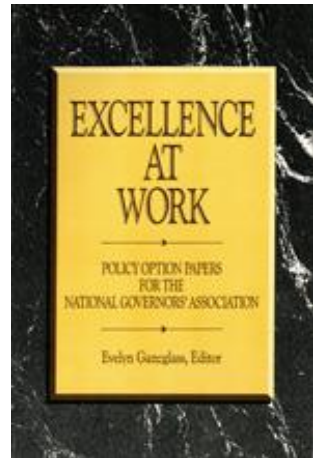

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New Ways to Work

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The Flexible Workplace

Implications for State Employment Policy and Regulations

Barney Olmsted and Stephen Trippe
New Ways to Work

In the 1930s, the Fair Labor Standards Act (FLSA) established the 40-hour workweek as a means of protecting workers and spreading employment. Since that time, all federal and state employment policy and regulations have been developed, implemented, and amended based on this 40-hour standard. These policies and practices served to provide protections for workers and established a framework around which a production-based, industrial economy flourished in the United States through the 1960s.

Until the 1970s, standardizing worktime and other employment policy was widely held to be a means of achieving both efficiency and equity. As the workforce has become more diverse, however, this view has begun to change. In 1975, Paul Dickson, in his book *The Future of the Workplace*, wrote:

There are few facets to the Western way of work which are more depressing and unimaginative than the way in which work time is arranged for us. Our jobs generally demand 40 hours of service in five consecutive eight-hour clips, during which we obediently come and go at rush hours appointed by others. (p. 209)

During the 1970s, new ways of looking at worktime began to emerge. By 1981, a Work in America Institute policy study, "New Work Schedules for a Changing Society," reported that more than a fifth of the United States workforce was employed on flexible, compressed, or reduced work schedules. Clearly, forces for change had begun to reshape the standard workweek.

The emergence of the flexible workplace creates new challenges for both state and federal policymakers. Current regulations are based on the premise that workers generally:

- work a standard, Monday through Friday, eight-hour-per-day, 40-hour workweek;
- maintain the traditional employer/employee relationship and derive the benefits and protections afforded that relationship;
- perform their duties on site, at a specific place of work maintained by the employer.

These conditions no longer apply to a growing number of American workers. Over the past two decades business and industry in the United States, responding to a variety of economic and social forces, have reshaped the workday and redefined the relationships between employers and their employees. “Lean and mean” has become an organizational objective. New phrases such as “flexibility,” and new work arrangements such as telecommuting, job sharing and contingent employment have come into usage with little or no examination and policy debate. The concepts and employment arrangements that they represent, however, have radical implications for our workplace and our society.

It is these arrangements and their relationships to current employment policies and regulations that this paper will examine. Flexibility—for organizations on the one hand and individuals on the other—is a critical issue for our economy and our society. It is important that the way in which flexibility is achieved be carefully examined. Will flexibility be introduced and implemented in ways that benefit both the workplace and the workers, or will flexible practices exploit workers' needs for more flexibility in order to balance their work and personal lives, forcing them to trade health benefits, upward career mobility, and employment security for a wider variety of work time choice?

The answer to this question may well decide whether the United States remains a land of opportunity for all, with rising productivity based on high skill levels, or whether it becomes a two-tiered society with a small, affluent elite supported by a labor force with dwindling expectations.

This paper includes a brief overview of the emergence of flexible work arrangements, the social and economic forces driving their usage, and a discussion of the current and anticipated trends regarding their growth. The section on definitions of the major alternative work options includes a discussion of appropriate applications and legislative implications. A final segment summarizes recommendations regarding state employment policies.

History and Growth of Flexible Work Arrangements

A Changing Workforce Needs More Flexibility

The forces behind the emergence of flexible work arrangements are complex and have their origin in aspects of the broader changes that have taken place within both the society and the economy in the last two decades. Some of the critical social changes have been in the following areas.

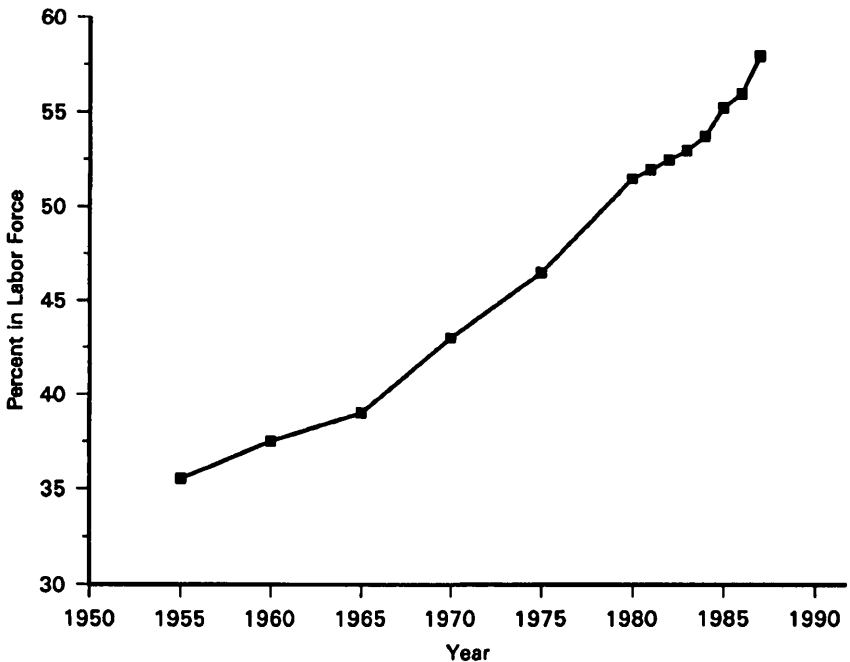
Changes in Female Labor Force Participation Rates and the Emergence of Work/Family Stress

In terms of workforce pressures for more flexibility and the development of new work schedules, the most significant aspect has been the change in labor force participation rates of women with young children. In March 1988, the Bureau of Labor Statistics (1988) reported that 55.9 percent of women 16 years and over with children under three were in the labor force and that 73 percent of mothers with children age six and over were working. By the year 2000, approximately 61 percent of working-age women will be working (see Figure 4.1), comprising 47 percent of the labor force. Since the numbers of young children under five have also been increasing since 1980 (Figure 4.2), we can expect a continuing increase in the segment of working mothers with preschool children.

Another component of the work/family issue has been the added impact of responsibility for care of senior dependent family members.

From 1950 to 1986, the number of older Americans aged 75-84 grew from about 3.3 million to over 9 million, and the number aged 85 and older grew from less than 600,000 to over 2.7 million. Although many seniors are able to live independently, the frail elderly need care. Since quality institutional care is often either unavailable or too high-priced for working family members, the task of caring for these older family members generally falls to women, many of whom also have to work.

Figure 4.1
Trends in Female Labor Force Participation

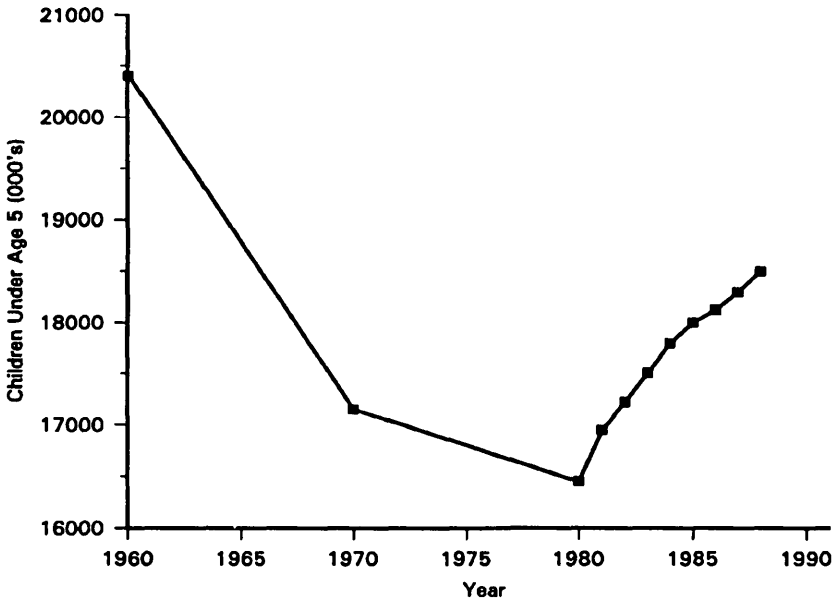


SOURCE: Bureau of Labor Statistics (1988).

The term “sandwich generation” has been used to describe those who are caring both for young children and senior relatives. A Travelers Insurance Company (1981) survey of their home office employees showed that approximately 20 percent of the respondents were providing an average of 10.2 hours per week of care to an older relative. A large number were in their 30s and 40s and also had young children to

care for. This combined effect of a growing number of children under school age, more women with children in the labor force, and increased numbers of elderly who need some care has created a care-giving crisis and a need for the development of “family-friendly” workplace policy.

Figure 4.2
Number of Children Under Age 5, 1960-1988

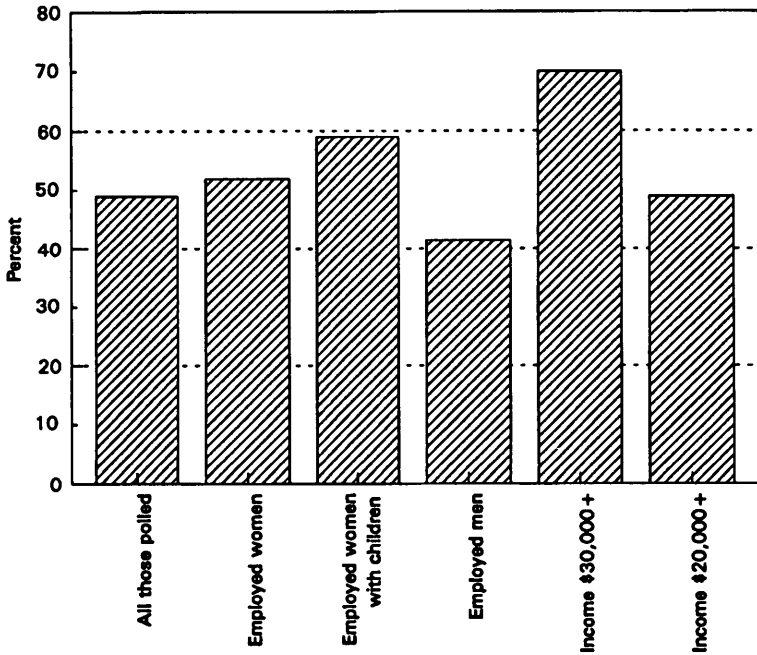


SOURCE: Bureau of the Census, 1989. “State Population and Household Estimates.” No. 105 Current Population Reports P25, Updated.

Time, particularly for working family members, is increasingly recognized as being at the crux of the work/family issue. A 1991 survey commissioned by the Hilton Corporation on how Americans view the value of time indicated that, of the 1,010 adults interviewed, 59 percent of the employed women with children indicated that they would be “willing to give up at least one day’s pay for an extra day of free time” (Figure 4.3). Forty-eight percent of the women reported feeling under constant stress because they did not have enough time to accomplish

what they felt they needed to—as did 43 percent of the working men, many of whom had more family responsibilities than their peers of a generation ago. It is workers with these dual responsibilities for work and family who have been in the forefront of worker-driven pressures for flexible work arrangements.

Figure 4.3
Respondants Willing to Give Up at Least One Day's Pay
for an Extra Day of Free Time



SOURCE: Hilton Corporation Time Value Survey, 1991.

Changes in Attitudes and Expectations About Work

The workforce of today is better educated than that of a generation ago and has different hopes and expectations about work, as well as a different set of values. During the 1970s, many workers began to show a tendency to have more allegiance to their careers than to any particular firm; they began to exert pressure for having more decisionmaking

power about the content of their work and even where and how they worked. Since the late 1970s there have been indications that growing numbers of people have a desire for more control over their worktime, or a different work schedule, in order to integrate work with the rest of their lives (Figure 4.4). And younger workers feel increasingly able to negotiate changes in their conditions of work with their employer.

The changing attitudes and expectations of today's workers are also a result of external factors affecting the labor market. New entrants to the labor force in the 1960s and 1970s were part of the baby boom generation and many found their career paths blocked during the 1980s because of too many qualified applicants for too few positions. Recent corporate and industrial trends have emphasized permanent downsizing. This factor, exacerbated by ongoing technological displacement, has created increasing numbers of dislocated workers whose training and experience are no longer marketable. More flexibility can facilitate cross-training and lateral movement within organizations to give workers a broader base of marketable skills. Work sharing also needs to be encouraged as a means of providing a transition period for employees who are being laid off as part of the "outplacement" process.

The extent of the change in worklife expectation is evident when you realize that at the turn of the century a woman's average life span was 47 years—18 of which were spent childrearing. Today, women can expect to live 77 years, only 10 of which will be primarily devoted to raising children. Significant changes have occurred for men as well. Less than 14 percent of the labor force is now comprised of men who are the sole support of a spouse and/or family. Between 1900 and 1966, the average number of jobs held over a man's work life doubled from six to twelve—and has been climbing ever since. In order to make smoother personal or career transitions, many people are seeking opportunities for flexible or reduced worktime to allow them to effectively prepare for and achieve the worklife changes they must face.

Problems Related to the Education/Work/Retirement Lockstep

Changing workplace expectations, new relationships between education and work, changing family configurations and gender roles,

Figure 4.4
Worker Preference Toward Exchanging Income for Free Time

Value of tradeoff	Shorter workday vs. pay	Reduced workweek vs. pay	Added vacation vs. pay	Sabbatical leaves vs. pay	Earlier retirement vs. pay
Nothing for time	77.0	73.8	57.8	37.9	64.0
2 percent of pay for time	8.7	11.6	23.2	24.2	17.6
5 percent of pay for time	5.8	-	8.5	8.0	8.1
10 percent of pay for time	-	7.6	6.2	4.8	5.9
12 percent of pay for time	5.5	-	-	-	-
15 percent of pay for time	-	-	-	4.8	-
20 percent of pay for time	-	4.5	2.2	-	4.4
30 percent of pay for time	1.6	-	-	-	-
33 percent of pay for time	-	-	2.0	-	-
40 percent of pay for time	-	.9	-	-	-
50 percent of pay for time	1.5	1.6	-	-	-
Total percent	100.0	100.0	100.0	100.0	100.0
Total respondents	954	953	952	951	951

SOURCE: Excerpted from an August 1978 survey by Louis Harris and Associates, as reported in "Exchanging Earnings for Leisure: Findings of an Exploratory National Survey on Work Time Preferences," R&D Monograph 79 (Washington, DC: U.S. Department of Labor, Employment and Training Administration, 1980).

NOTE: Column spaces are frequently blank for many tradeoff options because questions dealing with different forms of free time did not always have parallel options.

along with other social and economic factors, began to force many people to reexamine the “linear life plan” that was the expected norm during the first three quarters of this century. Individuals began to consider developing a more cyclical, integrated approach to education, work, and leisure activities.

Major realignments in the nature of schooling saw adults returning to the classroom for skill renewal and retraining as well as basic educational activities. Schools began to integrate education and work into their curricula. Workers began to express the desire for leisure time throughout their lives rather than waiting for retirement and to think in terms of lifelong learning. In many cases, this was not a desire for recreation but the need for a career break to recover from job burnout or to start a new career. Some firms began to introduce sabbatical options, or career-break schemes as a way to deal with this problem.

In the long run, what most people will need in order to move towards lives that integrate work, education, and leisure will be the ability to exercise more control over the allocation of their time, and this means more choice in defining their work schedules.

During the 1970s these pressures became a primary force behind the employee-driven efforts to create change and flexibility in worktime schedules.

Flexibility: A Tool for Improving Productivity

In the 1980s, business and industry began to recognize the need for more flexibility and to explore the use of alternative work schedules and new staffing arrangements as a way to address the changing nature of both the workforce and the economy. There were three major factors contributing to this employer-based interest.

Shifting from a Goods-Producing to a Service-Producing Economy

For the last decade, the U.S. economy has been changing from a manufacturing, goods producing economy to an information or service-based economy. Standardized shifts and scheduling practices are effective and efficient when applied to the production of goods and

materials. When service is a priority, schedules must conform to the needs of the consumer and not be restricted by the production-line strategy of standardization.

Recruiting and Retaining Qualified Workers in a Shrinking Labor Pool

People and skills shortages are projected by the next decade. Many employers have already begun to experience difficulty in attracting and retaining a qualified workforce. The demographic projections in the Hudson Institute's report to the U.S. Department of Labor, *Workforce 2000: Work and Workers for the 21st Century* (Johnston 1987), and other recent Department of Labor data have alerted employers to the fact that, in all likelihood, recruiting and retaining skilled labor will be an even more pressing problem in the future. If the Hudson Institute's scenario is correct, to remain competitive firms will need to develop policies better suited to attracting and retaining employees from a labor pool that will be comprised predominately of women, minorities, and immigrants and one in which older workers will be in demand rather than encouraged to retire early. This will mean reviewing and revising much current human resources policy which continues to reflect the needs of an earlier, more homogeneous, primarily male, labor force.

The need to improve recruitment and retention of valued employees prompted many firms to begin developing work/family programs and "family friendly" human resource policies in the 1980s. A survey was conducted in March-April 1991 by The Conference Board (1991) to determine what was happening during the recession to the development of corporate programs that help employees balance work and family needs. Nearly 55 percent of the respondents reported that top-management support for the programs had increased. Many firms had expanded their work-family programs even though 32 percent had had declining profits. Executives cited the relatively low cost and high impact of work-family programs. When they were asked their priorities for study and action in the next year, respondents cited flexible work schedules more than twice as frequently as any other issue.

In addition to recruiting and retaining quality applicants, retraining will also become more important in the next decade. Educational levels have been dropping in many parts of the country and high school dropout rates have been rising. A recent report by the Office of Technology Assessment (1991) describes training in the United States as “remarkably under-developed compared with leading international competitors.” The report cites research by the American Society for Training and Development (ASTD) indicating that the training gap in the U.S. constitutes a “workplace crisis.” According to ASTD, 49.5 million workers—42 percent of the workforce—will require training to keep up with changing job demands in the next 10 years. And these figures do not include those who need remedial training or education to qualify for entry-level employment. Flexible work arrangement can help workers combine work with recurrent education and training; they can also help employers retain these employees after they have been trained, rather than losing them to the competition.

Competing in a Global Economy

The last decade has seen the integration of the world's economic systems and the emergence of a global economy. The consequent increase in global competition has led to some painful restructuring in many U.S. workplaces. A major trend has been the institution of some basic changes in human resource management, including a focus on the costs of labor and the introduction of new scheduling and staffing practices.

Since the recession of the early 1980s the emphasis in most organizations has been on making companies “lean and mean.” This phrase generally means reducing the size of the regular workforce, or downsizing; it may also indicate moving to a “core-ring” or contingent employment human resources strategy. Employers using this concept try to reduce labor costs by severely limiting the number of “core” or regular employees in the firm. They supplement the work of their core workforce with “rings” of contingent employees—hourly part-timers, temporary employees, consultants, and contractors. The regular employee group receives training, career development and a wide

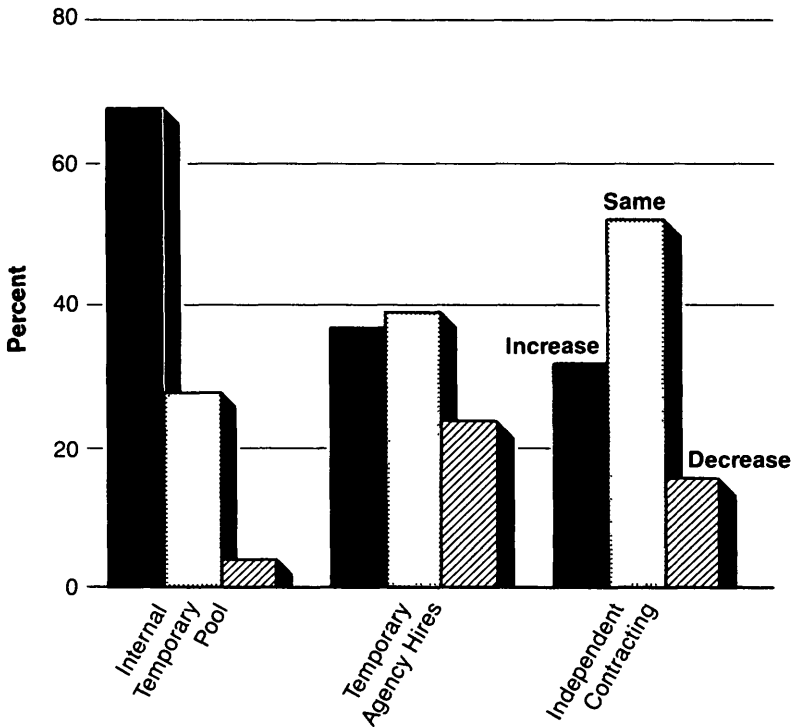
range of fringe benefits. The contingent, on-call employees are generally paid on a different scale from regular employees doing the same work, and do not receive fringe benefits or career-oriented training. They are sometimes even ineligible for regular job openings in the firm at which they work every day.

Since the mid-1980s the strategy of downsizing and utilizing more contingent employees has grown in popularity and has been the primary way that employers have sought to cut costs and become more competitive and more flexible. To illustrate how extensive this practice has become, in 1987 the contingent workforce, numbering approximately 34 million, was estimated to comprise about 25 percent of the entire labor force. This was a 20 percent growth since 1980 (Day 1989). A report on a survey of 521 corporations by The Conference Board and *New Ways to Work, "Flexible Staffing and Scheduling in U.S. Corporations,"* indicated continued high corporate use of contingent employees (Christensen 1989). (See Figure 4.5.) A March 1991 report by the U.S. General Accounting Office, *"Workers At Risk: Increased Numbers in Contingent Employment Lack Insurance, Other Benefits,"* predicts that "this trend toward increased use of nontraditional workers should continue in the 1990s." (p. 3)

Some experts have warned that this continued growth in use of peripheral, contingent employees signals a basic change in the employer-employee contract and relationship. For generations there was an implied "social contract" between employers and their employees. In return for loyalty, flexibility, and commitment to corporate goals, employees were encouraged to expect career-long employment, good pay, benefits, and working conditions, and promotions from within. As a new Work in America Institute (1991) report notes:

In the 1980s the combination of global competition, recessions, deregulation, and a wave of mergers and acquisitions caused most companies to reassess and eventually discard customs and practices that had been at the heart of the social contract . . . uncertainty and "employment-at-will" have severed the bonds of loyalty between employer and manager.

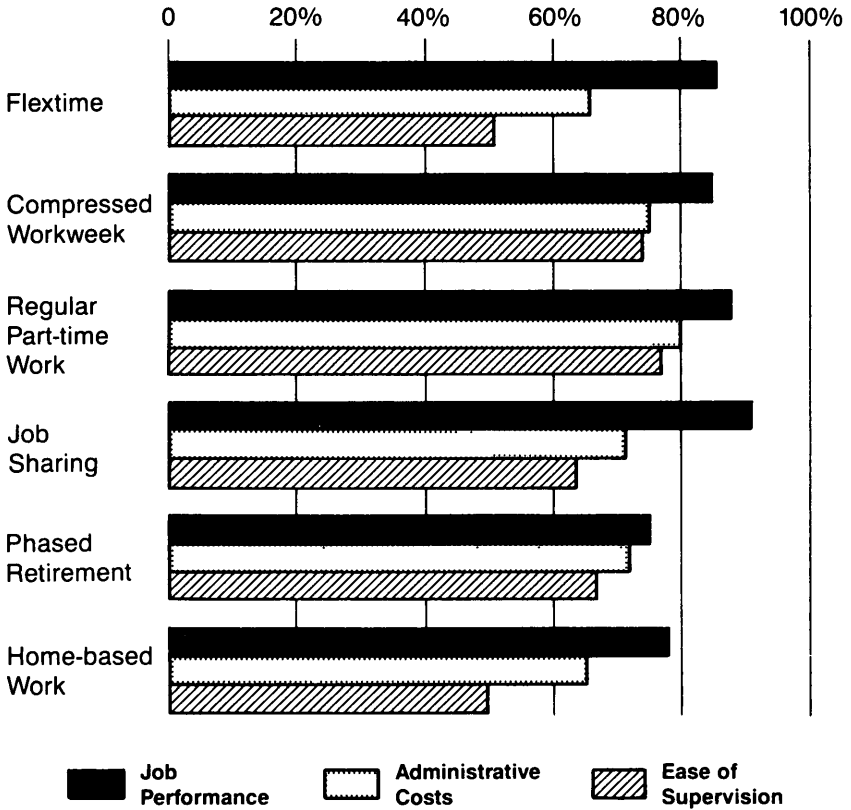
Figure 4.5
Future Trends
1987 Experience Compared with Next Few Years



SOURCE: The Conference Board. 1989. Research Bulletin #240. Reprinted with permission.

A sign that employers may be reassessing their dependence on flexible staffing, with its overuse of contingent workers who have little reason to be loyal to the corporation, may be found in The Conference Board/NWW report (Christensen 1989). The report indicated some dissatisfaction with the performance and administrative costs of these employees. At the same time, the respondents expressed high rates of satisfaction with the job performance and administrative costs of introducing flexible scheduling options for their regular employees (Figure 4.6).

Figure 4.6
Management Satisfaction with Flexible Scheduling
Percentage firms reporting “very satisfactory”
or “satisfactory” in each category



SOURCE: The Conference Board, 1989. Research Bulletin #240. Reprinted with permission.

What Kind of Flexibility in the 1990s?

As we move into the 1990s, the notion of organizational flexibility as a means of improving productivity has a growing number of adherents, and the need for individual flexibility among members of the workforce has reached record proportions. During the last two decades two new types of human resource management trends have emerged in response to these needs: Flexible scheduling and flexible, or contingent, staffing. The need for flexibility is clear if we are to improve productivity by enabling organizations to expand and contract with less dislocation, and allow workers to balance work with the rest of their lives so they may become more effective and productive employees. Currently, policy in the United States is at a fork in the road. The means by which this flexibility is achieved can be either enlightened or exploitive. Current employment policy must be reviewed and revised and new policy developed that ensures that these needs for flexibility are met in ways that address the concerns on both sides and facilitates long-range economic and social objectives.

It is clear that continued unexamined growth of the core-ring policies could have serious negative social consequences, including the creation of a permanent underclass of workers comprised of women, members of ethnic minorities, the young, and the elderly. While research in this area is limited, we already know some things about contingent employees. Studies of the temporary workforce indicate the following.

- On average, workers employed in 1988 by temporary help agencies earned 30 percent less than their permanently employed counterparts.
- Health care benefits are available to only 25 percent of all temporary workers.
- In 1985, almost 66 percent of temporary workers were women; 20 percent were black and 33 percent were youth.

Continued growth in the use of contingent employees will only exacerbate an already large gap between those at the upper reaches of

our economy and those on the lower rungs. Problems inherent in the use of contingent employees (poorer quality work and service, reduced morale, higher turnover) have begun to slow the dramatic growth of this segment of the labor force, but, as the GAO (1991) report cited earlier indicates, this will not be enough by itself. We need to know more about the conditions of employment that exist for these workers and to develop policy that ensures pay rates, access to benefits, and possibilities for upward mobility that are comparable to those afforded regular full-time employees doing the same kinds of work. Flexible scheduling for regular employees could be equally exploitive if the options are not voluntary or if the conditions under which they are offered do not equate with the conditions of work for full-time employees.

Of particular concern for both kinds of employees are the insurance-based protections that most full-time workers enjoy. Without them, employees can “become dependent on needs-based programs, such as Medicaid or Supplemental Security Income (SSI), to meet their medical care or income support needs. To the extent that this occurs, costs formerly borne by employers and employees may be shifted to federal and state public assistance budgets” (GAO 1991, p. 2). Policy should be reviewed and developed to ensure that flexibility takes place on an equitable basis within the regular workforce under conditions that broaden access and do not penalize either workers who choose it or the employers who provide it.

The time is right to address these issues. Organizational and individual interest have, at least temporarily, coalesced around the related issues of recruitment and retention. As noted earlier, the data in *Workforce 2000* (Johnston 1987) have convinced many employers that the 1990s will be a time of serious labor force and skill shortages. This belief, combined with information from in-house company surveys and exit interviews showing that firms are losing valued employees because of a lack of worktime choice and flexibility, is already creating pressure for wider use of new work schedules. The cost to business, in terms of turnover, recruitment, and training, is becoming significant enough to force a reexamination of the cost of *not* providing flexible

scheduling. Employers who a year or so ago were inflexible in the face of requests from employees for part-time options, flexible schedules, or telecommuting are now beginning to rethink those positions in the light of high turnover and difficulty in recruiting skilled applicants. An example of the new awareness that some firms are experiencing is the reaction to Du Pont's 1988 survey of 4000 of its employees. As Faith Wohl, director of the company's Workforce Partnering division (in "An Interview With Faith Wohl" 1990), put it:

One word that cried out from the responses that we got back was flexibility—that one word in neon lights, popping off the pages of these surveys. They wanted flexibility in schedules, flexibility in where they could work, flexibility in benefits, flexibility of career planning. And that got everyone's attention. It was just an overwhelming response focussed on a single issue.

In response, Du Pont formed a task force to look at the various aspects of flexibility and in July 1991 announced a flexible work program.

Alternative Work Options: What Are They?

While organizational flexibility can be achieved in a variety of ways—through cross training, job rotation, or job enlargement and enrichment—new scheduling and staffing options have emerged as the primary means of obtaining both organizational and individual flexibility in the workplace. These options pose some of the more difficult questions in terms of the compatibility of a flexible workplace with much of the existing wage and hours legislation and with concepts such as pay equity and comparable worth. Carefully negotiated worker benefits and protections must be respected and their spirit maintained as new scheduling and staffing options are introduced in the American workplace.

Since many of the scheduling and staffing arrangements that this paper refers to have emerged since the early 1970s, it is important to define them, describe who uses them and how, and indicate some of the

policy issues related to their use. In general, these arrangements fall into categories of restructured full-time work, new forms of part-time employment, new approaches to leave time, off-site options, and flexible staffing options.

Restructured Full-Time Work

Flextime schedules are work schedules that permit flexible starting and quitting times within limits set by management. Generally, flex-time programs operate as a rescheduled 40-hours, five-day workweek with flexible periods at the beginning and the end of the day. A core time is usually established during which all employees must be present. Flextime programs vary from company to company and sometimes from department to department. Variations in format occur regarding whether flexibility is a daily or periodic choice, how core time is defined, and whether credit and debit hours are allowed. Some of the variations of flextime programs are as follows.

- Employees select their starting and quitting times for a specified period of time (often 12 months). They work a five-day, 40-hour workweek.
- A daily variation in starting and quitting times is permitted, but the five-day, 40-hour week is maintained.
- The length of days within the week or pay period may vary (i.e., an employee can work six hours one day and ten the next) as long as the total hours worked meet the defined number of hours within the period.
- Credit and debit hours are allowed, and core time is not required on all days. This type of activity encompasses the concept of “banking” time; that is, employees are allowed to carry over for later use hours in excess of their daily or weekly schedule.

Who uses it? The 1989 *Current Population Survey* (Bureau of Labor Statistics 1989) indicated that 11.9 percent of full-time wage and salary workers were on flexible work schedules. An American Management Association (1985) survey of its member firms indicated that 34.8 percent of those surveyed used flextime. The American Management

Society, which for several years did an annual survey on flexible scheduling, estimates that use of flextime is currently growing at a rate of about 1.5 percent per year.

Employers generally credit flexible schedules with reducing turnover and absenteeism, increasing productivity—at least in part because morning people can come to work earlier and those who want to come in later and work later can—and improving employee morale with little or no cost to the organization.

What are the policy issues? Flextime programs that offer nonexempt employees the option of working more than 40 hours in a given workweek run into direct conflict with the wage and hours provisions of the Fair Labor Standards Act. Four states (Alaska, California, Nevada and Wyoming) have established the eight-hour day as the standard, resulting in conflicts for those flextime programs that allow employees to vary the length of their day within a given workweek. Banking time longer than a week is seldom possible even for employees who are on a 80-hour or semimonthly pay period.

The issue of overtime compensation for hours worked in excess of the 40 or eight-hour standard requires careful examination as it relates to the institution of flextime programs. The issue needs to be framed in ways that protect the rights of workers to overtime pay but does not inhibit flexibility.

Compressed Workweek refers to a schedule in which the standard weekly hours (generally 40) are worked in less than five days. In the most common arrangements the week's hours are accomplished in four 10-hour days or three 12-hour days. Another increasingly popular arrangement is for employees to work five nine-hour days during the first week of the pay period and four nine-hour days the next. The first and most commonly used compressed schedule is the 4/10 workweek with the 5-4/9 being the next most popular, particularly with employees.

The compressed workweek, as does flextime, represents an effort to create alternatives to the standard workweek by reallocating the same number of hours per week—in this case, to fewer than five days. Of all the scheduling options, the compressed workweek has created perhaps

the most controversy. Its use has fluctuated greatly over the past 15 years. It was introduced in the early 1970s, but interest declined during the late 70s. However, between 1979 and 1985 use of compressed workweeks grew four times as fast as overall employment growth (Smith 1986).

Who uses it? The survey sponsored by the American Management Association (1985) indicated that 15 percent of the respondents used some kind of compressed workweek schedule. It was most commonly used in three industries: government (29 percent), health care (31 percent) and entertainment or recreation (42 percent). Compressed workweeks have also been used extensively in public agencies, especially police and fire departments, and in small manufacturing firms.

Until recently, compressed workweeks have been management-initiated as a means of using expensive equipment or plant facilities for longer periods or making shiftwork more palatable. They were designed for use by all employees within a specified department or work group. An emerging trend has been for individual employees to ask for a compressed schedule in order to have greater blocks of personal time or to cut down on commuting time. Some firms with work/family programs or policies are incorporating compressed workweeks as one of the options they offer. In some states, questions of air quality control and commuting patterns that increasingly involve traffic gridlock are also creating greater interest in this option.

What are the policy issues? All compressed workweeks come into direct conflict with wage and hours legislation in states that identify the eight-hour day as the maximum standard. The 5-4/9 schedule also conflicts with the 40-hour standard established by the Fair Labor Standards Administration. Exemptions from the overtime provisions can be obtained in some states by companies or groups of workers, depending on the individual wage order, if the scheduling change is approved by a two-thirds vote of the employees in the affected division or department. The current exemption process is cumbersome and lengthy. As a result, many employers have simply lowered the pay rate of the affected employees to allow for overtime pay while maintaining the same salary level. As with some flextime programs, the choice between

two conflicting benefits, overtime pay vs. flexibility, is an issue for those interested in the compressed schedule.

Some forms of the compressed workweek raise OSHA questions relating to fatigue and the number of consecutive hours or length of days worked. There are many questions and key design issues that must be addressed before the compressed workweek can be widely implemented for either work units or for individual employees.

Policy discussions between Government, Employers, Labor and Policymakers need to focus on creatively resolving workers' conflicting needs for both overtime protections and flexibility in scheduling. The Overtime Provisions of Wage and Hours Legislation and policy need to be examined as they affect the institution of flextime and compressed workweek programs. In those cases where workers choose flexibility as a benefit, the exemption process should be streamlined and available for individual workers.

Reduced Work-Time

It is interesting to note that while an estimated 18.6 million people work less than a regular full-time schedule, there is little agreement as to what constitutes part-time employment. Employers identify as part-time any job where the hours worked per week are fewer than their "normal" full-time standard, usually between 37.5 and 40. Several currently used part-time scheduling options are defined below.

Regular Part-Time consists of a work schedule that is less than 40 hours per week and filled by a member of a firm's regular workforce. It differs from hourly part-time in that employees in this classification are considered part of a firm's regular workforce and have pay rates comparable to full-time jobs in the same classification, prospects for upward mobility, and, increasingly but not always, fringe benefits—including health insurance and paid vacation.

Who uses it? The Work in America Institute (1981) policy study, "New Work Schedules for a Changing Society," noted that over two-thirds of all companies have regular part-time employees; 90 percent of the firms in the Conference Board\New Ways to Work (Christensen 1989) study of alternative staffing and scheduling arrangements had

regular part-time employees. From the mid-1970s until the 1982 recession, voluntary part-time work was the fastest growing segment of the labor force. According to the Bureau of Labor Statistics (1988), while the total number of people employed between 1970 and 1982 increased by 27 percent, the number of part-time employees rose 58 percent. The nature of part-time work was also changing during this period. Not only did the number of professional-level part-time positions grow at four times the rate of increase for all part-time jobs, but new forms of part-time work, such as job sharing and voluntary reduced worktime programs, began to appear.

What are the policy issues? The difference in working conditions between voluntary, regular part-time employment and involuntary part-time employment where the conditions of work lack the wage, benefits, and employment security offered to regular full-time employees in the same job classification is at the crux of the overall issue of flexibility. Full-time employees who need to reduce their work schedule for a period of time in order to balance work with family responsibilities or education or because of health limitations often find that they must trade their regular-employee status for a contingent status in order to obtain the kind of part-time schedule they need.

As an example of this aspect of the issue, in 1989 the American Association of Retired Persons and The Travelers Foundation conducted a national survey of 754 working caregivers (Working Caregivers Report 1989). This group was defined as people who provide unpaid assistance to another person aged 50 or over. More than half of this group were employed outside the home and spent an average of 10 hours per week on caregiving. The survey data indicated that 14 percent of the respondents had had to change from full-time to part-time work and 12 percent had to give up working entirely. Twenty percent of the respondents had lost health benefits as a result of the changes in work schedule they were forced to make.

A challenge for policymakers at all levels—state, federal and private sector—will be to develop policy agendas that encourage equitable flexibility and discourage processes that penalize workers who need flexibility in their work schedule. Ways to ensure minimum pro-

tections for part-time workers, particularly job protection, compensation equity, and access to health insurance need to be developed.

Although there are indications that conditions have improved for less than full-time workers, there is still a large gap in pay and benefits between those who work part-time and full-time schedules (Figure 4.7).

Figure 4.7
Benefit Coverage for Regular Part-Time Employees

	Percent of firms with benefits available	
	To any part-timers*	To part-timers working less than 1,000 hours a year
Paid vacation	77	27
Pension coverage	66	11
Health benefits	56	23
Promotion opportunities	53	28
Training opportunities	50	26
Paid sick leave	47	21
No benefits	13	—

SOURCE: The Conference Board. 1989. Research Bulletin #240. Reprinted with permission.

*Total exceeds 100 percent since most firms offer more than one type of benefit. Benefits are typically prorated.

Unless an employee on a reduced work schedule is periodically required to work more than eight hours in a given day, there are no problems with wage and hour regulations. In companies or industries with regular workflow fluctuations, however, part-time employees may be expected, or required, to work extra hours at straight time since overtime is not paid until 40 hours have been worked. As the use of part-time grows, the issue of how much overtime a part-time employee can be required to work at straight pay is one that should be reviewed.

There are still some workplaces that require that part-time employees be laid off first, independent of their job tenure with the company. This is a holdover from the time when part-time employment was con-

sidered to be peripheral rather than mainstream and only available in lower-level job classifications.

Some of the barriers to greater availability of reduced worktime options are governmental. Unemployment insurance and social security are computed on a *per capita* basis up to a specified ceiling, making part-time workers disproportionately expensive. Unemployment insurance and social security systems should be revised and charged on a full-time equivalency basis or as a percentage of total payroll in order to remove the penalty for part-timers that employers now pay.

Other systemic disincentives to part-time work include the fact that most unemployment insurance systems do not allow job seekers to receive payments if they are looking for a part-time job. In an economy that has generated millions of new part-time employment opportunities over the last decade, such policies need to be reviewed.

The following represent some of the new forms of regular part-time work that have emerged in the last 10 years.

Job Sharing is a form of regular part-time employment where two employees share the tasks, responsibilities and compensation (wages and benefits) of a full-time job. Job sharers may divide the hours of the day, work alternating days or weeks or adopt any other configuration that is mutually agreeable to the employees and their supervisor. Job sharing is used as a way to provide part-time employment opportunities in job classifications which cannot be significantly reduced in hours or split into two part-time positions. It is also a way to upgrade part-time work, since the employees are perceived as working part time in a full-time position.

Who uses it? A 1986 New Ways to Work survey (Rogin 1986) of state personnel offices showed that 35 of the 50 states were using job sharing. The Conference Board/NWW survey (Christensen 1989) indicated that most job sharing employees are previous full-timers who have converted to a job sharing status and that the arrangement is generally initiated by the employees.

It is difficult to estimate the amount of job sharing that exists because, until recently, it was primarily an *ad hoc* arrangement between employees and their supervisor, and job sharers were desig-

nated as part-timers on their employers' payroll systems. The number of firms that offer job sharing options is also unknown, but it appears to be on the increase. For the most part, the use of job sharing is related to retention of valued employees or recruitment for hard-to-fill positions.

Firms such as Steelcase in Michigan and Aetna and Northeast Utilities Systems in Connecticut who have spoken publicly about their experience with job sharing credit it with retaining valued employees, improving scheduling and continuity, increasing the breadth of skills and experience in a single job category and creating part-time opportunities in higher level job classifications.

What are the policy issues? The issues are the same as for other forms of regular part-time employment and have to do with ensuring the same conditions of work as for employees in comparable full-time positions.

Phased Retirement is offered as a way for an individual to retire gradually over a period of months or years. The hours per week worked are gradually reduced over a defined period of time.

Who uses it? In the late 1970s and early 1980s phased retirement generated considerable corporate interest as a way of responding to older workers interest in having part-time options. But the 1982 recession resulted in senior employees being targeted for downsizing and early retirement, and phased retirement programs eroded or were discontinued. The Conference Board/New Ways to Work survey (Christensen 1989) indicated that phased retirement was the option that firms were least likely to have considered. Only 36 of the responding firms had used it, while 323 had never even considered it.

The recent trend among private sector firms who want to retain a relationship with senior employees of retirement age has been to initiate internal temporary pools to rehire their retirees or to retain them as possible consultants after they have retired. With skills and labor shortages being projected for the 1990s, however, phased retirement is attracting renewed interest.

What are the policy issues? The issues related to phased retirement concern the amount of salary a retired person earns and how it affects his or her retirement benefits. Most private sector retirement policy

bases retirement income on the salary level of the last three to five years of employment. Employees working less than full time during the final years of employment risk retiring at a lower pension rate. Retirement policy needs to be redesigned so senior employees who phase retirement still retain the amount of pension they would have had if they had been working full time. The California State Teachers' Retirement System (1980) has had a phased retirement program, the Reduced Work Load Program, for over a decade. The enabling legislation stipulates that "although the program involves a salary reduction corresponding to the reduced employment, it allows participants to continue earning credits for retirement benefits at the same rate as full-time employees." Teachers can choose to continue paying into the retirement fund as though they were working full time, and the district employing them contributes on the same basis.

Voluntary Reduced Work-Time, or V-Time, is a relatively new regular part-time option. It was originally designed as a way for employers to combine part- and full-time employment options and was first instituted as a way to avoid layoffs during slow periods. Its real importance is as a model which legitimizes part-time employment and affords workers a way to accommodate short-term needs for reduced working hours without having to negotiate an *ad hoc* arrangement with their supervisor. V-Time allows full-time employees to voluntarily reduce their work schedules for a defined period of time with a corresponding adjustment in compensation and some employment rights such as seniority. After the agreed-upon period, the employee returns to full-time work.

Who uses it? Two states currently offer a V-Time option to their employees: New York and California. Although there has been some corporate interest in this kind of program, there has been no research to indicate how many private sector firms use this option.

What are the policy issues? V-Time programs resolve many of the private sector policy issues associated with regular part-time employment. Public policy issues are the same as for other forms of part-time work.

Paid and Unpaid Leaves are defined as authorized periods of time away from work without the loss of employment rights. In many cases, benefits are continued during this time period. Leaves constitute another way that employers provide flexibility. A great deal of legislative interest in leave time for family, elder care, and parenting has been generated in recent years, both at the state and federal level and within the private sector.

Who uses it? In the absence of federal legislation regarding family and medical leaves, 22 states have enacted some form of family leave policy. The states are: Colorado, Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, Nevada, New Jersey, New York, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Washington, West Virginia, Wisconsin, and Vermont. Policies range in breadth and scope from such specific needs as the care of newly adopted children to comprehensive policies for both public and private sector employees with a wide range of family and medical needs (see McCulloch 1990).

What are the policy issues? This issue has been the subject of federal legislation for several years. In 1990 President Bush vetoed a Family and Medical Leave bill passed by the House and the Senate. A new version has been introduced and the subject can be expected to be part of both state and federal policy discussions until it is resolved.

In addition to family and medical leave time, other leave policies provided by some employers include vacation, jury duty, sick leave, disability leave social service leave and sabbaticals (Figure 4.8).

Work Sharing is an alternative to layoffs. It is a strategy in which all or part of an organization's workforce temporarily reduces hours and salaries in order to reduce operating costs. This enables an employer to cut back on paid hours of work in response to an economic downturn without cutting back on the number of people employed. The flexible response of a firm—and its ability to remain competitive and productive—is greatly enhanced by ensuring that a trained labor force remains intact, committed, and ready to gear up when the economy picks up again.

Figure 4.8
Leaves Offered in Surveyed Companies

Type of leave	Percent of firms offering arrangement	Percent offering leave*		Mean maximum days allowed per year
		Paid	Unpaid	
Vacation	96	99	1	25
Jury duty	95	97	3	26
Sick leave for employees	93	95	1	66
Bereavement leave	91	93	5	4
Disability leave	90	82	11	157
Leave for sick family members	67	36	58	14
Parental leave beyond disability for mother	60	6	91	56
Adoption leave	46	9	88	34
Parental leave for father	44	6	92	18
Social service leave	28	18	79	51
Sabbatical	24	10	90	50

SOURCE: The Conference Board, 1989. Research Bulletin #240. Reprinted with permission.

*Percentage of paid and unpaid leave do not always add up to 100 percent since some companies offer both paid and unpaid leaves.

Who uses it? In 14 states, private sector work sharing is encouraged and facilitated by the ability to use partial payments from unemployment insurance systems for workers whose salaries have been cut back. This creative use of unemployment insurance to foster continued employment, rather than waiting until workers have been dislocated, is called short-time compensation (STC). States that have passed enabling legislation are: Arkansas, Arizona, California, Florida, Illinois, Kansas, Louisiana, Maryland, Missouri, New York, Oregon, Texas, Vermont, and Washington (Figure 4.9).

Such firm as Motorola in Arizona and Signetics in California have credited work sharing with significantly affecting their turnaround time during recessionary periods. Motorola conducted an extensive study of its program and found that employees were as enthusiastically supportive of this approach as management was.

Figure 4.9
Work Sharing
A Comparison of Short-Time Compensation Laws

State (1)	Duration of plan before new approval is required (2)	Limits on number of weeks (3)	Required reduction of work (4)	Computation of WBA (5)	Financing by participating employers (6)
Arizona	One year	26	At least 10% but not more than 40%	Amount proportionate to the ratio of normal hours not compen- sated to normal hours	1% added if negative reserve ratio is at least 5% but less than 15%; 2% added if negative reserve ratio is 15% or more
Arkansas	12 months	26	At least 10% but not more than 40%	WBA multiplied by % of reduc- tion (at least 10%) of individual's usual hours	No special financing
California	6 months	(a)	At least 10%	Percentage of reduction in indi- vidual's hours and wages, rounded to nearest 5%, multiplied by individual's WBA	No special financing
Florida	12 months	26	At least 10% but not more than 40%	Product of WBA and ratio of the number of normal weekly hours not compensated to normal hours	Participating employer's maxi- mum rate shall be 1% above cur- rent maximum applicable to other employers

Figure 4.9 (continued)

State (1)	Duration of plan before new approval is required (2)	Limits on number of weeks (3)	Required reduction of work (4)	Computation of WBA (5)	Financing by participating employers (6)
Kansas	12 months (Ultimate end 4/1/92)	26	At least 20% but not more than 40%	WBA multiplied by nearest full % of reduction of the individual's hours	Not applicable to negative balance, delinquent, governmental, and reimbursing employers
Louisiana	12 months	26	At least 20% but not more than 40%	WBA multiplied by % of reduction (at least 10%) of individual's usual hours	No special financing
Maryland	6 months	26	Not less than 10%; not more than 50% (50% max. may be waived by Secretary)	WBA multiplied by the % of reduction in workers' normal weekly hours + dependents allowance	All worksharing benefits charged to worksharing employer regardless of base period charging rule
Massachusetts	26 weeks (effective 7/1/88, ultimate end 6/30/91)	26	At least 10%, but not more than 60%	Percentage reduction in normal weekly hours worked, plus dependents allowance	Negative balance employers reimburse 100% of benefit charges, all others charged as regular benefits
Missouri	12 months	26	At least 20% but not more than 40%	WBA multiplied by % of reduction in individual's hours	Participating employer's general tax rate can be as high as 9%

New York		20	At least 20% but not more than 60%	WBA multiplied by % of reduction (at least 20%) of individual's usual wages.	No special financing, but benefit charges are dollar amounts, not effective days
Oregon	52 weeks	26	Hours reduced at least 20% but not more than 40%	WBA multiplied by nearest full % of reduction of the individual's regular weekly hours of work	No rate less than benefit ratio but not more than 3 percentage points higher than next year's maximum rate
Texas	12 months	26	At least 10% but not more than 40%	WBA multiplied by % of reduction of individual's wages	
Vermont	6 months or date of plan, if earlier	26	At least 20% but not more than 50%	WBA multiplied by % of reduction of individual's usual weekly hours of work	No special financing
Washington	12 months or date in plan, if earlier	26	Not less than 10% nor more than 50%	WBA multiplied by % of reduction of individual's usual hours	No special financing

SOURCE: "Highlights of State Unemployment Compensation Laws," National Foundation for Unemployment Compensation and Workers' Compensation, Washington, DC, 1990.

(a) No limit on number of weeks, but total paid cannot exceed 26 x WBA.

What are the policy issues? According to Ronald Adler and Robert Hilton (1986), low participation rates in states offering short-time compensation to participants in work sharing programs may be due to the limited efforts of states to market the programs.

Incurring surcharges is another barrier to work sharing. Julie Batz (1991) in her monograph, *Work Sharing: An Alternative to Layoffs*, points out:

The primary disincentive (to implementing work sharing programs) is related to a mechanism in several state laws that requires an employer to reimburse the state for any benefits paid out that exceed that employer's balance in the state unemployment insurance fund.

A few states have enacted legislation that repeals all surcharges or creates special financing provisions for employers with negative fund balances as a result of participation in STC work sharing programs.

Given the devastating effects of worker layoffs on people, companies and communities, introducing STC legislation designed to encourage private sector use of it should be a high priority for all those states that currently do not have this option available. States with enabling legislation in place should take steps to make the employer community aware of work sharing as an alternative to layoffs.

Flexplace or Work-at-Home Options refer to the practice of allowing regular employees to work at home or at an alternative worksite during a part of their scheduled hours. This kind of arrangement is also referred to as telecommuting.

When discussing work-at-home or flexplace options, it is very important to distinguish between arrangements related to regular employees of a firm and independent or cottage industry workers who are employed as peripheral staff. As in differentiating between regular part-timers and hourly, on-call part-timers, one group has flexibility within the regular workforce and the other is a member of the contingent workforce.

Flexplace options for regular employees allow workers to work out of their homes, or a satellite office, for an agreed-upon portion of their work schedule. In most cases this is a regularly scheduled activity.

Many flexplace workers telecommute, linked to the office with a telephone or through the use of a home computer.

Who uses it? Estimates of the number of telecommuters vary considerably but usage appears to be growing rapidly. The Bureau of Labor Statistics estimated in 1985 that at least 9 million people worked at least eight hours a week at home (Smith 1986). This figure, however, included those who were self-employed and independent contractors as well as regular employees of private and public sector organizations.

In terms of regular employees, Gil Gordon, a nationally known consultant in this field, estimated that in 1988 there were approximately 15,000 regular employees of 500 U.S. corporations who telecommuted two to four days a week (see Olmsted and Smith 1989). LINK (1991), a research organization specializing in telecommuting, reported a 40 percent increase in the number of telecommuters from 1990 to 1991. Their data are from a telephone survey of 2500 households and reflect growth in both very large and very small private companies, and in the public sector as well. They project a doubling of the telecommuter population to about 11.2 million by 1995.

A number of states with significant transportation or air quality problems are currently interested in exploring wider use of flexplace options as a means of reducing the amount of work-related vehicular traffic. The Colorado House of Representatives (1990) has recently passed legislation leading to the formation of a state task force to provide recommendations that will "reduce by a minimum of 5 percent per year over at least five years, the number of commutes and work-related vehicle trips or vehicle miles traveled by employees of employers that participate in the travel reduction program."

In California, Regulation 15 of the South Coast Air Quality Management District requires employers to set and achieve goals to reduce the number of daily vehicle trips to and from their facilities made by their employees. It is viewed as a precursor of a new generation of environmental regulations that will mandate employer involvement in reducing work-related automobile use.

What are the policy issues? The utilization of this option poses potential questions for the OSHA and workers' compensation systems

in terms of ensuring worker safety when the employee is engaged in direct employment activities at home or at a third-party, leased site.

The complex problems raised by contract employees, or cottage industry workers, working at home are very different from those raised by regular employees who telecommute from home as part of their regular work schedule. The issues relating to piece work or at-home contracted workers are encompassed by the larger issues within contingent employment trends.

Contingent Employment, as noted in an earlier section, is a flexible staffing arrangement, rather than a flexible scheduling option. The contingent workers are not employees of the firm at which they work, but are self-employed or hired through an agency.

Who uses it? In 1987, The Conference Board estimated that the number of contingent workers had grown 20 percent since the beginning of the decade to 34.3 million people (see McCarthy 1987). Of the 521 respondents to the 1989 Conference Board/New Ways to Work survey, 91 percent reported hiring contingent workers (Christensen 1989).

What are the policy issues? The implications for state policy were first noted in a special report, "The Changing Labor Market: Contingent Workers and the Self-Employed in California" (1987), prepared by the California Senate Office of Research. The report stated in part:

The tenuous relationship (characteristic of contingent workers) between workers and those who pay them is disrupting the usual connection between employment and certain benefits (e.g., health insurance, training, unemployment insurance). The decreased employer commitment to these workers is resulting in:

- (a) greater numbers of lower paid workers without basic benefits,
- (b) weakening governmental income and purchasing power in stabilization plans such as unemployment insurance,
- (c) growing dependence of workers on publicly provided, taxpayer-supported services,
- (d) reduced California competitiveness as the work force receives less training and has fewer reasons to be loyal to the corporation.

The implications of the use of the contingent worker are far-reaching. It is a short-term strategy with broad potential impact on the social

and economic fabric of society. More and more workers are totally unprotected, with none of the rights associated with permanent, regular employment. The growing use of contingent workers creates a serious challenge for the unemployment insurance, workers' compensation and state disability systems regarding employer definition, overall contribution rates, and potential increased usage. It is also likely that some states will experience a dramatic increase in civil litigation and cases before the Workers' Compensation Appeals Board as injured workers challenge their "nonemployee" status. Legislation addressing the issues of minimum protections (i.e., sick leave and holiday pay) and health benefits for these workers is anticipated at both state and federal levels.

Implications for State Policy

In summary, the policy areas that need to be looked at most closely in view of the emergence of the concept of flexibility in the workplace are the following.

Wage and Hours Legislation and Regulation

The overtime provisions of the Fair Labor Standards Act, which mandates overtime after 40 hours, and state regulatory systems that establish the eight-hour day as the standard inhibit the ability of employers to offer flextime and compressed workweek schedules to some of their employees. Overtime regulations make it difficult or impossible for employers to allow employees to "bank" flextime hours.

The overtime provision of wage and hours legislation and policy need to be examined as they affect the institution of flextime and compressed workweek programs. In cases where workers choose flexibility as a benefit, the exemption process should be streamlined and available for individual workers. Policy discussions between government, employers, labor, and policymakers must focus on creatively resolving workers' conflicting needs for both overtime protection and scheduling

flexibility. The issue of overtime compensation for part-time employees who are regularly asked to work more than their contracted hours but fewer than 40 hours a week should be reviewed.

Unemployment Insurance

The requirement that recipients of unemployment insurance payments must be actively looking for full-time jobs—when it may be a part-time position that they need—should be reexamined in light of today's labor force. The growth of the contingent workforce means that more and more people are denied access to unemployment insurance. This leaves many only one paycheck away from welfare.

For those states without enabling legislation, providing short-time compensation for participants in work sharing programs is not possible. This drastically restricts the number of employers who are willing or able to utilize work sharing as a way to eliminate or reduce layoffs. Using unemployment insurance for short periods to keep people employed, rather than waiting until their lives are disrupted, is a creative way to provide the kind of flexibility and stability that can have positive effects on productivity. More states should be thinking about encouraging this approach

Introducing STC legislation designed to encourage private sector use of it should be a high priority for all those states that currently do not have this option available. States with enabling legislation in place should take steps to make the employer community aware of work sharing as an alternative to layoffs.

The unemployment insurance and social security systems need to be examined and adjusted in light of the growing numbers of both voluntary and involuntary part-time workers in the United States.

Workers' Compensation and OSHA

The implications for policy and regulation for these systems is unclear. The growth of the contingent workforce may impact workers' compensation contribution rates and has the potential for increased activity before the State Appeals board.

The problems of fatigue-caused accidents related to the longer compressed workweek schedules (e.g., the 3/12 and 4/10) may prove to be a problem in the long run, particularly in work groups that have a higher percentage of older workers or workers who are providing care to dependent family members.

The growth in telecommuting and other at-home work also raises questions for OSHA in terms of how to ensure worker safety and for workers' compensation systems in terms of coverage related to off-site accidents.

States should track the impact of the flexible workplace on the workers' compensation and OSHA systems to better understand what kinds of new or revised policy should be developed.

Other Legislative and Policy Considerations

The immediately pressing issues for policymakers are likely to be those concerned with legislative initiatives that address the need to ensure minimum protection for all workers—part-time and contingent as well as full-time and regular—and for provision of health insurance and other fringe benefits as well as family and medical leave. If these issues are not addressed by private sector policy initiatives or federal legislation, they will inevitably become issues that state and county programs as the payers of last resort will be forced to address.

States should encourage the federal government to examine the issues relating to the contingent workforce and to gather accurate information as to its use. Further, states should develop ways to ensure minimum protections for part-time workers. Of particular concern are the issues of job security, compensation equity, and access to health insurance.

States should review and develop policies that ensure flexibility on an equitable basis within the regular workforce under conditions that broaden access to these options and do not penalize either workers or the employers who provide it. States should review their internal Human Resource policies and practices in relation to contingent workers and take appropriate steps to insure equitable conditions and protections for these workers. Finally, they should encourage institutions

of higher education to review their business school curricula to ensure that information about the history, structure, and management of the flexible workplace is included and explore ways to provide incentives to employers willing to institute flexible policies and practices in their organizations.

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