HOW AMERICAN COMPANIES ARE BECOMING MORE FAMILY-FRIENDLY

THE IMPORTANCE OF FAMILY-FRIENDLINESS IN ATTRACTING SKILLED WORKERS

EXECUTIVE SUMMARY

This white paper reviews the importance of family-friendly workplace policies, emphasizing talent attraction and retention across generations. It starts with the definition of what constitutes workplace friendliness, including components such as flexible work arrangements, parental leave, and childcare support, which have become crucial in the competitive labor market. It shows how organizations offering family-friendly policies enjoy greater satisfaction, retention, and productivity. At the same time, it discusses budgetary limitations and cultural resistance as challenges faced by companies in implementing these policies. The document further describes generational perceptions of family-friendliness: how Generation X values comprehensive benefits, Millennials value work-life balance, and Generation Z focuses on mental health and inclusivity. It identifies actionable strategies for employers to be friendlier toward families: offering schedule flexibility, generous parental leave, and affordable childcare. It concludes by highlighting the commitment to practices that are friendly toward families, as they support not just employees' well-being but also organizational success due to the increasingly changing workforce environment.

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INTRODUCTION

Workplace friendliness is defined as policies, benefits, and practices that help balance employees' work and family responsibilities. It includes, but is not limited to, flexible work arrangements, parental leave, childcare support, and health benefits. Family-friendliness has become one of the most important factors in seeking prospective talent and retaining skilled labor, especially within an increasingly competitive labor market. This was further asserted in the 2022 report provided by the U.S. Department of Labor: family-friendly policies were instrumental in helping women enter the workforce, especially during the challenges that COVID-19 thrust upon society (DOL, Blog, 2022). Below is a white paper on the current state of family-friendliness in the U.S., its importance to different generations, and actionable strategies employers can implement to become more family-friendly.

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ABOUT US

Oliver Scharfenberg holds various degrees, including a German bachelor's professional degree, a Master of Business Administration (MBA) from Middlesex University in London, and a doctorate in philosophy (PhDr.) from DTI University. In his master's thesis, he examined the evaluation of quality seals in marketing, in his doctoral thesis, he conducted a market analysis of existing quality seals in the context of employer branding. He is an expert in employer branding and marketing.

With USIQ, he offers, among other things, employee surveys based on current scientific standards. He helps employers discover what their employees want by conducting a representative employee survey. Successful employers can then receive an award as a top employer or a family-friendly employer, along with a comprehensive evaluation. A suitable marketing package can assist employers in increasing their visibility as an employer. Such an employer certification follows this sequence: survey and analysis, award and communication. Hundreds of companies already rely on the expertise of Oliver Scharfenberg.

OLIVER SCHARFENBERG

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CURRENT STUDIES ON FAMILY-FRIENDLINESS

A workplace's friendliness has become a major talking point, especially as several research studies have pointed out its various pros and cons. The UWLP (2020) estimates that organizations adopting family-friendly policies are often ranked among the best places to work. These firms can often find employee retention, higher satisfaction rates, and productivity among other advantages, as seen in the table below:

Table 1: Benefits of adopting family-friendly policies in organizations

Benefits	%
Higher employee satisfaction	94.4%
Increased employee retention	79.8%
Higher employee engagement	71.9%
Increased productivity	65.2
Improved recruitment success/higher quality candidates	60.1%
More diverse teams	50.1%
More women in high levels of leadership	47.2%
Increased profitability	33.7%

Source: UWLP (2020)

UWLP (2020), however, identifies the main reasons why most companies are hesitant to adopt the proposed family-friendly policies despite their advantages. The main ones include loss of office culture, logistical challenges, communication challenges, increased costs, and declined productivity, among others listed in the table below:

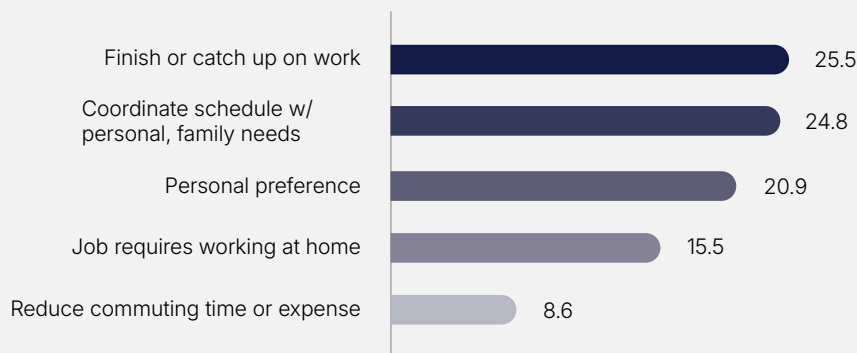## Table 2: Challenges in adopting family-friendly policies in organizations

Reported Challenges	%
Loss of office culture and/or employees feeling disconnected	60.3%
Logistical challenges (i.e., managing schedules, workspaces, equipment)	59.0%
Higher employee Communication challenges engagement	51.3%
Increased costs	32.1%
Decreased productivity	15.4%
Decreased employee engagement	14.1%
Significant time/labor to manage	12.8%

Source: UWLP (2020)

In 2022, the US Department of Labor issued an in-depth study revealing sharp contrasts in available family-friendly policies, depending on the industry and demographics. The report established that women are placed at a disadvantage due to the failure of companies to implement family-friendly policies; out of the few women who are allowed to work from home (24.5%), around 33.8% are sometimes not compensated for it (DOL Blog, 2022) The report also established that the main reasons why women prefer to work from home are an effort at a home-work balance, as seen in the figure below:

Figure 2: Top ten reasons for working at home

Top reasons for working at home, among women who ever work at home (%)

Reason	%
Finish or catch up on work	25.5
Coordinate schedule w/ personal, family needs	24.8
Personal preference	20.9
Job requires working at home	15.5
Reduce commuting time or expense	8.6

Source: DOL Blog (2022)

In addition to the benefit of retention, family-friendly policies are also financially beneficial. As explained by Albright (2023), organizations that have successful and extensive family-friendly practices in place experience, on average, a boost in productivity and profitability of around 15%. This is attributed to lower absenteeism rates, increased employee morale, and greater recruitment of talent in very competitive job markets. Moreover, Albright (2023) pointed out that more innovative and collaborative organizations should better support their employees' needs, as workers have value and become more actively involved.

Despite this, challenges still exist. According to Trask (2017), budgetary obstacles, resistance to cultural change, and a lack of awareness of available resources are some of the impediments to implementing family-friendly policies. For example, due to limited financial resources, small and medium-sized enterprises are often unable to finance benefits such as subsidized childcare or extended parental leave. This makes government incentives and public-private partnerships instrumental in fostering family-friendly initiatives.

The COVID-19 pandemic has brought the issue of family-friendly policies into sharp focus. A 2022 report by the DOL, for instance, showed how the pandemic- just because of caregiving-was affecting women more than any other group of employees. Whether one had flexible work arrangements and employer-supported childcare became increasingly important for enabling women to stay at work. According to the report, continued investments in family-friendly policies are necessary to address the challenges related to gender equity within workplaces (DOL Blog, 2022).

A very innovative approach is presented in the UNICEF USA (2020) Family-Friendly Policies Intrapreneurship Guide. The guide focuses on intrapreneurship to drive family-friendly workplaces; it encourages employees to engage in designing and implementing policies that respond to their families' needs. This is a bottom-up approach where the increased relevance of policy and a greater feeling of ownership and commitment will be fostered among the staff.

Finally, the FFWP (2023) takes it a step further and provides detailed means of assessing and improving family-friendliness. The toolkit contains metrics against which to evaluate current policies, templates for drafting new initiatives, and case studies from organizations currently leading the way. Employers are called upon to benchmark their practices against these resources with the hope of recognizing where changes are needed.

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WHAT ARE EMPLOYEES' CONCERNS WITH REGARD TO FAMILY-FRIENDLINESS?

Family-friendliness is a multidimensional construct; up to 80% of employees would consider switching employers based solely on the family-friendly policies in place, as seen in the figure below. Nonetheless, some aspects emerge as key priorities for employees.

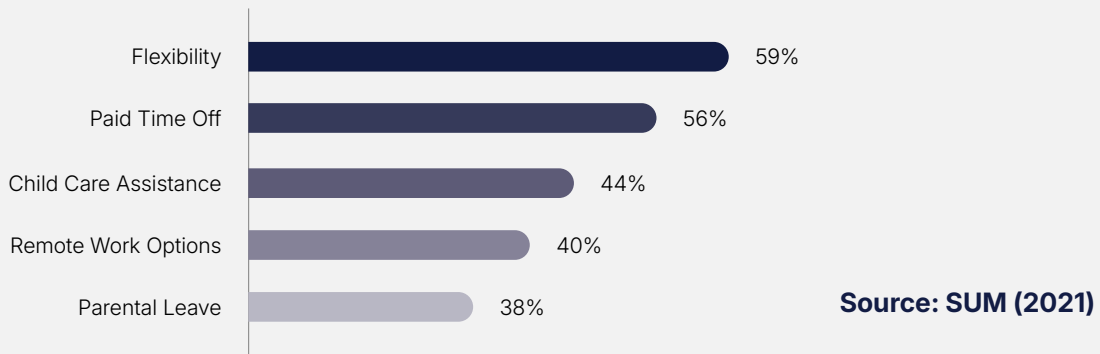**Figure 4: Proportion of employees willing to switch employers based on family-friendly policies**

80%

of respondents would likely leave their current job for another that offered desired family benefits.

First, employees highly value flexibility in work scheduling, especially among working parents, as seen in the figure below. Options such as working from home, flexible hours, and compressed work hours allow employees to attend to their family responsibilities without compromising work. As can be seen from the statistics provided by SMU (2021), 80% would consider switching employers if the new employer offered better family-friendly policies, such as flexible scheduling that better balances work and personal life.

Figure 5: Top policies for supporting working parents

Policy	Percentage
Flexibility	59%
Paid Time Off	56%
Child Care Assistance	44%
Remote Work Options	40%
Parental Leave	38%

Source: SUM (2021)

Second, there is paid leave for new parents through maternity, paternity, or adoption leave. The DOL (2022) points out that employees with parental leave show increased job satisfaction and are more likely to stay with their respective employers.

Third, subsidized or affordable childcare is also considered one of the top concerns for working parents. Companies offering on-site childcare, subsidies, or partnerships with local providers greatly help reduce this burden to negligible levels.

Another critical aspect involves health insurance that extends to family members. According to Albright (2023), companies offering comprehensive health benefits experience a 20% increase in employee loyalty.

Family-friendly workplaces should also promote career advancement opportunities for employees with caregiving responsibilities. Employers offering equal promotion opportunities enable employees to balance their professional ambitions with family demands.

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GENERATIONAL DIFFERENCES IN THE IMPORTANCE OF FAMILY-FRIENDLINESS

The perception of the general trend toward family friendliness is strongly linked to generational preferences, as each generation brings different priorities shaped by life experiences and various stages in their careers.

Generation X, born between 1965 and 1980, is often described as stable and practical. Key concerns for this generation include comprehensive benefits: health insurance, retirement plans, and childcare support. Many members of Generation X have reached senior levels or have family caregiving responsibilities; thus, they welcome flexible scheduling and the option to work from home. For instance, Albright (2023) affirms that 70% of the workforce, consisting of employees from Generation X, want work flexibility to balance their caregiving and professional responsibilities.

Millennials (Gen Y), born between 1981 and 1996, currently represent the largest demographic in the workforce. They focus on work-life balance and social responsibility. Millennials are drawn to employers offering creative family-friendly benefits that include extended parental leave, mental health resources and flexible working arrangements. According to FFW (2023), 76% of Millennials say such policies are an important factor in job satisfaction. This generation values employers who demonstrate their commitment to equity and inclusivity.

Generation Z, the youngest workforce born after 1997, has given substantial attention to mental health and inclusion. They look to companies with progressive family-friendly policies and prefer those that accommodate all family structures. Employees of this generation would also appreciate mental health days and inclusive wellness programs for support. In fact, UWLP (2020) established that 82% want work to provide an environment compatible with family friendliness for the pursuit of shared values.

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WHAT CAN I DO AS AN EMPLOYER TO BECOME MORE FAMILY-FRIENDLY?

Offer Flexibility at Work

Flexibility is one of the most in-demand features of a family-friendly workplace. Options such as working from home, flexible hours, job sharing, and compressed workweeks enable employees to schedule their work around family responsibilities. FFWT (2023) reports that organizations offering flexible work arrangements see an average improvement of 78% in employee satisfaction.

Offer Generous Parental Leave

The equity of parental leave, with a gender-neutral approach, helps achieve fairness during those family periods when adjustments must be made to accommodate babies in the family. Paid maternity, paternity, and adoption leaves will definitely increase loyalty among employees. In a study conducted by the U.S. Department of Labor, it was reported that employees with parental leave were 40% more likely to stay with an employer for the long term (DOL Blog, 2022).

Providing Affordable Childcare

The biggest child-related concern for working families involves child care. Employers can help address this challenge through on-site childcare facilities, daycare cost subsidies, or simply partnering with local providers to offer the service. For instance, Patagonia gained an outstanding reputation with its childcare programs, while investing in such benefits proved to boost retention rates among employees (Patagonia, 2024). As seen in the figure below, most parents are forced to cut back on basic household expenses just to afford childcare. Therefore, such a policy would go a long way in increasing parents' disposable income.

Figure 6: How working parents pay for child care

28%
Borrow from family or friends

20%
Use a childcare subsidy

50%
Cut back on basic household expenses
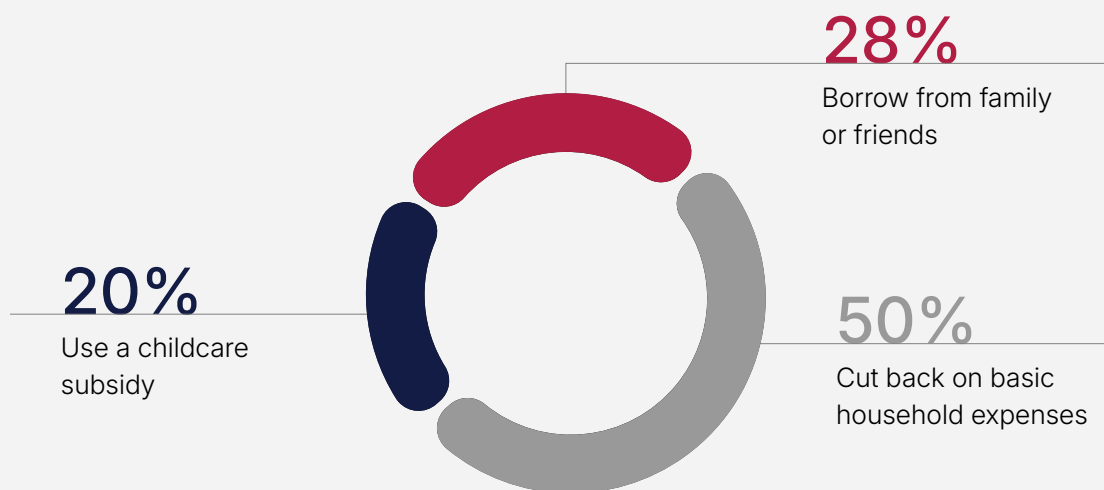
Improved Health and Wellness Benefits

More and more, comprehensive health benefits that include family, mental health support, and wellness programs are very important. Organizations with full health benefits witnessed a 20% increase in employee loyalty (Albright, 2023).

Create an Inclusive Culture

Inclusivity makes sure that family-friendly policies meet every diverse need, be it single-parent households, LGBTQ+, or multigenerational caregivers. Some practical next steps include the creation of employee resource groups, holding workshops, and cultural sensitivity training to build an inclusive workplace.

Career development opportunities

Employees with family responsibilities often fear that they will not get promotions. The employers should be in a position to assure them of mentorship, flexibility in learning opportunities, and clear career development pathways so that they do not feel left behind.

Involve Employees in the Design of Policies

Engaging employees in the process of shaping family-friendly policies ensures relevance and increases buy-in. According to UNICEF USA (2024), workshops or surveys would be used to help an organization understand what is important from the employee perspective and thus create tailored solutions.

Award and Recognize Family-Friendly Practices

Employers are supposed to celebrate the milestones and achievements that reflect family-friendly values. Various recognition programs, such as employee awards for exceling in work-life balance, contribute toward strengthening workplace morale.

Provide Caregiving Financially

Offering financial support toward elder care, childcare, or other family emergencies can greatly diminish stressors. Subsidies or stipends, or even Flex-Spend accounts earmarked for caregiving, help a lot.

Family-Friendly Employer with a USIQ Certificate and Seal of Approval

Employers interested in having their family-friendly efforts validated can become certified through the United States Institute for Quality (USIQ). Certification demonstrates an employer's dedication to the families of their employees and serves as a successful recruiting and branding tool. The analysis consists of a representative employee survey and an HR management interview. The standard is based on research by Oliver Scharfenberg, which surveyed millions of employees. The results help employers further improve their performance and simultaneously show that they are a family-friendly employer with a seal of quality and marketing package.

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TIPS AND STRATEGIES FOR EMPLOYERS

Offer Flexibility in Work Hours and Ability to Work from Home

Some family-friendly policy options stand out as more important than others, and one example is flexible working hours—meaning the ability for employees to manage their work schedules. Flexibility at work provides employees with greater autonomy to adjust their working times to meet family needs, from school events to family emergencies. Remote work options-especially post-pandemic-are also becoming a standard feature of family-friendly places of employment. As some studies show, flexibility in work arrangements may increase employee satisfaction, productivity, and retention (DOL, 2022). For instance, employees with the option to work remotely can handle childcare responsibilities more easily and thus experience less stress from juggling work and personal life, which could further translate into job satisfaction.

Provide Paid Parental Leave

Paid parental leave is important to workers in the early phase of parenting. Companies that offer paid leave for mothers and fathers are considered family-friendly. UNICEF USA (2020) has proved that paid parental leave makes employees loyal and less likely to quit their jobs. Accordingly, by offering competitive paid parental leave policies, a business attracts top talent but also supports the employees through their journey into parenthood. Companies seem to be on track given that 62% of employers are committed to implementing this proposal.

Implement Childcare Assistance or On-site Childcare Facilities

For employees with young children, one of the primary concerns is affordable and accessible childcare. Any employer who provides some sort of childcare assistance, either through subsidies or on-site facilities, can make a big difference. According to a report by Assured Partners (2024), employee engagement and retention increase in companies offering childcare support. Childcare policies can be used to create a level playing field where employees, whether with or without families, can give their fullest contribution to work.

Establish clear family leave policies.

While many employers provide parental leave, clear communication and transparency in family leave policies are considered equally important. The employees must be clearly informed about the entitlements, how to apply for leave, and the process involved in the practice of leaves. This clarity helps employees plan their family responsibilities with greater confidence and security, building trust and loyalty toward the employer.

Support Work-Life Balance with Resources for Mental Health

Mental health is an important feature of family well-being. Providing mental health resources, like counselling services, stress management workshops, or mental health days, will go a long way toward benefiting employees and their families. As Trask (2017) stipulates, supporting the mental health of employees is directly related to increased workplace productivity and a positive organizational culture. As seen in the figure below, approximately 42% of the employers are willing to adopt this recommendation.

Offer Financial Assistance towards Family Needs

The financial support programs, such as dependent subsidies, eldercare support, or emergency family assistance, will go a long way in improving the financial security of employees. According to UWLP (2020), companies that provide financial support for family-related expenses reduce stress and enhance satisfaction among employees.

Offer Career Development and Advancement Opportunities for Parents

Employers should ensure that family-friendly policies do not hold employees back in their career paths. Mentoring programs, career enhancement workshops, and avenues for advancement in careers for parents indicate to employees that the employer is invested in their professional development. When family and career can balance well together, employees are more likely to stay with the company long-term.

Encourage Family-Friendly Policies Across All Levels of Employment

Family-friendly policies should be inclusive; they should, therefore, extend to all levels within the company's organization, from the lowest-ranking employee to executives. Extending such benefits to all employees demonstrates that work-life balance is valued in the company at large. The more inclusive these policies are, the greater the likelihood that employees will feel valued and appreciated, regardless of their designation or role.

Leverage Family-Friendly Certifications and Recognitions

Companies receiving certification as a family-friendly employer, such as the certification for Family-Friendly Employer provided by the United States Institute for Quality, help enhance their corporate branding and attract better workers. Such accreditation conveys a strong commitment to family-oriented policies (USIQ, 2024).

Nurture an Inclusive and Diverse Workplace

Other significant elements of family-friendly practices include ensuring the workplace is inclusive of the changing nature of family composition. Employers should work to create policies that support single parents, same-sex parents, and employees caring for elderly relatives. Offering equal support to various types of families fosters a more diverse and equitable work environment.

Encourage Employee Feedback About Family-Friendliness

Regular surveys or feedback sessions can help an organization assess whether the family-friendly policies truly work. By listening to the needs and concerns of employees, companies can continually refine their approaches to create a work environment that fully supports the balance between career and personal life. Nonetheless, while efforts have been made to make most organizations in the US family-friendly, they still lag behind the 2020 levels and subsequent projections as seen below:

Table 3: Family-friendly policies acceptance levels in 2020 and projections

Policies/Arrangements Offered	Current	Future
Remote work/flexibility with work location	92.0%	91.1%
Flexibility with working hours (full-time employees)	86.0%	80.0%
Paid maternity leave	75.0%	71.1%
Part-time roles (entry-level)	72.0%	70.0%
Paid paternity leave	64.0%	63.3%
Paid family leave (general)	59.0%	50.0%
Unpaid family leave	56.0%	54.4%
Tuition reimbursement (employees)	55.0%	53.3%
Transition back-to-work support after maternity leave	47.0%	41.1%
Part-time roles (higher level positions)	44.0%	47.8%
"Unlimited" PTO	34.0%	32.2%
Compressed work week	26.0%	31.1%
Other	25.0%	20.0%
"Returnships" or other programs for returning workers (formal or informal)	20.0%	21.1%
Childcare support (e.g., onsite childcare, childcare reimbursement, emergency/back-up childcare)	17.0%	21.1%
Formal job-sharing program	4.0%	10.0%
Tuition reimbursement for dependents/family members	3.0%	4.4%

Source: UWLP (2020)

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CONCLUSION

The demands of employees have changed in recent years. The increasing struggle for the best talent is forcing employers to take a closer look at the wishes of their employees. Employee surveys and an analysis of the status are the first steps on the way to becoming a family-friendly employer. Actions can then be derived from the results. A key priority for employers should include planning necessary family-friendly initiatives in their workplace to maintain a supportive environment for laborers. Organizations will need to create a workplace that supports work-life balance through the participation and contributions of employees utilizing the available resources

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