

Striving for balance

Economists view societies as forever reaching for balance. We conceive economic systems as moving towards “steady states” and visualize markets in general equilibrium. These are our particular Utopias, situations where everybody is content enough that nobody wants to change the status quo. And while those may not truly exist, it is a good thing that we try for them, because extremes are more often than not situations with winners and losers. It is usually technological progress that brings about opportunities for growth and development; “irresistible” opportunities that push societies to extremes. Advances in medicine, chemistry and genetics vastly increase food production, and extend our lives further than our parents expected. These are undoubtedly good things... that bring problems of their own. Problems of a practical nature, like worries about poisons in the food and ecosystems destroyed by pesticides, but also of ethical nature, like whether one has the right to choose not to go through a medical condition that is unbearable to the sufferer. Offering solutions to these problems moves societies towards equilibrium. Drawing attention to situations where balance is needed is one of the tasks of scientists.

One of such situations is the increase in two earner households over the past 40 years. The massive incorporation of women to the labour force has changed the structure of the labour market placing an increasing burden on dual earners families and single parents to balance work and family demands. According to recent estimates from the Labour Force Survey, in 2002 72% of all couples were dual earners (up from 33% in 1965), as were over 60% of all Canadian households with dependents. Moreover, 63% of all single parents work. Consequences of the work-family conflict range from mental health disorders, physical health problems, family strain, and employee absenteeism, high turnover rates and low productivity. Working parents’ mental and physical health as well as their employer’s perceived and actual support in the work-family conflict, affect productivity, job commitment, and children’s welfare. Therefore, issues of work-family conflict and their influence on workers and firm outcomes, as well as their potential resolution, should not lack for a wide audience.

Research in the area is divided between studies that focus on employer benefits of implementing family friendly practices and studies focussing on the effects of policies for workers. Both concentrate on the availability of benefits to workers, with virtually no

studies considering the use of benefits by workers. This is somewhat surprising. Given the magnitude of the work-family conflict described in the literature, one would expect to observe high rates of use conditional on availability, or among certain groups, like female workers or single parents. Yet, overall usage of employer provided benefits is relatively low, suggesting first that availability does not imply use and second casting doubt about the effectiveness of these policies to lessen work-family conflicts. Benefits appear to be available to workers who do not use them either because they find them unnecessary or unsuitable to their needs. For example, flexible work hours may be of little use to families with pre-school children, as many working parents will want to use full-time child care and full-time care is mostly available during regular work hours. It may be most useful to parents with informal care arrangements who work part-time and may need to schedule their work around caregiver availability. Working from home may have limited usefulness to parents as a substitute for regular care, but be useful to parents of school age children, as it reduces commuting time. Further, while childcare or eldercare may be quite useful, it will only be useful to workers with young children and eldercare responsibilities. Low wage workers may prefer less expensive, informal care options to expensive workplace arrangements. More generally, it could be the case that the benefit, or a combination of benefits, is available to both parents and only one of them uses it. The lack of need for benefits can explain low usage, but so can the lack of availability of benefits. If workers who need or would like benefits and would use them have no access to them, it would explain the low numbers of users.

What appears obvious is that if we want to ascertain the extent to which these benefits contribute to lessen work-family conflict, we are interested in use, rather than availability, of benefits. In our work, “The Incidence of Family Friendly Benefits in Canada”, we seek to determine the factors that contribute to the use of employer provided family friendly benefits among Canadian workers taking into account the non random provision of benefit availability. The paper significantly fills the gap in the Canadian empirical literature by providing estimates of incidence of use of benefits using a nationally representative survey of workplaces and employees. In addition, and more importantly, by distinguishing use from availability, we are able to offer some insight on the constraints that families with dependents may face in taking advantage of these benefits.

Government's involvement in the provision of family friendly benefits typically consists of the regulation of leave, pregnancy related insurance and the regulation of and subsidies for schooling/care for children. However, employer provided benefits, practices introduced voluntarily by the firms to help workers to reconcile the demands of work and family life, introduce an additional degree of flexibility for workers with families, even in countries with significant welfare states. For instance, families may find convenient the possibility of working from home to save commuting time, or to have flexible schedules. These are types of family friendly practices that depend mainly on the firm and can hardly be subject to regulation. Firms have different instruments at hand to help employees to deal with work-family conflict: a) Facilitating (paid/unpaid) leave from work for family reasons b) Facilitating changes in the work schedule and or work location c) Family support policies, which offer practical help with child/elder care assistance.

Our results suggest that workers are striving for balance and that more workers would use family friendly benefits if they were available to them. However, we also find that some benefits, like flexible schedules, are not used by full time workers to solve the family-work conflicts, while others, like family support services, are offered to workers who are in no dire need of them. On the other hand, female workers, particularly educated females, seem to choose to work in firms that offer the possibility of working from home and that this choice appears to be motivated by the existence of family demands. In addition, female workers choose to work both fewer hours and at home. Having school aged children is a significant determinant of this choice. These findings suggest some scope of action for firms, for instance firms interested in helping female workers with work-life issues may consider offering working from home as an alternative to office work. However, with few exceptions, the results just reveal that, as currently offered, firm provided benefits are of scarce interest to workers in the solution of work-family conflict. This may be due to technological constraints that limit availability of benefits (for instance a small retail firm may not be able to offer on-site childcare or the possibility of working from home to their employees), or to the fact that workers are not able to use services that are in theory available, as many family friendly benefits are not explicit firm policies but are left to the discretion of managers.

Our study joins an increasing body of literature that stresses the need to increase the options to workers with families and outline an important role for the government in the provision of benefits. Since the benefits that would appear to be most helpful to workers (family benefits and telework) are difficult to implement for many firms because of technical constraints, governments remain a major player in the provision of solutions to the work-family conflict. In addition, gender differences in the use of benefits indicate that females still carry the main burden of family responsibilities. Therefore, there is still a considerable amount of room for public policy in facilitating equal gender roles in the provision of family care and in easing the work-family conflict. Public policy can assist in the resolution of work family conflict through a variety of programs including funded extended parental leave and convenient and affordable child care arrangements but could also provide incentives that deter firms from discriminating against employees using family benefits.