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THE HUMAN FACTOR By Jeffrey Pfeffer



## IT'S TIME TO LIVE UP TO FAMILY VALUES

WHAT'S GOOD FOR WORKERS IS GOOD FOR BOTH COMPANIES AND THE ECONOMY. BUT WHEN IT COMES TO WORK-LIFE BALANCE, MOST U.S. EMPLOYERS STILL DON'T GET IT.

**A**S TECHNOLOGY COMPANIES SEARCH FROM INDIA to Eastern Europe for talent, and employers of day laborers decry attempts to cut off the supply from Latin America, CEOs seem to have overlooked one way of at least partly remedying the worker-shortage problem: Make their companies more family-friendly.

Economic growth depends on growth in the labor force, and that, in turn, comes either from immigration or from having more births than deaths. The decline in the U.S. birth rate is why about half of our recent labor-force growth has come from immigration. People are having smaller families for many reasons, but as Nuria Chinchilla, a professor at the Spanish business school IESE, explains, when there is a conflict between work and family, work almost always wins. Forget the family-values rhetoric you hear so often from business leaders and politicians: By and large, American companies still don't practice what they preach.

Consider: 86 million American workers do not get a single day off to care for a sick child, and the United States is alone among the world's major economic powers in not requiring employers to provide paid sick days. It is also the only industrialized nation without a policy of paid leave for infant care. Even the 12 weeks of unpaid family leave mandated by federal law has met with resistance from employers. Many employees don't get paid vacations, and those who do often don't take all the time they're allotted. Meanwhile, work hours have soared, with the combined figure for dual-earner couples with young children rising 10 hours a week over the past two decades.

All this, despite plenty of evidence that supporting employees' families is good for the bottom line. The most dramatic change during the past decade for companies on *Fortune's* list of the best companies to work for has been improved work-family ben-

efits—and the companies on this list typically beat benchmarks for shareholder return. In a world in which attracting and retaining talent is crucial for success, younger employees rate having a schedule that permits them to spend more time with their families as the single most important factor in choosing a job.

The downside of not providing a flexible workplace is just as clear. According to a recent study by

CompPsych, which handles behavioral health services for employers worldwide, 77 percent of workers surveyed reported going to the office when

sick—behavior that isn't good for their co-workers or their own performance. Other data suggests that people who face work-family conflict are more likely to suffer from mood disorders and substance abuse.

Employers may complain about the costs of flexibility, but a lot of the necessary changes aren't very expensive.

Family obligations vary with individuals' specific circumstances, but most employers have policies that apply equally to everyone at all times. Although this consistency might seem fair, treating people with vastly different needs identically not only isn't fair, but doesn't make sense. Policies that permit employees to job-share, have

flexible hours, or telecommute make it possible for people to have both a work life and a family life.

Many problems, from employee shortages to job performance, have as one cause corporate policies that make work-family balance an impossible goal. With so much at stake, it's time for companies to do something about it. ■

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