

Career Consequences of Flexible Work Practices in a Changing Context:  
Evidence from the Work, Family & Health Network Study

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*Background*

Gender inequality in the work place is a well-known problem that has been written about extensively by scholars and in the popular media. In addition to a documented pay gap between men and women, there are also fewer women than men holding management and high-level positions in the work force (Cohen et al. 2009). One of the many reasons used to explain the observed difference in the labor market outcomes for men and women is the lack of family-friendly policies that facilitate combining extensive family responsibilities (currently more common among women) and full-time careers. This seems to be the case for especially college educated women, as was seen in the many recent articles in the popular press about the difficulties of balancing time intensive jobs and family (ex: Ann Marie Slaughter's piece in the *Atlantic*). There is often a call for making workplaces more amenable to a work-life or work-family "balance" by allowing remote work options or other flexible work arrangements. However, previous research has shown negative career consequences for utilizing flexible work arrangements, especially for women and mothers (Glass 2004; Leslie et al. 2012). In this case, the proposed solution could actually be reinforcing gender inequality in economic outcomes.

Recently there have been workplace initiatives across various companies to attract employees focused on work-family policies, often specifically focused on retaining women (ex: onsite daycare, longer paid maternity leave, etc). Other workplace initiatives have focused on changing the workplace culture with a focus on increased employee schedule control. These latter initiatives are rolled out to everyone, regardless of gender or family demands, as a way to increase work group productivity and also promote employee wellness (Kelly et al., 2011; Moen et al., 2011). While policies aimed directly at women or parents could increase the stigma of use and thus increase economic penalties of use, broad workplace initiatives may actually reduce the stigma of working from home and using a flexible schedule to accommodate families. This study investigates the relationship between flexible work practices and career consequences in a firm with a broad work-family initiative.

*Data and Study*

This paper uses the Work, Family & Health Network (WFHN) group-randomized control trial within information technology (IT) division of a U.S. Fortune 500 organization to study a work-family initiative. Groups of employees and their managers were randomized to participate in this workplace initiative or continue work as usual. The initiative was called STAR and aimed to

modify the practices and interactions within this workplace, specifically targeting employees' control over when and where they work and supervisors' support for family (Kelly et al 2014; Kossek et al 2013). One critical difference between STAR and most flexible work arrangements is that all employees in a work group are invited to STAR training and invited to decide when, where, and how they work, in consultation with their team, rather than having individual employees request a flexible work arrangement that must be approved by their manager.

This randomized control design allows us to compare the employees going through the STAR initiative to those continuing with the usual practice before and after STAR implementation. Employees and managers in the STAR and control groups were surveyed before and during the STAR intervention, and information was collected on the individuals' work practices during each wave of the survey. This paper uses the first two waves of the survey, and includes respondents that answered the survey at both time points (about 87% of the baseline survey respondents). In addition, administrative data from the company's human resources (HR) database is available for survey participants who gave permission to access their HR records. More than 90% of respondents gave permission to use their administrative data, bringing the sample size to 925 employees and managers total, with about half in the STAR group and half in the control group.

We examine the relationship between flexible work practices and career outcomes using the survey and administrative data from the WFHN group-randomized trial. This study provides a unique opportunity to investigate flexible work practices and career penalties among professional/technical workers and to estimate the effect of the workplace intervention on career penalties related to flexible work. The flexible work measures used will include reporting a variable schedule, the percent of work performed remotely and hours worked between 6pm and 8am. Yearly performance evaluations and bonuses are the career outcome measures from the administrative data.

We address the following research questions:

1. Do employees and managers at this firm experience a career penalty for use of flexible work practices?
2. Does the STAR intervention mitigate career penalties tied to these flexible work practices?
3. Do men and women experience career penalties and STAR intervention effect on career penalties differently?

Because the data used for this sample was collected over two years and used a randomized control design, this offers an improvement upon some previous cross sectional research in this field (Weeden 2005, Leslie et al. 2012). This research also adds to the broader literature on gender inequality in the workplace by examining a possible workplace solution to reduce gender inequality in economic outcomes.

### *Preliminary Results*

A preliminary descriptive analysis of the data suggests that utilization of flexible work practices is *not* associated with lower performance evaluations and bonuses for all employees. This may reflect the fact that the technical work performed by most of these IT workers can be evaluated objectively, so that performance and rewards are not allocated based on “face time” in this setting. However, when we analyze the association between remote work and organizational rewards, we see that employees in the control group have smaller bonuses (about \$2000 less) if they spend at least 25% of their work hours at home.

Reporting a variable schedule and working between 6pm and 8am are associated with *higher* performance ratings and bonuses. However, these work practices are closely tied to working more hours overall, which is a strong predictor of having higher performance evaluations and bonuses at the baseline survey time point for both experimental conditions and over time in the control group. These findings suggest that variable schedules and evening/night work are linked to longer work hours and those additional hours are rewarded by the organization.

Our initial analyses suggest that STAR may alter the calculus connecting flexible work practices – normalizing these new work practices so that they are less consequential for careers. The performance rating and bonus increases for those working variable schedules dissipate under STAR for both men and women. Also, by wave 2 there is no difference in bonus for the women and men in the STAR group if they work at least 25% of their hours remotely. These findings suggest that STAR is reducing the negative consequence associated with utilizing a flexible schedule.

### *Continuing Analysis*

The relationship between flexible work practices, career outcomes and the effect of the workplace intervention will be investigated further using additional measures of career outcomes and flexible work practices and using multilevel models (with employees nested in work groups) over the two waves of data. These models will examine the effect of flexible work practices on the career outcomes over the two time periods between the intervention and control groups. In addition to the flexible work practices mentioned above, we also plan to examine use of paid leave and paid time off as flexible work measures.

Other research finds that managers evaluate workers who use flexible work practices differently depending on whether they believe the work arrangement is motivated by client/productivity needs or family needs, with use for family needs being evaluated negatively and use for client/productivity needs is evaluated positively (Leslie et al. 2012). We will investigate the

impact of reason for flexible work in this paper, and these models will be estimated for men and women to assess whether the intervention decreases gender inequality in economic outcomes. Additionally, women with children have been found to have different career penalties than women without children (Konrad and Yang 2012), thus parenthood will also be incorporated into our models.

### *Summary*

This paper utilizes survey and human resources data from an information technology (IT) division of a U.S. Fortune 500 organization to understand the relationship between flexible work practices potential career penalties. Our data are from a group-randomized control trial of a work-family initiative at this organization designed to increase employees' schedule control and their supervisors' support for family and personal life. Since the initiative includes blanket approval for remote work and variable schedules, this work group level intervention should reduce the stigma and the penalties associated with using flexible work options. Preliminary results show evidence of a reduction in career penalties for initiative participants, and this paper will utilize this unique data to further investigate these relationships. The results from this paper directly speak to the discussion of workplace and economic inequality by providing insight into the effects of a work-family initiative on career outcomes.

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