



Work-Life Balance in Small Businesses

Mission

Important work has been done to understand the benefits of - and to advocate for - more flexible, people-friendly workplaces. Much of that work has concentrated on large businesses. Indeed, large companies are able to take advantage of economies of scale and have entire departments who can take responsibility for managing and implementing workplace policies.

The main goal of this project is to explore the state of the work-life challenge in small businesses and to craft a substantial menu of policies that ease the challenge for small business employees and improve retention and productivity for small business employers. Though small companies are constrained in their ability to offer or manage costly benefits and programs, we are convinced that they also face a special set of opportunities. For one, a small business can much more readily transition a culture to one that embraces flexibility. Ultimately, with this project we aim to uncover a collection of work-life recommendations and policies that small businesses can implement at little or no cost.

Background

This project began in 2002. It was motivated by Small Business Administration data which indicates that firms with fewer than 100 employees employ approximately 50% of the workforce¹ and by our own past research which indicates that 76% of low-income working parents work for companies with fewer than 50 employees². Our own survey, from May of 2000, further suggests that low-income working parents who are employed by small businesses have little access to work-life policies. The takeaway: a substantial portion of the American workforce works in small businesses and those families who are most vulnerable (low income), have the least access to help. Taken together, this data makes the need to understand and address the work-life challenge in small companies a matter of great importance.

Agenda

1. Defining the problem

Our exploration of work-life balance in small companies is comprised of both qualitative and quantitative research. In terms of qualitative research, in 2003 and 2004 we conducted a series of online and in-person focus groups. The groups included small business employees and employers as well as a range of groups with women and men who were experiencing work-life conflicts. We met with women who were taking time out the workforce, women on slower

¹ Small Business Administration Office of Advocacy. (2003). *Small Business by the Numbers*. Washington, DC: Small Business Administration.

² *What Will Parents Vote For?* Update 2000, National Parenting Association, May 2000.

career tracks, women who returned to work after extended absences for family reasons, women of color and men. Together, these groups were tremendously useful in helping us to get a rich portrait of the state of work-life issues in small businesses.

In the fall of 2004 we conducted a national survey of small business employees and employers. Our focus groups were tremendously useful in helping us to develop a thoughtful questionnaire for the survey.

Respondents of the survey included nearly 1500 small business employees and 300 small business employers. The survey was conducted on-line in collaboration with Harris Interactive. The aim was three-fold: to help us to appreciate the quantitative dimensions of the needs and attitudes of those who work in small firms, particularly low income parents; to help us understand what small business employers are currently offering in terms of work-life policies and the challenges they perceive to offering more; and finally, to uncover a mutually beneficial menu of policies that employees perceive as useful and that employers perceive as feasible to offer. The data generated by the survey allows us to understand the size and weight of the work-life problem in small businesses (and therefore among many low income working parents) and to focus in on promoting a set of innovative low cost policies that will ease the work-life challenge for employees and employers alike.

What we found (A General Snapshot of Findings -- contact the CWLP for more information)

- Small business employees report that they do face conflict in balancing their work and personal life.
- Small business employers believe that they should, and currently do, offer their employees help managing work and personal life.
- Despite employers' good intentions, employees don't feel that they have access to help.
- Why this misunderstanding? We found that work-life help is being offered by employers only informally or case by case. With no clear understanding on the part of employees about an employer's willingness to accommodate life needs without penalty, what results are problems of turnover and a failure to grasp the cost savings and morale and productivity gains available through harnessing some simple strategies which can enhance an employee's ability to better manage work and life.
- Our survey uncovered some of those opportunities.

In the next phase of this project we hope to create a practical guide or kit that will enable us to transition the intellectual capital we have created over the past two years from a vast repository of knowledge to a practical package that can impact the lives of small business employees (and in particular low income working parents) and improve business results for small firms. The aim is to put together a toolkit which will describe for small business owners the menu of low cost work-life policies that emerged in our survey as particularly attractive to owners and employees.