addition, as detailed by Olmsted and Smith, statutory benefits are relatively higher, particularly if two employees are hired on a part-time basis to replace one full time employee.⁹⁸ Employers' Social Security costs are higher if the position is split between two employees and pays more than \$48,000. The added cost would be equal to 7.51% of the difference between \$48,000 and \$96,000. Unemployment benefits vary from state to state but appear to be calculated on a per person rather than per position basis and thus are likely to be higher. Worker's compensation insurance does not rise as it is based on a percentage of payroll. Benefits such as days off for sick leave or vacation can be prorated. Supplementary benefits such as medical insurance are more difficult to pro-rate, but in some instances, employers have pro-rated their contribution to health care coverage, requiring the part-time worker to pay a larger portion of the premium. In addition, employers incur overhead costs for the professional's office space and secretarial support that is "amortized" over fewer hours of work.

Indirect Costs

Although employers tend to cite concern over increasing benefit expenses as one factor deterring them from creating part time positions, indirect costs seem to be more problematic. There are several indirect costs to creating part-time professional positions that are commonly referred to as scheduling difficulties, communication problems and supervision costs. As Tilly notes,

⁹⁸ Olmsted and Smith, Creating a Flexible Workplace, p. 122-123.

while employers of part-time 'secondary' workers gain scheduling flexibility to meet peak demand etc., managers of part-time professionals must flex around the workers' schedule. "Secondary part-time employment brings schedule flexibility and low compensation, but at the expense of high turnover and low productivity. Retention part-time employment ... yields lower turnover and higher productivity, but decreased scheduling convenience and in many cases higher compensation."⁹⁹ In addition, managers responding to his survey cited loss of week long availability, problems with coordinating with other employees, and discontinuity in work flow as particularly difficult challenges they encountered in managing a part-time professional.¹⁰⁰ An additional indirect cost may be pressure to increase benefits offered to 'secondary' part-time workers. Tilly finds that companies that use the most retention part-time employees offer their non-professional part-time workers generous fringe benefits. One reason may be that "...it is not practicable to offer full benefits to some part-time workers and partial benefits to other part-timers."¹⁰¹ Thus, creating part-time retention positions may result in higher benefits for all part-timers.

Supervision Issues

According to Nollen's 1978 study, supervision costs were higher for part-time jobs (versus full-time) that required supervisory support, internal communication, external communication, problem solving, or special projects. He observed that where part-time arrangements were used to meet cyclical

⁹⁹ Tilly, p. 120.

¹⁰⁰ Ibid, p. 122.

¹⁰¹ Ibid, p. 107.

demand, supervisory costs were reduced.¹⁰² In her 1985 analysis, Kahne also acknowledges higher supervision costs for managing part-time professionals, but observes this is to be expected:

" . . . since reorganization of work must take place when alternative work schedules are introduced, and coordination and monitoring functions are greater when there are more workers and a variety of work hours to be meshed with production needs. What is noteworthy is that the costs are not perceived to be greater than they are. . . ." ¹⁰³

Her observations were supported by both the Catalyst study and my small sample of interviews. Each of three managers mentioned that they had to reschedule group meetings to accommodate part-time schedules, and each noted this was not a major issue, but had required them to change their habits.

More significantly, two managers I interviewed noted it was difficult to judge what was an 'appropriate' workload for their part-time employees. In the banking case, the timing of work flow and the need for communication between the analyst and lending officer made scheduling work sufficiently difficult that she altered the analyst's job. At the computer company, the manager I interviewed continued to find scheduling an appropriate workload challenging after the program had been in place for five years. He explained that although a full-time employee could handle lead two projects and contribute to a third, he had found that employees working part-time (and most worked 30-35 hours) could only lead one project while working on a second project, mainly because of communication difficulties.

¹⁰² Stanley D. Nollen, Brenda Broz Eddy, Virginia Hider Martin, Permanent Part-Time Employment: The Manager's Perspective. (New York: Praeger Publishers, 1978).

¹⁰³ Hilda Kahne, Reconceiving Part-time Work, (Totowa, New Jersey: Rowman & Allenheld), 1985.

Scheduling issues affected the assignment of tasks to varying degrees. According to the Catalyst study, a shift to part-time status had relatively little impact on task assignments to co-workers, and in the computer company case the manager noted that employees' skill sets dictated task assignments more than scheduling issues. Thus, he tended to redirect employees' priorities to cope with additional projects. On the other hand, the bank credit manager acknowledged that availability and scheduling issues affected task assignments more than for full-time analysts where projects were assigned on the basis of ability.

In the literature, several sources stress the importance of a supervisor's support to the success of a part-time arrangement for professionals. Indeed, in his study, Nollen's findings conclude that the manager's attitude towards flexibility is a more important predictor of whether a request for part-time work will be accommodated than is the overall corporate culture. "Change-oriented managers with contemporary values encourage the use of part-time employment, even in stable, conservative, and traditional organizations."¹⁰⁴ In the same vein, Rosenberg and McCarthy conclude from their study of over 30 companies that ". . . neither job characteristics nor firm size determine the decision about part-time work scheduling, but rather 'a humanistic philosophy' coupled with business needs play dominant roles."¹⁰⁵

Based upon the Catalyst study and especially on my own interviews, I would argue that supervisors' support may be of crucial importance because the part-time arrangement creates more work for them. According to the Catalyst

¹⁰⁴ Nollen, et. al., p. 107.

¹⁰⁵ Rosenberg and McCarthy as cited by Kahne, p. 129.

study, 21% of the supervisors assumed additional work as a result of the part-time arrangement.¹⁰⁶ Typically, they served as back up supervisors when part-timers were out or assumed the employee's supervisory responsibilities for the duration of the arrangement. In the computer company case, the manager observed that he also served as a 'back-up' resource and did more actual consulting for clients than he would if all five employees were full-time. This impact was indirectly related to the scheduling issue, since to cope with part-time scheduling issues and relatively frequent parental leaves within the department he tended to 'borrow' consultants from other departments. However, these substitutes were not familiar with the clients so that he was forced to become more involved in the day-to-day consulting tasks. The credit manager in the banking case felt she was more involved in the day-to-day work of the group than she was in that of other groups (she manages three section managers who are responsible for four or five analysts each), and noted that their administrative assistant's job had expanded to include occasional back-up research. In addition, she tended to rely on the one part-time employee present all five days to provide back-up support.

Different part-time schedules imply different trade-offs for managers and co-workers. Although each managed several part-timers, the computer manager had to cope with a single day of discontinuity (not that unusual for consultants) while the credit manager had to manage longer absences. In their conclusion, the Catalyst study notes the importance of matching schedules with the expected work flow.¹⁰⁷ They note that five partial days provides the best availability but is

¹⁰⁶ "Flexible Work Arrangements: Establishing Options for Managers and Professionals," (New York: Catalyst, Inc.), 1989.

¹⁰⁷ Ibid.

less appealing to employees as commuting costs are not reduced proportionately with working hours (and salary). A schedule of alternating days provides more coverage during the week, but lacks continuity. Finally, fewer consecutive days allows for undisturbed thought flow but generates longer absences with accompanying communication problems and a lack of availability.¹⁰⁸ In the credit manager's case, the half-week schedule helps analysts perform their complex economic analysis by allowing them to focus for half a week, but complicates issues associated with production and last minute changes in the analyses thus increasing work for other members of the department.

Is Job Technology Important to the Success of a Part-time Arrangement?

In his 1978 study, Nollen researched whether the "technology" of a job affected whether it could be performed on a part-time basis. He defined work technology as "the nature of the job and what it takes to do it" as well as the pattern of external demands made on a work unit.¹⁰⁹ For example, job technology is defined by "requirements for teamwork, co-worker cooperation, communication, training, supervisory support, supervisory responsibility, policy-making responsibility, and problem solving."¹¹⁰ His research refuted prior assumptions that jobs requiring extensive communication or teamwork were not appropriate for part-time work.¹¹¹ However, he did find that jobs with discrete tasks with a defined beginning and end were more easily accommodated

¹⁰⁸ Ibid.

¹⁰⁹ Nollen et. al., p. 85.

¹¹⁰ Ibid, p. 85.

¹¹¹ Ibid, p. 89.

and "...were found significantly more often in part-time than in comparable full-time jobs."¹¹² As noted in chapter two, Kahne also argued that part-time positions are most successful if tasks can be planned ahead, are discrete, are not subject to crisis and can be delegated without tight deadlines. In addition, according to Nollen, part-time positions involved with continuous work processes or having supervisory responsibility were most problematic for employers.¹¹³

The results of the Catalyst study showed less segregation of part-time positions than indicated by Nollen (perhaps reflecting a learning curve in corporations during the intervening decade).¹¹⁴ They note that only 12% of supervisors indicated that their part-time employees' work was more project oriented than that of full-time employees.¹¹⁵ However, antipathy towards part-time supervisors remained, and the Catalyst study noted that some companies prohibit supervisors from working part-time so that certain employees had given up their supervisory responsibilities in order to access part-time opportunities.¹¹⁶ In contrast to the Catalyst study, each of the people I interviewed spontaneously commented that the project-oriented nature of the positions was a major factor in the success of the arrangement.

112 Ibid, p. 87.

113 Ibid.

114 Catalyst.

115 Ibid.

116 Ibid.

Why Might A Project Orientation Make Part-time Arrangements Easier?

There are several plausible explanations why project-oriented tasks are more easily adapted to a part-time schedule than other types of work. First, to the extent that the projects are self-contained, less communication with co-workers or other areas of an organization may be required. In addition, the project may be viewed as "off-line" so that other areas of an organization may not depend upon timely completion of the project. Where this is the case, the manager of a part-time professional need not be so concerned about estimating an appropriate workload for the part-time employee. The case of the bank credit manager provides a good illustration of this point. Credit analyses, while 'discrete' tasks with a beginning and an end, are an integral part of the lending decision. The loan can not be approved without an analysis, and the lending officer has a vested interest in the content of the analysis so that he or she is involved in negotiating last minute changes, etc. In contrast, industry analyses do not directly affect a particular lending decision (although they do affect lending limits to a certain industry), and although the analyst will seek information from the lending officers, the latter's performance (i.e. the ability to make loans) is not tied directly to the analyst's product. Second, assigning a part-time employee to a specific project may facilitate performance evaluation as there is an identifiable product which can be evaluated. In addition, the extent to which 'overtime' is necessary is more evident for both the supervisor and the employee. This issue is discussed further in the next section.

Third, the ad hoc nature of most part-time arrangements and an individual manager's relative power in the corporate structure may be an additional factor that makes project oriented part-time jobs easier to manage. As noted in chapter two, most part-time arrangements for professionals are negotiated between the employee and manager. Moreover, the manager's

willingness to accommodate an employee's request will depend in part on an implicit trade-off between adapting to a new schedule or losing an experienced worker. In many instances, the manager can also expect his or her own workload to increase as a result of the arrangement. As noted in the Catalyst study, and underscored in interviews I conducted, managers are generally satisfied that the 'gains' from keeping a top performing employee are 'worth' the aggravation and inconvenience they may encounter.¹¹⁷ However, employees in other areas of the organization do not have the same incentives to adapt to an unusual schedule and failures in communication or disruptions to the "normal" workflow schedule may reflect poorly on the manager responsible for the part-time employee. Project-oriented work tends to occur outside the normal workflow and is therefore identified as 'different' by individuals throughout an organization, and thus the part-time employee's 'abnormal' workflow may be more readily accepted by colleagues outside the department with less risk or anxiety for the manager.

The Difficulties in Reorganizing Work

Accommodating part-time professionals, particularly those whose work is not project oriented, requires that supervisors and managers change their habits. In general, there is a pervasive resistance to change in most organizations and in most people that may explain employers' reluctance to offer part-time positions or adopt a part-time policy. This reluctance may account for the observation first

¹¹⁷ According to Rebecca Blank, in "Part-time and Temporary Work", managers rarely conduct a formal cost/benefit analysis before deciding whether to accommodate a request for a part-time schedule although they are likely to make a qualitative assessment of the potential trade-offs and how troublesome it would be to replace the employee.

made by Nollen and reiterated by Tilly that non-users of part-time workers cite problems and barriers that are not mentioned by actual supervisors and managers of part-time workers. In addition, pure prejudice against part-time workers as being less committed and reliable may hinder the adoption of a part-time policy. As Dana Friedman, in her article, "Work and Family: The New Strategic Plan", notes, prejudices can be based on management beliefs such as a suspicion that employees will abuse their privileges, all workers must be treated alike, presence equals performance, and hours worked equals output.¹¹⁸

For most companies, the underlying organizational barriers to accommodating more requests for part-time arrangements or expanding the supply of part-time positions for professionals seem to lie in part in traditional management techniques, especially performance evaluation, and in the hierarchical nature of most organizations. Unfortunately, as is discussed below, less hierarchical companies that evaluate performance based on achievement may not be any more accommodating as additional communication costs and greater demands on employees' time and energy may also discourage widespread use of part-time professional workers.

The impact of traditional management techniques and structure on the adoption of flexible work arrangements has received the most attention in the literature on telecommuting and home work. In her paper, "The Moral Fabric of the Office", Constance Perin makes an anthropological analysis of managerial techniques that affect the degree to which telecommuting is accepted in an organization.¹¹⁹ She argues that in 'traditional' organizations, the definitions

¹¹⁸ Dana E. Friedman, "Work and Family: The New Strategic Plan," Human Resource Planning, Volume 13, Number 2 (1990), p. 86.

¹¹⁹ Constance Perin, "The Moral Fabric of the Office: Panopticon Discourse and Schedule Flexibilities," To appear in Research in the Sociology of

and concepts of management, authority, legitimacy and trust are founded in 18th century theory that equates supervision with surveillance. Thus, managers are suspicious if they do not see the work performed or the cause of delays developing.¹²⁰ In addition, in her analysis of traditional management techniques Perin observes that managers find it difficult not to have workers available all week because of flaws in their own work processes and the need for access to employees to meet the consequences of poor planning.¹²¹ “Moreover, managers’ work processes—their schedules, deadlines, and crises especially—lead them to insist on employees’ continuous presence and their immediate availability to attend ubiquitous meetings (Mintzberg 1980; Panko 1984), thus reinforcing both the single norm for arrival time and the necessity for overtime.”¹²² (She also observes that an employee’s presence in the office can help determine the type of assignments and/or challenges they are given which in turn is likely to determine career success.)

Perin’s analysis seems somewhat harsh as she does not consider the costs to the organization or the increased stress for a manager of having to adjust and give delegation of tasks or adjustments in scheduling higher priority than say communication or group problem-solving. In addition, she does not address the possibility that all work can not be planned well in advance as external circumstances change, and can require even the most competent manager to

Organizations, Samuel Bacharach, Stephen R. Barley, Pamela S. Tolbert, eds. JAI Press, 1990, p. 18.

120 Ibid.

121 Ibid.

122 Ibid.

adapt or change schedules. Thus, in accommodating a part-time professional, the manager's flexibility to meet external challenges may be reduced.

Nevertheless, as noted in 1978 by Nollen and corroborated by further research, some managers of part-time workers acknowledge that adapting to the demands of managing part-timers forced them to become more efficient managers.

Additional barriers to managing part-time professionals are identified by Lotte Bailyn in "Changing Conditions of Work" and focus on issues of performance evaluation. First, the typical paid professional is expected to work overtime, and managers are uncertain how to address the issue of overtime with part-time arrangements, but are reluctant to convey 'professional' status on employees unwilling to work as needed. Bailyn observes that the amount of time an employee spends at work is seen as a proxy for his or her commitment and productivity so that this visibility becomes key to advancement.¹²³ Perin also builds on this point, asserting that performance evaluations tend to be based on inputs rather than what employees produce and that personal evaluations tend to be vague and strongly influenced by both personal and professional attributes.¹²⁴ Both Perin and Bailyn make the argument that managers are reluctant to establish part-time positions because they cannot evaluate performance using their traditional methods, and fear the costs and inconvenience of changing. Bailyn cites 'management by walking around' as one potential barrier to increased flexibility and observes that "Such a definition of managerial control resides in the principles of hierarchy, still firmly

¹²³ Lotte Bailyn, "Changing the Conditions of Work: Responding to Increasing Work Force Diversity and New Family Patterns," To appear in T. Kochan and M. Useem (eds.), Transforming Organizations, (New York: Oxford University Press), 1990, p.10.

¹²⁴ Perin.

embedded in business organizations, and on the difficulties of specifying clearly the output goals of work.”¹²⁵

Rosabeth Moss Kanter’s analysis of how organizations are changing provides insight into why less traditional organizations may also experience difficulty adapting to the part-time professional. In her article, “The New Workforce” (1986), Kanter observes that initially, innovative companies were viewed as potentially more positive environments for employees (such as women) with outside responsibilities who sought greater flexibility in order to balance career and family demands.¹²⁶ However, she notes that an emphasis on innovation and a move to flatter work organizations has increased demands on employees time. “Most of the new workplace systems increase the absorptiveness of work. The chances to earn performance bonuses, or share in productivity gains, or get funding for special entrepreneurial ventures or participate in innovations – all of these increase, rather than decrease, the time demands.”¹²⁷ Kanter elaborates on this problem in When Giants Learn to Dance. She notes that as bureaucracies flatten and become leaner, fewer people must accomplish more, and they must communicate more thoroughly.¹²⁸ In addition, participative management requires time consuming consensus while task forces and more joint projects reduce the number of discrete tasks. While Kanter does

¹²⁵ Ibid, p. 16.

¹²⁶ Rosabeth Moss Kanter, “The New Workforce Meets the Changing Workplace: Strains, Dilemmas, and Contradictions in Attempts to Implement Participative and Entrepreneurial Management,” Human Resource Management, Winter 1986, Vol. 25, Number 4, p. 532.

¹²⁷ Ibid.

¹²⁸ Ibid.

not explicitly address the issue of part-time work, the changes she describes run counter to Kahne's (and others) description of the type of jobs that lend themselves to part-time arrangements.¹²⁹

In contrast, there are some trends occurring in U.S. companies that may increase their willingness to accommodate part-time workers. According to Kanter, one response of organizations to the need for increased flexibility has been to increase their use of contingent labor and decrease the job security they offer employees.¹³⁰ Kanter notes that highly skilled employees in today's market seek 'employability' by working on defined projects that build their skills.¹³¹ To the extent that companies become less attached to a system of career ladders and move towards project-based skill development and guaranteeing 'employability' rather than lifelong employment, the underlying changes in how employees are evaluated may actually enhance the organization's ability to accommodate part-time professionals. For example, performance would likely replace time worked as the basis for assigning subsequent projects.¹³² Such an evolution would likely reduce the barriers to part-time arrangements that stem from hierarchical workflow 'norms', but increase the problems stemming from communication needs. However, these barriers may be more easily overcome through part-time arrangements such as job-sharing where the part-time professionals share the responsibilities of a single position and assume responsibility for ensuring smooth communication.

¹²⁹ Rosabeth Moss Kanter, When Giants Learn to Dance. (New York: Simon & Schuster Inc.), 1989.

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Ibid.

As the above cases and the Catalyst study indicate, the challenges of managing part-time professionals are still a supervisor by supervisor experience. Nevertheless, a more systematic understanding of the direct and indirect costs of accommodating part-time professionals is slowly evolving and may allow more companies to encourage this arrangement in the future. In addition, as companies endeavor to enhance the flexibility of their response to increased competition, they may find it advantageous to move beyond 'traditional' part-time arrangements and embrace less familiar arrangements such as job sharing.

Chapter 4: Conclusion

The public policy context in which U.S. companies operate is dramatically different from that facing their counterparts in most other OECD countries. In the United States, public policy emphasis has been on enforcing equal employment opportunity laws while family related issues have been purposely left to individuals and employers to negotiate. In contrast, the French, German and Swedish governments have implemented policies designed to ensure minimum standards of care for children and to create a work environment that preserves time for the family and protects employees. A result of these different orientations is a much stronger bifurcation of the part-time labor market in the United States, (and the United Kingdom) where (mostly women) employees with little training are required to accept low wages and few benefits in order to access a flexible work schedule. In addition, both parental leave and part-time provisions by U. S. employers tend to be significantly shorter than those offered by companies in other countries. However, parental leave and part-time policies do not appear to have a direct impact on female labor participation rates. Both France and Germany have extensive supportive policies, but relatively low participation rates. In contrast, state provision for child care does seem to have a positive impact on the labor participation rates of mothers with young children.

Despite the wide variety of operating environments, companies' motivations for hiring part-time employees (except for lower wages which only U.S. and U.K. employers can access) were remarkably similar. This similarity indicates that the main constraints and motivations for hiring part-time workers are found at the organization level, and are fairly immune to companies' wider political context. All of the companies interviewed cited retention of trained workers as the primary reason for extending additional flexibility, either through

leaves or part-time schedules, to employees in management level or technical jobs. Among the German companies interviewed by Ellen Galinsky, however, there was less use of ad hoc negotiation with highly skilled employees, and a tendency to adopt company-wide policies. This may reflect the strong role of co-determination and collective bargaining on employer practices in that country. With respect to less skilled workers, part-time employment was generally created to solve scheduling problems or staff peak demand periods. As discussed in chapter two, U.S. companies may also hire unskilled workers on a part-time basis as part of a corporate strategy to lower labor costs.¹³³

One other major difference between U. S. employers on the one hand, and German and U. K. employers on the other, was an apparent preference among the latter to offer skilled employees longer career breaks rather than part-time schedules as a way to accommodate family demands. This difference may be attributable to differences in the extent to which U. K. and German employers have invested in their employees. Two factors affect the cost of replacing employees. One set of costs is search related and varies with economic cycles as well as the extent to which skills are available in the labor market. The other set of costs relate to training and replacing an employee who has gained firm specific skills. These costs rise as the employee's responsibilities and experience increase. Since women in the U. S. have experienced greater advancement into managerial and professional positions, their more extensive firm specific skills may cause U. S. employers to seek to capture their skills on a part-time basis rather than attempt to replace them for one to three years.

In the United States, the decision to permit a highly skilled 'professional' to work part-time is generally made on an ad hoc basis by the employee's

¹³³Tilly.

manager, and as in other countries, skill retention is the primary motive. Although firm's direct labor costs, such as statutory benefits and salary, can increase as a result of part-time employment, the indirect costs appear to be a more important consideration in the decision to accommodate a part-time schedule. Drawing upon several different studies, the other determining factors for that decision appear to be the manager's attitude towards change, the nature of the tasks performed, and the manager's qualitative assessment of the costs of replacing the employee's skills. In addition, selected interviews revealed that managers may be influenced by how much additional work the arrangement may create for themselves. Other barriers to accommodating part-time professionals stem from the decision maker's position in the hierarchical structure of most companies, and management methods that tend to be based more on time worked than on the quality and quantity of what is produced. In general, U. S. companies avoid corporate part-time policies that mandate accommodating all part-time requests; part-time schedules instead are treated as a reward for highly productive, 'proven' performers.

From the employer's perspective, the U. S. companies operate in a favorable environment vis-a-vis their freedom to negotiate terms of employment with employees. The firm is not compelled to provide part-time work, but can adapt as each situation dictates. However, there are potential costs for the corporation. In particular, the ad hoc nature of the negotiation, and that it is left to the affected manager introduces the risk that requests from very productive workers may be denied. For example, the manager may avoid change or may seek to minimize their own work load. In addition, they may not accurately estimate the search and replacement costs for the corporation and may overestimate the likely barriers to a successful part-time arrangement. Thus, as noted by Felice Schwartz in her infamous article, companies need to understand

their turnover costs in terms of human resource staffing, lost management time owing to interviewing, etc. and educate managers about those costs.¹³⁴ In addition, companies should survey their own internal labor market--that is, how many women (especially of childbearing/rearing age) and how many employees nearing retirement (an issue/group not really addressed in this paper) they employ as well as track the extent to which there is turnover in these populations.¹³⁵ Once turnover costs are known, and management can estimate what percentage of their workforce may need additional flexibility in the future, they can then better assess the extent to which their corporate hierarchy and 'way of doing business' may help or hinder accommodating flexible schedules.

The extent to which companies will embrace flexibility is likely to change only slowly, and existing practices among U. S. employers suggests that 'professional' employees who may wish to work part-time need to adopt a specific employment strategy. They should first seek out a manager who is flexible and adaptable, as well as positions where tasks and projects are well defined. Second, they need to establish a strong performance record with an employer. In addition, they should seek out firm-specific assignments and ways to encourage the company to invest heavily in their training as a way to strengthen their position when negotiating for a part-time schedule.

¹³⁴ Felice Schwartz, "Management Women and The New Facts of Life".

¹³⁵ Ibid.

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