

**Will The Real Family-Friendly Employer Please Stand Up:  
Who Permits Parents To Reduce Working Hours  
For Purposes of Childcare?**

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## **Will The Real Family-Friendly Employer Please Stand Up:**

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The problem of balancing work and family life is particularly onerous when an employee wants to work fewer hours in order to deal with a family crisis. This is probably easiest for an acute crisis for which a couple of days off is required. More complicated are long term problems, e.g., a sick or injured child that requires several months of care. This paper examines how employers react to an especially difficult family-work issue: an employee who wants to move from full-time to part-time in order to care for a young child.

One reason to examine movements from full-time to part-time is that they seem to fall outside the purview of the existing literature on family friendly policies. The focus of this literature is principally on formal policies like maternity leave, paternity leave, and leave beyond that required by the Family and Medical Leave Act. Empirical work is often based on an index that combines several different “family friendly” policies, declaring employers with high values of the index “progressive.” It is not at all clear how these progressive employers would deal with an employee who wants to move from full-time to part-time in order to care for a child. The situation may be more a matter of informal practice than formal policy. Indeed, organizations with codified formal policies may be precisely the kinds of employers who do not permit such a shift from full-time to part-time.

Of course, both formal and informal policies and practices can play a role in alleviating work-family tensions, and both are thereby good topics for investigation. It is surely not the case that formal policies are always superior. There are, for example, situations where individual circumstances are more easily addressed through informal

mechanisms. Formal policies may be adopted not because they are more effective, but because organizational size renders informal mechanisms unwieldy. Moreover, it is interesting to examine the extent to which ideas that have been tested using data on formal family-friendly policies can be extended to less visible employer practices, i.e., practices that – while family-friendly – may not be included in the employer’s written description of personnel or fringe benefit policies.

Thus, this paper analyzes establishment level data on whether an employer is willing to accommodate an employee who wants to reduce hours in order to care for a child. In doing so the paper pursues two goals: (1) understanding what types of employers permit such a reduction in hours; and (2) understanding whether employers who permit such a reduction tend to also offer more formal “family friendly” policies such as paid maternity and paternity leave.

## I. The Literature

The existing literature on employer responsiveness to work-family issues often focuses on employer financed benefits or services. For example, an organization that provides on-site day care or pays for day care away from the work place is reasonably viewed as responsive to work-family issues (Ingram and Simons (1995), Osterman (1995), Goodstein (1994)). Fringe benefits like paid maternity and paternity leave are also important (Ingram and Simons (1995), Galinsky and Bond (1998)). Finally, a responsive employer has formal policies that assure flexibility in hours like flextime or parental leave for infant care (Trzcinski (1991), Galinsky and Bond (1998)). There is no question that such policies reveal family-friendly employers. One worries, however, that this emphasis on formal policies and fringe benefits could bias results toward large organizations. Smaller organizations may use informal practices to address similar work-

family issues. Indeed, smaller organizations may have the luxury of addressing each employee's situation individually and thus not need to establish formal policies.

Such worries are reinforced by the frequent use of indexes of family friendly policies. For example, as their dependent variable in a multivariate analysis Ingram and Simons (1995) use an index whereby an organization is ranked as most responsive to work-family issues when it provided a "dependent care service" as well as a "flexible workplace option." To satisfy this criterion, the firm must have a formal policy that pays for a benefit or service. Goodstein (1994) and Osterman (1995) use a similar index in their work. While the indexes in some of these studies apparently include informal practices, such practices are viewed as inferior to more formal policies. Ingram and Simons, for example, treat unpaid paternity leave as a type of work-family policy and apparently include informal practices as part of this. Yet, unpaid paternity leave is viewed as a "cheap response" (1995, page 1472), and not on the same plane as (say) subsidized child care.

Research that uses such indexes consistently finds that large organizations are more responsive to work-family issues than small organizations. Summarizing the literature, Fredriksen-Golden and Scharlach (2001, p. 194) write, "companies with fewer than 100 employees are significantly less likely than larger firms with over 100 employees to offer benefits such as retirement, health insurance, life insurance, disability insurance, or paid time off." Along these lines, after arguing that large organizations are more visible and are under more pressure to respond to work-family concerns, Ingram and Simons (1995, p. 1468) go on to cite a literature indicating that, "large organizations have also been found to be more responsive to work-family issues." This result arises in contingency tables (Ingram and Simons, 1995, Table 1) as well as multivariate analyses (Ingram and Simons, 1995, Table 3; Osterman, 1995, Table 3; Wood, 1999, Table 6).

The present paper examines whether a similar result arises for an alternative measure of employer responsiveness to work-family issues.

## II. Theoretical Framework

This section lays out hypotheses on what kinds of employers are likely to permit an employee to shift from full-time to part-time in order to care for a young child. At the outset it should be noted that there are potential advantages to such flexibility for both the employer and the parent. From the parent's perspective, such part-time work can permit care of a sick or otherwise needy child while providing earnings, maintaining connections to informal networks, and avoiding loss of firm-specific skills. From the employer's perspective, such flexibility can enhance retention of valued employees. Moreover, at least in comparison to paid parental leave, a part-time arrangement may facilitate employer monitoring and thereby mitigate moral hazard problems.

At least two theoretical frameworks provide insights into what kind of employer permits such a reduction in hours. First, economic theory can be used to develop a model of a cost-minimizing firm that decides whether to let an employee work part-time. Such a theory provides an explanation for why different employers offer different opportunities for part-time work.<sup>1</sup> Second, much of the work on employer responsiveness to work-family issues is built upon institutional theory in sociology.<sup>2</sup> According to that theory, organizations differ in their need to maintain organizational legitimacy and thus differ in their response to pressures to adopt progressive work-family practices.

In part because we do not have the data necessary for a rigorous test of institutional theory,<sup>3</sup> this paper primarily relies on economic theories of part-time work. Here we lay out four hypotheses for why employers differ in their propensity to permit a shift from full-time to part-time for purposes of childcare: organizational size, minimum

hours constraints, employee demands, and long-term contracts. The first hypothesis comes from institutional theory, and the latter three from labor economics.

Institutional theory in sociology argues that large organizations are more visible and held to higher standards than small organizations. Both Goodstein (1994, p. 357) and Ingram and Simons (1995, p. 1466) state this as follows: “the greater the size of an organization, the greater its level of responsiveness to institutional pressures for employer involvement in work-family issues.” For similar reasons, public sector organizations should be particularly responsive to institutional pressures. According to Ingram and Simons (1995, p. 1469), “public sector organizations will be more responsive than private sector organizations to institutional pressures for employer involvement in work-family issues.” Applied to this paper’s measure of employer responsiveness to work-family issues, we have:

**Hypothesis 1: Industrial Sector and Organization Size.** Establishments that are part of large organizations and/or public sector organizations are more likely to permit employees to shift from full-time to part-time for purposes of childcare, *ceteris paribus*.

One way that this paper contributes to the literature is by examining the effects of industrial sector and organization size on a measure of employer responsiveness that includes informal policies. Such a measure may have advantages over measures that are strictly based on formal policies. This is because, as established in an earlier line of sociological research, large and public organizations tend to be bureaucratic and thereby more inclined to adopt formal procedures (see Pugh et. al., 1969 or Mintzberg, 1979). A measure of responsiveness that is based on formal policies could yield statistically significant results that are influenced by relationships between the explanatory variables and formality. That is less likely to be a problem for the measure used here.

The second hypothesis arises out of the economic literature on minimum hour constraints. Regardless of an employee’s reason for wanting to shift from full-time to

part-time work, employer restrictions on the number of hours an employee must work may cause employers to prohibit the shift (Gustman and Steinmeier, 1983). If employers require their employees to work a minimum number of hours per week, month and/or year, then the employees can only reduce hours by quitting and taking a different job.

This can be stated as:

**Hypothesis 2. Minimum Hours Constraints.** Establishments that impose minimum hours constraints on their employees are less likely to permit employees to shift from full-time to part-time for purposes of child care, *ceteris paribus*.

It is usually argued that the driving force behind minimum hours constraints is the firm's technology; the technology is such that part-time work is costly to the firm. This idea takes at least three forms:

1. *Team Production*; In some jobs efficiency requires that a team of workers be present (Nollen, Eddy and Martin, 1978). While an assembly line and a football team are classic example, there are other jobs such as police services that require people to work the same hours so that they can interact as members of a team.
2. *Quasi-Fixed Employment Costs*: Quasi-fixed employment costs do not change with hours worked. Examples are hiring and training costs. Economic theory predicts that employers will only bear part of these costs in anticipation of recovering the rest of the cost over the duration of the employment relationship. A minimum hours constraint may be part of this cost recovery; if an employee works less than the minimum hours constraint, then the employer may not fully recover the initial fixed cost. In fact, there exists evidence that the proportion of a firm's workforce that is part-time declines with the magnitude of hiring and training costs (Montgomery, 1988).
3. *Supervisory Costs*: Another reason for minimum hours constraints – a reason quite similar to quasi-fixed costs – is supervisory cost. Nollen, Eddy and Martin (1977) indicate that the problem is primarily one of scheduling complexities. “Either there is more scheduling of workers to be done because there are more workers or scheduling is harder because part-time workers are not continuously available or work irregular schedules.” (page 45)

Empirical work requires observable proxies for constraints on the minimum number of hours an employee must work. Obvious proxies are variables that indicate the extent to which an establishment permits less than full-time work. As detailed below, the subsequent empirical work uses the establishment's policy on job sharing as well as the

presence of part-time workers as indicators of workplaces that *do not* impose constraints on the minimum number of hours an employee must work. Similarly, we use the establishment's policy on flexible starting times as an indicator. Michael Hurd has argued that flexible starting times reveal the absence of team production (Hurd, 1996 p. 25).

A third hypothesis views worker needs and demands as the primary determinant of work-family policies. Since different workers have different needs, if a large fraction of an establishment's workforce is interested in certain types of policies or fringe benefits, then it can be in the employer's interest to respond. It follows that an employer's attitude toward shifts from full-time to part-time for purposes of childcare will be a function of establishment demographics. Thus:

**Hypothesis 3: Employee Demand.** Establishments with employee groups that are disproportionately likely to care for young children are more likely to permit employees to shift from full-time to part-time for purposes of child care, *ceteris paribus*.

This hypothesis has antecedents in the theory of compensating differentials (e.g., Rosen, 1986). Accordingly, employers grant employee demands for costly workplace amenities either because this helps with retention of valued employees or because some other form of compensation (such as money wages) can be reduced. While evidence for employer responsiveness to worker demands often focuses on the effects of unions (e.g., Freeman 1981; Buchmueller, Dinardo, and Valletta 2002), there are good reasons to expect a similar effect in nonunion workplaces.

Empirical work requires measures of workplace demographics that are associated with demand for family-friendly policies. One such measure – a measure that is standard in the literature on family-friendly policies – is the percent of workers who are female. Another feasible measure is the age of the establishment's work force. If a high percentage of the establishment's workforce is over 55 years of age, then one would expect less demand for flexibility with regard to child care.



A fourth hypothesis arises out of the literature on training and implicit contracts. Employers differ in the extent to which they encourage long-term employment relationships. Some want to retain workers until they reach retirement, while others accept high turnover rates. Employers with a strong interest in retaining workers would seem particularly likely to accommodate those with a young child. To not do so is to risk low morale and quits by valued employees. Thus:

**Hypothesis 4: Long-Term Relationships.** Establishments characterized by long-term employment relationships are more likely to permit employees to shift from full-time to part-time for purposes of childcare, *ceteris paribus*.

There are several explanations for why some employers encourage long-term relationships. Perhaps the most prominent explanations posit that some employers provide their workers with firm-specific training, i.e., training that only has value in that specific firm. Much as with quasi-fixed costs, the employer will have an interest in recovering the cost of such training. Since that is not possible if the worker quits shortly after receiving the training, the employer has a strong interest in retaining the worker. A second closely related explanation for long-term relationships arises out of the implicit contract literature. The argument here is that for some productive activities, it is difficult for employers to monitor worker performance. These employers use implicit contracts that are structured so as to discourage workers from cheating or shirking, and such contracts tend to be long-term contracts (Lazear 1979, 1981; Hutchens 1986; Bulow and Summers 1986).<sup>4</sup>

The subsequent empirical work requires proxies for long-term employment relationships. As detailed below, five variables are used for this purpose: a measure of employer provided formal training;<sup>5</sup> a variable indicating whether workers are likely to remain with the firm until retirement; a variable indicating the extent to which jobs are

filled from the inside; and measures of the fraction of workers with long and short job tenures.

Although the first of our four hypothesis is drawn explicitly from institutional theory in sociology, the last three hypotheses are by no means foreign to this literature.<sup>6</sup> Of particular importance is the employee demand hypothesis. After noting that working women face particularly strong work-family pressures because they often bear primary responsibility for child care, and after citing an extensive list of previous works, Goodstein hypothesizes, “the greater the dependence of an organization on female employees, the greater its level of responsiveness to institutional pressures for employer involvement in work-family issues.” (1994, page 358). The same idea is found in Ingram and Simons (1995, p. 1468), Osterman (1995) and Guthrie and Roth (1999).

### III. The Data

The subsequent analysis is based on a representative sample of 947 establishments. An establishment is defined as a single physical location at which business is conducted or services or industrial operations are performed. An establishment may or may not be part of a larger organization. For example, a school may be one of several establishments that belong to a school district. For purposes of studying an employer’s actual behavior, establishment level data is arguably better than data collected from the larger organization. In contrast to (say) a survey of upper-level executives at corporate headquarters, establishment level respondents are more likely to know how policy is implemented in practice.

The survey was undertaken for the purpose of studying phased retirement among white-collar workers.<sup>7</sup> As such, the sample was restricted to establishments not engaged

in either agriculture or mining with twenty or more employees and at least two white-collar employees who are age 55 or more.<sup>8</sup>

The sample universe was the Dun and Bradstreet Strategic Marketing Record for December 2000. These data come from credit checks, although information is also obtained from the U.S. Postal Service, banks, newspapers, yellow pages, and other public records. To insure sufficient numbers of large establishments, the sample was stratified by establishment size. When appropriate the subsequent results are weighted to insure representative samples. The survey was executed by the University of Massachusetts Center for Survey Research between June 2001 and November 2002.

The survey was conducted by telephone. The survey research firm first contacted the establishment and asked for the person who is best able to answer questions about flexible work schedules and employee benefits, for example a human resource manager or benefits manager. Interviews were conducted with a CATI (Computer Assisted Telephone Interviewing) system, thereby permitting an interview to be completed over several phone calls. The median number of telephone calls to complete an interview was 10, with 10% of the interviews requiring 30 or more calls to complete.

The overall response rate was 61%. Most of the nonresponse occurred when screening establishments for eligibility (e.g., at least two white-collar employees age 55+), and before respondents knew the purpose of the survey. Interviews were completed in 89% of the establishments that were successfully screened. This is on a par with other establishment level telephone surveys.<sup>9</sup>

### III.a Three Indicators of Family-Friendly Policies and Practices

After asking a series of question about the characteristics of the establishment and its human resource policies, the interviewer posed the following question:

- Q1 Suppose a [randomly-selected occupation] wanted to shift from a full-time to a part-time work schedule in order to care for a young child. This employee would like to remain part-time for at least a year, and perhaps longer. Would that be permitted in your establishment?
- Yes
  - No
  - Depends \_\_\_\_\_
  - Don't Know/Not Sure

Prior to this question, the interviewer asked whether any of the establishment's white-collar workers fell into four occupational categories: (1) professionals (including technical workers), (2) managers or administrators, (3) sales personnel, (4) clerical or office workers. The "randomly selected occupation" in Q1 is one of these four occupational categories. If an establishment did not have white-collar employees in an occupational category (for example, if it did not include sales people), then that category was excluded from the random selection.

Table 1 presents the results of this question. Most establishments answer "yes," although there is variation by occupation. In particular, managers have fewer opportunities to shift to part-time in order to care for a child. This is presumably because it is difficult for an establishment to have a part-time manager.

When a respondent answered Q1 with "depends," we asked what it depends on. The vast majority of respondents indicated that it depends on what kind of work a person does and whether a part-time arrangement is feasible. For example,

*(It depends on) conditions that have to do with the ability to share work. Some work such as accounting, does not share very well.*

*Depends on position of the person and readily available shifting of work load*

*(It depends on) if they had someone to job share with*

*In certain positions, but in others it would be impossible. Our field staff comes to mind and several management positions do not lend themselves to part time work.*

*Some departments may not be able to accommodate that, but there may be jobs in other departments that would allow that. They may also provide a temp.*

In some cases, however, the response evidently depends on the employee who was asking for the shift and why they were asking.

*It would depend upon longevity and position.*

*If he is a good salesman and they didn't want to lose him they would want to work with him.*

*We honor 12 wks of medical leave; beyond that it would be just depend on the circumstances*

*The child would have to be very, very, ill.*

For purposes of the subsequent analysis, responses to Q1 are coded into a variable called "Sick-Child" that takes 3 values: 0 = No; 1 = Depends; 2 = Yes. Observations with a response of "Don't Know" or "Not Sure" are excluded from the analysis. Since the question pertains to different occupations in different establishments, the subsequent analysis uses occupation dummy variables to control for the randomly selected occupation.

Recall that the second goal of this paper is to examine the extent to which Sick-Child is related to other policies that the literature treats as "family friendly." Here we examine paid maternity and paternity leave. Previous assessments of employer responsiveness to work family issues use similar variables (e.g., Ingram and Simons (1995) and Wood (1999)). The variables used here arise out of the following questions:

We would like to know a little about some of your establishment's personnel policies. First, in order to make these questions more concrete, please think of a secure, full-time, white-collar position in your establishment that is occupied by an employee in good standing. Either as a matter of formal or informal policy, would your establishment allow this employee:

- (Q2) paid maternity leave
- Yes (= 2)
  - In Some Cases (= 1)
  - No (= 0)
  - Don't Know/Not Sure

- (Q3) paid paternity leave
  - Yes (= 2)
  - In Some Cases (= 1)
  - No (= 0)
  - Don't Know/Not Sure

As with Q1, these variables are coded 0, 1 and 2. Cases with “Don't Know/Not Sure” responses are excluded from the analysis

Although results on both Q2 and Q3 are presented below, for purposes of assessing an employer's family friendliness, we have a preference for paid paternity leave. This is because paid maternity leave is often provided through paid sick leave policies, and that may not reveal family friendliness. In contrast, when paid paternity leave is provided, the firm must also provide paid maternity leave.<sup>10</sup>

### III.b. Descriptive Statistics

Table 2 not only provides an overview of the data, but also permits initial steps toward the paper's two goals. The first row of the table presents overall means for the three indicators of family friendly policy. Since the mean of 1.34 for Sick-Child lies between one and two, these results indicate that, on average, establishments allow workers to switch from full-time to part-time work to care for a young child. The maternity leave and paternity leave variables have averages of 1.22 and .76 respectively, implying that paid maternity leave is more common than paid paternity leave. The subsequent rows in Table 2 give corresponding means for these indicators of family-friendly policy when the sample is restricted to the left hand side categorical variable. For example, for establishments in the construction industry, the average value of Sick-Child is 1.44, while that for maternity and paternity leave are .78 and .22 respectively. Note that the asterisk next to the paternity leave average indicates that that average is statistically different from the overall mean at a .05 confidence level. While most of the variables in

Table 2 are self-explanatory, for those that are not, the appendix provides information on the relevant survey questions.

For purposes of this paper's first goal –understanding what types of establishments permit parents to shift to part-time work for purposes of child care –the important information is in the “Sick-Child” column of Table 2. Most of the statistically significant results in this column occur among the Section G proxies for the absence of minimum hours constraints. Establishments with job sharing, a flexible starting time, and part-time work are particularly likely to permit this shift from full-time to part-time. This is, of course, consistent with the second hypothesis.

In contrast, Table 2 provides little support for the other hypotheses. With regard to the first hypothesis, establishments in public administration do not have significantly higher averages for “Sick-Child”, nor is there evidence that the variable rises with organization size. While there is some indication that larger *establishments* tend to be more open to a shift to part-time for purposes of child-care, the first hypothesis pertains to organization size, not establishment size. Moreover, Table 2 provides no real support for the third and fourth hypothesis, since none of the Sick-Child results in section F or H are statistically significant. Of course, there remains the question of whether similar results are obtained in multivariate models.

For purposes of the paper's second goal –understanding whether an employer's willingness to permit parents to shift to part-time work for purposes of child care is related to other “family friendly” policies –sections A through E of Table 2 are particularly relevant. Note that the results on paternity leave are thoroughly consistent with the first hypothesis, a hypothesis that arises of institutional theory. Specifically, public sector establishments and large organizations tend to provide paid paternity leave. Results on maternity leave are similar, at least with regard to size of organization. In

contrast, as noted above, there is no support for the first hypothesis in the Sick-Child column. Looking at the other sections of the table, variables that are statistically significant for “Sick-Child” are frequently not statistically significant for paid maternity or paternity leave. These results then strongly suggest that the forces underlying “Sick-Child” differ from those underlying the other two family-friendly policies.

That conclusion is reinforced by the correlations between the three variables. While paid paternity and maternity leave are positively correlated with each other (the correlation coefficient is  $+.60$ ), Sick-Child is effectively uncorrelated with the other two; the correlation coefficient for Sick-Child and maternity leave is  $-.04$ , while that for paternity leave is  $.05$ . Thus, at least in terms of these simple correlations, there is no evidence that Sick-Child is related to the other family-friendly variables.

#### IV. Establishment Characteristics and Sick-Child: Ordered Probit Results

Multivariate models provide another path to the paper’s two goals. In line with the first goal, Table 3 presents ordered probit models of Sick-Child, i.e., the employer’s response to Q1. Ordered probits are used because the dependent variable takes three values: 0 if the employee *cannot* shift to part-time to care for a sick child, 2 if an employee *can* shift to part-time, and 1 if the employer’s response is “depends.” As is the case with any survey based on voluntary participation in interviews, some respondents did not answer all of the questions. In the subsequent multivariate work we address that through listwise deletion, whereby any observation with missing data is excluded. As a result, the analysis is based on 631 observations.<sup>11</sup>

The first model in Table 3 includes variables that determine the economic and organizational environment within which the establishment operates. Included here are measures of industry, establishment and organization size, whether the establishment is



part of a larger organization, the percent of the establishment's workforce that is white collar, and dummy variables indicating the randomly selected occupation that was used when asking Q1. While most of these variables are simply controls, the first hypothesis predicts that both the industry dummies and the measures of organizational size will follow a specific pattern. In accordance with the first hypothesis, establishments that are in public administration and that are part of a large organization are expected to permit employees to shift from full-time to part-time for purposes of child care. In fact, the coefficient on public administration is neither particularly large nor statistically significant, and the organization size dummy variables do not increase with organizational size. Indeed, establishments that belong to larger organizations have significantly *lower* values of Sick-Child. There is no evidence here in support of the first hypothesis.

The second model in Table 3 examines the effects of minimum hours constraints. From the second hypothesis we expect a positive coefficient on the percent of white collar workers who are part-timers, as well as the dummy variables indicating that the establishment permits job sharing and the establishment has flexible starting times. This is exactly what happens. There is then solid support for the hypothesis that when establishments use technologies that involve minimum hours constraints, they tend to limit a parent's opportunities to change working hours in order to care for a child.

The third model in Table 3 examines the third hypothesis by introducing a set of demographic variables. As noted above, of particular importance is the percent female. We expect a positive coefficient on percent female, i.e., establishments with a higher percent female should have higher values of Sick-Child. In fact, the coefficient is negative and statistically insignificant. Results on percent union and the age composition

of the white-collar workforce are also only weakly related to the Sick-Child variable.

There is then no evidence here in support of the third hypothesis.

The fourth model in Table 3 introduces a set of proxies for testing the fourth hypothesis, whereby establishments characterized by long-term employment relationships are more likely to pursue family-friendly policies. In accordance with that hypothesis, Sick-Child should be positively related to indicators of long-term employment relationships (employer provided formal training, 45 year old workers remaining to retirement, filling jobs from within, percent of white-collar workers with 15+ years in the establishment). Although some of the coefficients are positive, none are statistically significant. In consequence, there is no support for the fourth hypothesis either.

Model 5 tests for robustness. The results from Models 1 – 4 are unaffected by including all of the variables in one model. Thus, the evidence in these multivariate models is similar to that in the Table 2 cross-tabulations: minimum hours constraints play a major role in influencing opportunities for parents to shift from full-time to part-time in order to care for a child. None of the other hypotheses are supported by the data. Indeed, in contrast to the first hypothesis, establishments that are part of a larger organization are *less* likely to pursue this family-friendly policy.

We conclude that establishments permitting workers to move from full-time to part-time for purposes of childcare tend to be characterized by flexibility. They are not usually part of larger organizations, and they have policies like job sharing and flexible starting times that reveal openness to alternative work-schedules. Not only are they small, but they are probably accustomed to handling family demands and crises through informal arrangements.

That conclusion leads logically to the paper's second goal: examining the extent to which workplaces that permit a childcare oriented shift from full-time to part-time also

have the kinds of family-friendly policies that are discussed in the literature, e.g., paid maternity and paternity leave. Since, as noted above, there is almost a zero correlation between Sick-Child and the measures of paid maternity and paternity leave, it is reasonable to expect that different explanatory variables will be important when each of these measures is used as a dependent variable in a multivariate model.

And that is the case. Table 4 presents estimates of the Table 3 models, but with the establishment's policy on paid paternity leave as the dependent variable. Although one could do the same with maternity leave, a single table suffices to make the point: the results are quite different from those in Table 3. In both Tables 3 and 4 we are estimating ordered probits, and in both cases the dependent variable takes three values (0, 1, 2). Comparing the model in column 5 of Table 3 with the model in column 5 of Table 4, the signs on 11 of the 36 coefficients differ. Moreover, unlike Sick-Child, paid paternity leave is strongly and positively related to being in Public Administration and size of organization; as the number of employees in the organization increase, the coefficients become increasingly positive, with the coefficient on organizations with more than 1000 employees being positive and statistically significant. This is similar to the findings in Ingram and Simons (1995), Osterman (1995), and Wood (1999). Note that despite the differences between the two tables, there are some similarities. In particular, there is a positive relationship between flexible starting times and both "Sick-Child" and "Paid Paternity Leave." The larger message of Table 4 is, however, that the determinants of paid paternity leave are quite different from the determinants of opportunities to move from full-time to part-time in order to care for a young child. While both are family-friendly policies, they are driven by different forces.

One could argue that this conclusion only applies to observable variables. There may conceivably be unobserved variables that influence both "Sick-Child" and "Paid

Paternity Leave.” For example, there could be a special employer attitude towards employee needs that permeates the employer’s response to a situation involving sick children or the need for paternity leave. By this argument, the explanatory variables in the ordered probits fail to measure an unobserved employer ethos. Had it been measured and included in the model, we would have found strong evidence of a common factor, and concluded that both Sick-Child and Paid Paternity Leave were driven by similar forces.

One way to check for this is to estimate a bivariate model and examine the correlation between the error terms. We thus estimated several bivariate probits that conditioned on the variables in Tables 3 and 4. No matter how the bivariate probit was specified, the estimated value of the correlation between the errors (“rho” in the parlance of bivariate probit estimation) was never statistically different from zero and often negative. Thus, there is no evidence of an important latent factor that is common to the two models. Again, all the evidence indicates that we are dealing with different phenomena here. Both paid paternity leave and permitting shifts to part-time for purposes of childcare can be viewed as family-friendly policies, but different forces drive them.

## V. Conclusion

This paper indicates that different types of employers pursue different types of family-friendly policies. In particular, large organizations are much more likely to provide paid maternity and paternity leave, while establishments that are not part of a larger organization are more likely to permit an employee to shift to part-time in order to care for a young child. An explanation for family-friendly policies needs to account for these different patterns of behavior.

Certainly part of the explanation is cost. Large organizations can more easily provide fringe benefits like paternity leave, pensions, life insurance, and childcare

subsidies because they are able to reap the benefits of economies of scale. Other things equal, the cost of an additional person on paternity leave or an additional pension plan participant is almost certainly lower for a large organization than a small organization. Moreover, while permitting employees to work different hours on different schedules could create a coordination nightmare in a large organization, a small organization with one or two establishments may be able to handle multiple schedules through informal arrangements. If an organization seeks to be family-friendly, then it is likely to do so in a way that minimizes cost. And that could very well translate into different policies for different types of employers. By implication, the absence of formal policies like paid paternity leave should not be read – in and of itself – as a failure to address work-family issues. This is especially true for smaller employers.

Another part of the explanation for why different types of employers pursue different types of family-friendly policies may lie in the extent to which a policy is visible to outside parties. Institutional theory in sociology emphasizes how different types of organizations face different pressures for involvement in work-family issues. For example, as noted above, public sector organizations are expected to be more responsive to work-family issues because they are subject to a higher level of scrutiny from external parties (e.g., the media). This hypothesis seems eminently plausible. One implication would seem to be that such an employer is likely to respond with policies that are visible to outside parties. Paid paternity leave is such a policy. It is easy for an outsider to verify that the policy exists and that male employees with children have benefited from it. Permitting parents to shift from full-time to part-time in order to care for a young child may be a much less visible policy. Outside parties can not easily determine how the policy is implemented or whether the arrangement works in a way that is satisfactory to parents. If an employer is responding to outside pressures and must choose between two

equally costly policies, one of which is visible to outside parties and the other effectively invisible, than the employer is likely to choose the more visible policy. Thus, something similar to conspicuous consumption could be part of the explanation for why different employers pursue different policies.

Viewed from that perspective, the Sick-Child policy considered here may lie outside the set of family-friendly policies explained by institutional theory in sociology. Institutional theory may be effective in explaining policies that are especially visible to outside parties; perhaps a policy of permitting shifts from full-time to part-time for purposes of childcare falls outside a boundary that defines what is “especially visible.” By implication, it may be fruitful for future theorists to examine and explain the locus of that boundary.

Finally, the results in this paper lead to a point about indexes of family friendly policies. There is no question that the employer policies considered in this paper – policies such as paid paternity leave or permitting parents to shift to part-time work for purposes of caring for a child – are family-friendly policies. But the evidence indicates that these policies are determined by different forces. Lumping these and similar policies together in a single index may obscure important relationships that could be more fully understood by looking at the separate components. The point is similar to Christopher Jenck’s comments on the concept of underclass (Jencks, 1992). While out of wedlock births and criminal behavior may well be elements of a “meta-problem,” they are arguably determined by very different social and economic forces. From a social science perspective, the best strategy for enhancing knowledge may be to focus on understanding what determines the separate components.

**Table 1. Responses to Q1 by Occupational Category**

	<b>Occupational Category</b>				
	<b><u>Clerical</u></b>	<b><u>Manager</u></b>	<b><u>Professional</u></b>	<b><u>Sales</u></b>	<b><u>Total</u></b>
<b>Number of Cases:</b>	300	297	259	91	947
<b>Does Establishment Permit Shift to Part-Time for Purposes of Childcare? (weighted percentages)</b>					
<b>Yes</b>	53%	42%	55%	47%	49%
<b>Depends</b>	19%	18%	20%	19%	19%
<b>No</b>	19%	29%	19%	25%	23%
<b>DK or NA</b>	9%	11%	6%	9%	9%
<b>Total</b>	100%	100%	100%	100%	100%

**Table 2**  
**Descriptive Statistics for Three Family-Friendly Variables (weighted)**

Variable	<u>Sick-Child</u>		<u>Maternity Leave</u>		<u>Paternity Leave</u>	
	Mean	Stand. Error	Mean	Stand. Error	Mean	Stand. Error
All Observations	1.34	(0.03)	1.22	(0.04)	0.76	(0.04)
<b>A. Industry of Establishment</b>						
Construction	1.44	(0.24)	0.78	(0.34)	0.22 *	(0.22)
Manufacturing	1.23	(0.08)	1.31	(0.09)	0.51 *	(0.08)
Transport, Comm., and Utilities	1.14	(0.15)	1.08	(0.17)	0.37 *	(0.13)
Wholesale and Retail Trade	1.34	(0.10)	0.96 *	(0.12)	0.57	(0.11)
Finance, Insur., and Real Estate	1.51	(0.15)	1.41	(0.18)	1.03	(0.20)
Services	1.42	(0.08)	1.18	(0.10)	0.65	(0.09)
Health, Ed. and Social Services	1.36	(0.06)	1.28	(0.06)	0.92 *	(0.07)
Public Administration	1.30	(0.11)	1.33	(0.12)	1.19 *	(0.13)
<b>B. Region of Establishment</b>						
Central	1.38	(0.06)	1.21	(0.07)	0.78	(0.07)
South	1.23 *	(0.06)	1.21	(0.07)	0.71	(0.07)
East	1.36	(0.07)	1.22	(0.09)	0.60 *	(0.09)
West	1.43	(0.07)	1.24	(0.08)	0.92 *	(0.09)
<b>C. Size of Establishment</b>						
Less than 50 employees	1.32	(0.07)	1.29	(0.07)	0.76	(0.08)
50 to 99 employees	1.39	(0.08)	1.16	(0.09)	0.83	(0.09)
100 to 249 employees	1.29	(0.06)	1.12	(0.07)	0.58 *	(0.06)
250 to 999 employees	1.30	(0.08)	1.21	(0.09)	0.80	(0.09)
1000 or more employees	1.58 *	(0.12)	1.30	(0.17)	1.12 *	(0.17)
<b>D. Size of Organization</b>						
Less than 50 employees	1.42	(0.07)	1.17	(0.10)	0.63	(0.09)
50 to 99 employees	1.48	(0.09)	1.02	(0.12)	0.76	(0.12)
100 to 249 employees	1.31	(0.07)	0.95 *	(0.09)	0.52 *	(0.07)
250 to 999 employees	1.22	(0.08)	1.37 *	(0.08)	0.94 *	(0.09)
1000 or more employees	1.24	(0.06)	1.52 *	(0.06)	0.97 *	(0.07)
E. Establishment is Part Of Larger Org.	1.13 *	(0.06)	1.50 *	(0.06)	0.94 *	(0.07)
<b>F. Demographics of the Establishment</b>						
Percent of All Workers that are WC:						
Less than 75%	1.37	(0.04)	1.09 *	(0.05)	0.64 *	(0.05)
75% or more	1.31	(0.05)	1.37 *	(0.05)	0.89 *	(0.06)
Percent of WC that are Unionized						
None (0%)	1.35	(0.04)	1.17 *	(0.04)	0.67 *	(0.04)
Some (More than 0%)	1.30	(0.07)	1.40 *	(0.07)	1.07 *	(0.08)
Percent of WC that are Female						
50% or less	1.33	(0.05)	1.19	(0.06)	0.66 *	(0.05)
More than 50%	1.35	(0.04)	1.24	(0.05)	0.84 *	(0.05)
Percent of WC Under 35 Yrs Of Age:						
30% or less	1.38	(0.04)	1.15 *	(0.05)	0.78	(0.05)
More than 30%	1.28	(0.05)	1.32 *	(0.06)	0.73	(0.06)



**Table 2 (Continued)**  
**Descriptive Statistics for Three Family-Friendly Variables**

Variable	Sick- Child Mean	Stand. Error	Maternity Leave Mean	Stand. Error	Paternity Leave Mean	Stand. Error
All Observations	1.34	(0.03)	1.22	(0.04)	0.76	(0.04)
F. Demographics of the Establishment (Continued)						
Percent of WC Over 54 Yrs Of Age:						
10% or less	1.29	(0.06)	1.34 *	(0.06)	0.86	(0.06)
More than 10%	1.37	(0.04)	1.15 *	(0.05)	0.70	(0.05)
G. Proxies for Absence of Minimum Hours Constraints						
Establishment Has Job Sharing	1.61 *	(0.04)	1.32 *	(0.06)	0.90 *	(0.06)
Establishment has Flexible Starting Time	1.48 *	(0.04)	1.24	(0.05)	0.82 *	(0.05)
Percent Of Work Force That Is Part-Time:						
None (0%)	1.11 *	(0.06)	1.23	(0.06)	0.83	(0.06)
Some (More than 0%)	1.48 *	(0.04)	1.21	(0.05)	0.71	(0.05)
H. Proxies for Long-term Employment Relationships						
Establishment Provides Formal Training	1.35	(0.03)	1.26 *	(0.04)	0.79 *	(0.04)
How Likely 45 Yr Old to Stay To Retirement?:						
Unlikely	1.36	(0.06)	1.08 *	(0.08)	0.54 *	(0.07)
Likely	1.34	(0.04)	1.27 *	(0.04)	0.84 *	(0.05)
How Important to Fill Jobs from Within?						
Not Important	1.30	(0.08)	1.27	(0.08)	0.69	(0.08)
Important	1.35	(0.04)	1.20	(0.04)	0.77	(0.04)
Percent of WC with 3 Yrs or Less Tenure:						
20% or less	1.31	(0.05)	1.34 *	(0.05)	0.90 *	(0.05)
More than 20%	1.37	(0.05)	1.10 *	(0.06)	0.62 *	(0.05)
Percent of WC with 15 Yrs or More Tenure:						
15% or less	1.34	(0.05)	1.16	(0.05)	0.65 *	(0.05)
More than 15%	1.35	(0.05)	1.28	(0.05)	0.88 *	(0.06)

\* The mean to the left of the asterisk is statistically different from the overall mean at a .05 confidence level.

**Table 3**  
**Employer's Response to Q1 about Shifting to Part-time to Care for a Sick Child Was,**  
**0 = No, 1 = Depends, or 2 = Yes: Ordered Probit Models**

Variable Name	Model 1		Model 2		Model 3	
	Coeff.	SD	Coeff.	SD	Coeff.	SD
Industry of Establishment <sup>a</sup>						
Manufacturing	0.2017	(0.406)	0.0631	(0.424)	0.2115	(0.410)
Transport, Comm., and Utilities	-0.2515	(0.438)	-0.4311	(0.457)	-0.1986	(0.442)
Wholesale and Retail trade	0.1391	(0.409)	-0.0333	(0.427)	0.1574	(0.414)
Finance, Insur. and Real Estate	0.4721	(0.464)	0.0771	(0.484)	0.5103	(0.476)
Services	0.3278	(0.406)	0.0175	(0.425)	0.3739	(0.413)
Health, Ed. and Social Services	0.3623	(0.401)	0.0154	(0.422)	0.4930	(0.421)
Public Administration	-0.0058	(0.423)	-0.1811	(0.441)	0.0765	(0.431)
Region of Establishment <sup>a</sup>						
Central	0.1597	(0.142)	0.1307	(0.147)	0.1612	(0.143)
South	-0.0365	(0.141)	0.0989	(0.146)	-0.0843	(0.146)
West	0.1818	(0.152)	0.1124	(0.157)	0.1945	(0.153)
Size of Establishment <sup>a</sup>						
50 to 99 employees	0.0797	(0.210)	-0.0222	(0.216)	0.1085	(0.212)
100 to 249 employees	0.0251	(0.197)	-0.0080	(0.202)	0.0282	(0.199)
250 to 999 employees	-0.0093	(0.219)	-0.0724	(0.226)	-0.0110	(0.222)
1000 or more employees	0.3054	(0.301)	0.1980	(0.311)	0.3038	(0.302)
Size of Organization <sup>a</sup>						
50 to 99 employees	0.0415	(0.262)	0.0327	(0.270)	0.0859	(0.264)
100 to 249 employees	-0.1067	(0.235)	-0.0665	(0.241)	-0.0703	(0.238)
250 to 999 employees	-0.1588	(0.245)	-0.0983	(0.252)	-0.1229	(0.247)
1000 or more employees	-0.0004	(0.282)	0.0191	(0.289)	0.0316	(0.283)
Establishment is Part Of Larger Org.	-0.4123 *	(0.152)	-0.3671 *	(0.155)	-0.3646 *	(0.155)
Occupation						
Percent of all that are White Collar	0.0002	(0.002)	-0.0004	(0.002)	0.0008	(0.002)
Target Occupation for Q1: <sup>a</sup>						
Clerical	0.2448	(0.181)	0.3748 *	(0.186)	0.2457	(0.182)
Professional	0.2706	(0.182)	0.3738 *	(0.187)	0.2727	(0.183)
Manager	-0.0808	(0.179)	0.0396	(0.183)	-0.0796	(0.179)
Proxies for Minimum Hours Constraints						
Permit Job Sharing			0.6075 *	(0.109)		
Flexible Starting Times			0.4661 *	(0.110)		
Percent Part-Time			0.0171 *	(0.008)		
Square of Percent Part-Time			-0.0001	(0.000)		
Demographics Of The Establishment						
Pct White Collar (WC) that are female					-0.0013	(0.002)
Pct WC that are unionized					-0.0028	(0.002)
Pct WC Under 35 Yrs Of Age					0.0005	(0.003)
Pct WC Over 54 Yrs Of Age					0.0044	(0.003)
Proxies for Long-Term Employment Relationships						
Establishment Provides Formal Training						
45 Yr Old Likely to Stay to Retirement						
Important to Fill Jobs from Within						
Pct WC With Job Tenure < 4 Yrs						
Pct WC With Job Tenure > 15 Yrs						
Cut Points						
Cut 1	-0.4339	(0.432)	0.0277	(0.452)	-0.3048	(0.451)
Cut 2	0.2019	(0.432)	0.7283	(0.452)	0.3349	(0.451)
Pseudo R-Square	0.0393		0.1010		0.0429	
Log Likelihood	-612.53		-573.19		-610.25	
N	631		631		631	
LR Chi-Square (P-Value)	50.11	(0.00)	128.79	(0.00)	54.67	(0.00)

**Table 3 (Continued)**  
**Employer's Response to Q1 about Shifting to Part-time to Care for a Sick Child Was,**  
**0 = No, 1 = Depends, or 2 = Yes: Ordered Probit Models**

Variable Name	Model 4		Model 5	
	Coeff.	SD	Coeff.	SD
<b>Industry of Establishment<sup>a</sup></b>				
Manufacturing	0.2194	(0.408)	0.1586	(0.428)
Transport, Comm., and Utilities	-0.2362	(0.443)	-0.2803	(0.465)
Wholesale and Retail trade	0.1710	(0.414)	0.0880	(0.435)
Finance, Insur. and Real Estate	0.4871	(0.467)	0.2612	(0.496)
Services	0.3076	(0.410)	0.1444	(0.433)
Health, Ed. and Social Services	0.3927	(0.404)	0.2647	(0.443)
Public Administration	0.0586	(0.425)	0.0006	(0.451)
<b>Region of Establishment<sup>a</sup></b>				
Central	0.1407	(0.143)	0.1376	(0.149)
South	-0.0640	(0.142)	0.0662	(0.152)
West	0.1434	(0.154)	0.1029	(0.158)
<b>Size of Establishment<sup>a</sup></b>				
50 to 99 employees	0.0817	(0.211)	0.0074	(0.220)
100 to 249 employees	0.0231	(0.198)	-0.0093	(0.205)
250 to 999 employees	-0.0183	(0.220)	-0.0821	(0.230)
1000 or more employees	0.3000	(0.301)	0.2013	(0.313)
<b>Size of Organization<sup>a</sup></b>				
50 to 99 employees	0.0059	(0.266)	0.0061	(0.276)
100 to 249 employees	-0.1396	(0.239)	-0.0653	(0.248)
250 to 999 employees	-0.1724	(0.249)	-0.0916	(0.256)
1000 or more employees	-0.0007	(0.284)	0.0454	(0.294)
Establishment is Part Of Larger Org.	-0.4154 *	(0.153)	-0.3637 *	(0.160)
<b>Occupation</b>				
Percent of all that are White Collar Target Occupation for Q1: <sup>a</sup>	-0.0002	(0.002)	0.0001	(0.002)
Clerical	0.2400	(0.182)	0.3477	(0.188)
Professional	0.2762	(0.184)	0.3563	(0.189)
Manager	-0.0792	(0.180)	0.0278	(0.185)
<b>Proxies for Minimum Hours Constraints</b>				
Permit Job Sharing			0.6300 *	(0.110)
Flexible Starting Times			0.4189 *	(0.113)
Percent Part-Time			0.0176 *	(0.009)
Square of Percent Part-Time			-0.0001	(0.000)
<b>Demographics Of The Establishment</b>				
Pct White Collar (WC) that are female			-0.0033	(0.002)
Pct WC that are unionized			-0.0014	(0.002)
Pct WC Under 35 Yrs Of Age			0.0002	(0.003)
Pct WC Over 54 Yrs Of Age			0.0046	(0.003)
<b>Proxies for Long-Term Employment Relationships</b>				
Establishment has Formal Training	-0.0318	(0.039)	-0.0349	(0.040)
45 Yr Old Likely to Stay to Retirement	0.0583	(0.053)	0.0732	(0.054)
Important to Fill Jobs from Within	-0.0022	(0.053)	0.0000	(0.054)
Pct WC With Job Tenure < 4 Yrs	0.0008	(0.002)	-0.0008	(0.002)
Pct WC With Job Tenure > 15 Yrs	-0.0042	(0.002)	-0.0044	(0.002)
<b>Cut Points</b>				
Cut 1	-0.3707	(0.549)	0.1947	(0.579)
Cut 2	0.2693	(0.548)	0.9028	(0.579)
Pseudo R-Square	0.0438		0.1078	
Log Likelihood	-609.67		-568.84	
N	631		631	
LR Chi-Square (P-Value)	55.82	(0.00)	137.49	(0.00)

a. The excluded industry is construction, the excluded region is East, the excluded establishment size is 20-49, and the excluded organization size is 20-49

\* t-statistic > 1.96 implying coefficient is different from zero at a .05 confidence level.

**Table 4**  
**Employer's Response to Q3 about Paid Paternity Leave Was, 0 = No, 1 = In Some Cases,**  
**or 2 = Yes: Ordered Probit Models**

Variable Name	Model 1		Model 2		Model 3	
	Coeff.	SD	Coeff.	SD	Coeff.	SD
<b>Industry of Establishment<sup>a</sup></b>						
Manufacturing	0.3561	(0.516)	0.3231	(0.520)	0.4052	(0.513)
Transport, Comm., and Utilities	-0.0718	(0.554)	-0.0694	(0.560)	0.0152	(0.553)
Wholesale and Retail trade	0.1530	(0.522)	0.1296	(0.526)	0.2174	(0.520)
Finance, Insur. and Real Estate	0.6154	(0.563)	0.5805	(0.570)	0.7922	(0.570)
Services	0.5403	(0.515)	0.4905	(0.520)	0.6391	(0.516)
Health, Ed. and Social Services	0.5898	(0.509)	0.5922	(0.516)	0.7782	(0.522)
Public Administration	1.0071	(0.530)	0.9981	(0.534)	1.1301 *	(0.532)
<b>Region of Establishment<sup>a</sup></b>						
Central	0.1916	(0.154)	0.1548	(0.155)	0.1993	(0.156)
South	0.0942	(0.155)	0.0900	(0.158)	0.0868	(0.162)
West	0.3630 *	(0.166)	0.3188	(0.167)	0.3646 *	(0.166)
<b>Size of Establishment<sup>a</sup></b>						
50 to 99 employees	-0.1876	(0.222)	-0.2050	(0.223)	-0.1846	(0.225)
100 to 249 employees	-0.3951	(0.214)	-0.3902	(0.215)	-0.3936	(0.216)
250 to 999 employees	-0.4463	(0.239)	-0.4460	(0.242)	-0.4500	(0.242)
1000 or more employees	-0.3490	(0.321)	-0.3759	(0.327)	-0.3518	(0.324)
<b>Size of Organization<sup>a</sup></b>						
50 to 99 employees	0.3302	(0.278)	0.3116	(0.279)	0.3112	(0.280)
100 to 249 employees	0.2496	(0.255)	0.2453	(0.257)	0.2439	(0.258)
250 to 999 employees	0.5932 *	(0.266)	0.5950 *	(0.269)	0.5863 *	(0.267)
1000 or more employees	0.8597 *	(0.310)	0.8194 *	(0.314)	0.8568 *	(0.311)
Establishment is Part Of Larger Org.	-0.1224	(0.166)	-0.0861	(0.167)	-0.1274	(0.169)
<b>Occupation</b>						
Percent of all that are White Collar	0.0005	(0.002)	0.0006	(0.002)	0.0008	(0.002)
Target Occupation for Q1: <sup>a</sup>						
Clerical	0.1443	(0.204)	0.1568	(0.206)	0.1300	(0.205)
Professional	0.1139	(0.205)	0.1410	(0.206)	0.1113	(0.205)
Manager	0.1312	(0.203)	0.1375	(0.205)	0.1164	(0.203)
<b>Proxies for Minimum Hours Constraints</b>						
Permit Job Sharing			0.1608	(0.114)		
Flexible Starting Times			0.2225	(0.121)		
Percent Part-Time			-0.0076	(0.009)		
Square of Percent Part-Time			0.0001	(0.000)		
<b>Demographics Of The Establishment</b>						
Pct White Collar (WC) that are female					-0.0038	(0.003)
Pct WC that are unionized					0.0001	(0.002)
Pct WC Under 35 Yrs Of Age					-0.0013	(0.003)
Pct WC Over 54 Yrs Of Age					-0.0016	(0.003)
<b>Proxies for Long-Term Employment Relationships</b>						
Establishment Provides Formal Training						
45 Yr Old Likely to Stay to Retirement						
Important to Fill Jobs from Within						
Pct WC With Job Tenure < 4 Yrs						
Pct WC With Job Tenure > 15 Yrs						
<b>Cut Points</b>						
Cut 1	1.1977	(0.547)	1.3516	(0.557)	1.0321	(0.562)
Cut 2	1.2595	(0.548)	1.4141	(0.557)	1.0942	(0.562)
Pseudo R-Square	0.0620		0.0699		0.0650	
Log Likelihood	-452.93		-449.13		-451.51	
N	631		631		631	
LR Chi-Square (P-Value)	59.92	(0.00)	67.52	(0.00)	62.76	(0.00)

<b>Table 4 (Continued)</b>				
<b>Employer's Response to Q3 about Paid Paternity Leave Was, 0 = No, 1 = In Some Cases, or 2 = Yes: Ordered Probit Models</b>				
Variable Name	<u>Model 4</u>		<u>Model 5</u>	
	Coeff.	SD	Coeff.	SD
Industry of Establishment <sup>a</sup>				
Manufacturing	0.4254	(0.523)	0.4170	(0.527)
Transport, Comm., and Utilities	0.0555	(0.563)	0.1204	(0.569)
Wholesale and Retail trade	0.2506	(0.531)	0.2642	(0.536)
Finance, Insur. and Real Estate	0.7248	(0.572)	0.8405	(0.586)
Services	0.6793	(0.524)	0.7018	(0.531)
Health, Ed. and Social Services	0.6708	(0.517)	0.8591	(0.539)
Public Administration	1.0142	(0.537)	1.1300 *	(0.548)
Region of Establishment <sup>a</sup>				
Central	0.1920	(0.156)	0.1573	(0.158)
South	0.1240	(0.157)	0.1091	(0.165)
West	0.3860 *	(0.167)	0.3460 *	(0.169)
Size of Establishment <sup>a</sup>				
50 to 99 employees	-0.1799	(0.224)	-0.1947	(0.229)
100 to 249 employees	-0.3964	(0.215)	-0.3935	(0.219)
250 to 999 employees	-0.4816 *	(0.241)	-0.5078 *	(0.249)
1000 or more employees	-0.3322	(0.323)	-0.3890	(0.332)
Size of Organization <sup>a</sup>				
50 to 99 employees	0.3090	(0.283)	0.2635	(0.286)
100 to 249 employees	0.2523	(0.259)	0.2294	(0.264)
250 to 999 employees	0.6354 *	(0.269)	0.6372 *	(0.274)
1000 or more employees	0.8615 *	(0.313)	0.8337 *	(0.319)
Establishment is Part Of Larger Org.	-0.1619	(0.167)	-0.1297	(0.173)
Occupation				
Percent of all that are White Collar Target Occupation for Q1: <sup>a</sup>	0.0007	(0.002)	0.0009	(0.002)
Clerical	0.1240	(0.207)	0.1392	(0.209)
Professional	0.0886	(0.208)	0.1268	(0.210)
Manager	0.0803	(0.206)	0.0763	(0.208)
Proxies for Minimum Hours Constraints				
Permit Job Sharing			0.1522	(0.115)
Flexible Starting Times			0.2702 *	(0.125)
Percent Part-Time			-0.0050	(0.009)
Square of Percent Part-Time			0.0001	(0.000)
Demographics Of The Establishment				
Pct White Collar (WC) that are female			-0.0041	(0.003)
Pct WC that are unionized			-0.0005	(0.002)
Pct WC Under 35 Yrs Of Age			-0.0009	(0.003)
Pct WC Over 54 Yrs Of Age			-0.0042	(0.004)
Proxies for Long-Term Employment Relationships				
Establishment has Formal Training	-0.0406	(0.044)	-0.0325	(0.045)
45 Yr Old Likely to Stay to Retirement	0.0395	(0.058)	0.0514	(0.059)
Important to Fill Jobs from Within	0.0483	(0.058)	0.0580	(0.059)
Pct WC With Job Tenure < 4 Yrs	0.0011	(0.002)	0.0017	(0.002)
Pct WC With Job Tenure > 15 Yrs	0.0057 *	(0.002)	0.0069 *	(0.002)
Cut Points				
Cut 1	1.7346	(0.668)	1.8315	(0.686)
Cut 2	1.7972	(0.668)	1.8952	(0.686)
Pseudo R-Square	0.0713		0.0844	
Log Likelihood	-448.48		-442.11	
N	631		631	
LR Chi-Square (P-Value)	68.82	(0.00)	81.56	(0.00)

a. The excluded industry is construction, the excluded region is East, the excluded establishment size is 20-49, and the excluded organization size is 20-49

\* t-statistic > 1.96 implying coefficient is different from zero at a .05 confidence level.

## Appendix

While most of the variables in Table 2 are self-explanatory, further explanation may be useful for some. The following focuses on sections F-H of Table 2.

### *Demographics of the Establishment:*

Respondents were asked for their best estimates of the fraction of the establishment's employees who fall into different demographic categories. For example,

- About (what percent/how many) of the regular full and part-time employees at your establishment are white-collar employees?"(probe: what is your best estimate?)
- About (what percent/how many) of the white-collar employees at this establishment are age 55 or over? (probe: what's your best estimate?)

The same form of question was asked for white collar employees under age 35, women, coverage by a collective bargaining agreement, worked 3 years or less (15 years or more), and work fewer than 35 hours per week.

### *Proxies for Absence of Minimum Hours Constraints:*

Respondents were asked the following question:

First, in order to make these questions more concrete, please think of a secure, full-time white-collar position in your establishment that is occupied by an employee in good standing. Either as a matter of formal or informal policy, would your establishment allow this employee:

- flexible starting time?  
Yes/ In Some Cases/ No/ Don't Know; Not Sure/ Refuse; NA
- job sharing, where two employees split one full-time job?  
Yes/ In Some Cases/ No/ Don't Know; Not Sure/ Refuse; NA

The other proxy for the absence of minimum hours constraints came from a question about what percent of the white-collar employees at the establishment worked fewer than 35 hours per week, which is the way the U.S. Government defines part-time.

### *Proxies for Long-term Employment Relationships:*

The variable, "Establishment Provides Formal Training," was obtained as follows:

The next question asks about structured or formal training. This may be offered at your establishment or at another location and may occur during working hours or at other times. Formal training includes all types of training activities that have a pre-defined objective, not just informal on-the-job training. (Read if necessary: Examples of formal training include seminars, workshops, audio-visual presentations, or apprenticeships.) Do you pay for, or actually provide, any formal training by supervisors or outside contractors, at a school or technical institute, or somewhere else?

Yes/ No/ Don't Know; Not Sure/ Refuse; NA

The variables labeled, "How Likely 45 Yr Old Stay to Retirement," and "How Important to Fill Jobs from Within," come from the following two questions:

- In some organizations a white-collar worker who has reached age 45 is almost certain to remain with that organization until retirement. In other organizations, a 45-year-old white-collar worker may be likely to change employers before retirement. On a scale from 1 to 5, where 1 means not at all likely and 5 means very likely, how likely is it that an average 45-year-old white-collar worker would

stay at your establishment until retirement? (In Table 2 “likely” means the rating was 4 or 5.)

– We'd like to know how much preference is given to someone already employed in the establishment when you fill permanent white-collar jobs above the entry level. On a scale from 1 to 5, where 1 means not at all important and 5 means very important, how important would you say it is to give preference to someone already employed in the establishment? (In Table 2 “important” means the rating was 4 or 5.)

The two variables labeled, “Percent of White Collar with 3 Yrs or Less Tenure” and “Percent of White Collar with 15 Yrs or More Tenure,” come from a pair of questions that ask the respondent for the approximate tenure distribution of white-collar workers at the establishment.

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## Endnotes

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- <sup>1</sup> On part-time, see Rosen (1978) and Montgomery (1988). On fringes see Ehrenberg and Smith (1983), and Lazear (1998), Chapter 15.
- <sup>2</sup> In particular, see Ingram and Simons (1995) and Goodstein (1994). Wood (1999) provides a good review.
- <sup>3</sup> See Wood (1999) for a discussion of institutional theory and a useful empirical test.
- <sup>4</sup> The emphasis on internal labor markets in Osterman (1995) yields a similar hypothesis.
- <sup>5</sup> We focused on formal training because informal training is so ubiquitous that a question about informal training would have little content. Note also that formal training is not included in the list of proxies for minimum hours constraints. This is because we have good proxies for whether or not firms impose minimum hours constraints (e.g., whether workers can job share and the percent of workers who are part-time). Here we are especially interested in the effect of training conditional on those proxies.
- <sup>6</sup> Several authors note that due to differences in technology, the economic cost of implementing work-family policies can differ across employers (Ingram and Simons, p. 1470; Osterman, p. 692; Barringer Milkovich, p. 317). Minimum hours constraints could be viewed as a logical consequence of such cost differences. Similarly, the fourth hypothesis with its focus on long-term relationships between workers and firms is at least implicit in the sociological literature. For example, Ingram and Simons (1995) argue that if an organization fails to exhibit sufficient work-family responsiveness, it may have difficulty recruiting and retaining employees (p. 1469). In making their argument they cite several sociological sources.
- <sup>7</sup> To implement the restriction to white-collar employees, the interviewer indicated that white-collar means professionals, including technical workers, managers and administrators, sales personnel, and clerical and office workers. The restriction to white-collar was due to the need for detailed information in a relatively brief survey. A thorough treatment of both blue and white-collar workers would have required a longer survey and resulted in lower response rates.
- <sup>8</sup> While the latter restriction is ideal for a study of phased retirement (it insures that questions about phased retirement are relevant to the establishment's current situation), it could conceivably complicate a study of establishment level work-family practices. In particular, if establishments with two or more white collar employees over age 55 have unobserved characteristics associated with their handling of work-family issues, then there could be a problem with sample selection bias. Since there is no way to know whether this is a problem, we checked for robustness by re-estimating models in samples that are restricted to large (more than 100 employees) establishments. Sample selection should be less of a problem in large establishments, since most large establishments will pass the test of having two or more older white-collar workers. The re-estimated models were, in fact, quite similar to those estimated in the full sample. In particular, a test of the null hypothesis that coefficients in the 100+ sample are the same as those in model 5 of Table 3 fails to reject the null at a .20 level.
- <sup>9</sup> The response rate was 64% in the Educational Quality of the Workforce National Employers Survey, which was administered by the U.S. Bureau of the Census as a telephone survey in August and September 1994 to a nationally representative sample of private establishments with more than 20 employees (Lynch and Black, 1998). The response rate was 65.5 percent in Osterman's 1992 telephone survey of establishments with more than 50 employees (Osterman, January 1994). Holzer and Neumark (1999) report a response rate of 67% for establishments that were successfully screened in a telephone survey undertaken between June 1992 and May 1994.
- <sup>10</sup> We are indebted to Eileen Trzcinski for pointing this out.
- <sup>11</sup> See Allison (2002) for a discussion of the advantages of listwise deletion. Hutchens-Grace Martin (2006) uses multiple imputation to address missing data issues in this survey. Those results indicated that missing data is not causing serious bias in the coefficients.