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11 Trading time and money: Explaining employee participation and leave choices in a flexible benefit plan

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INTRODUCTION

Over the last few decades, organisations have been giving their employees increasing control over peripheral elements of their working arrangements. To illustrate, at the beginning of the 21st century some form of teleworking is an option for 24% of Dutch employees (Peters et al. 2004), and 44% can decide for themselves when they start and finish their working day (Breedveld and Van den Broek 2003). In this chapter, however, the focus is on flexible benefit plans (FBPs). This form of internal flexibility in the composition of pay increases flexibility *for* the employee as opposed to flexibility *of* the employee, of which short-term contracts are an example (Elchardus and Heyvaert 1990). By giving employees a choice in the composition of their benefits, FBPs enhance flexibility. Employees can add or remove elements, or change the volume of a particular element, like number of holidays. FBPs often allow employees the opportunity to adjust the balance between time and money in their pay. This makes FBPs a useful tool to improve the balance between employees' work and family lives. Flexible benefits also enable employees to change the composition of their compensation as their situation changes, allowing for useful adaptation of their reward over the life course (Schippers 2001).

Flexible benefits originated in North America, where in the early 1970s employers started to look for ways to control the rising costs of their benefit plans. In the 1980s, Dow Chemicals was the first organisation in the Netherlands to give its employees the option of choice in their

benefits. The concept took a few years to gain momentum, but by the early 1990s more and more organisations were offering their employees flexible benefits (Barringer and Milkovich 1998), and from 1995 onwards flexible benefit schemes started to take off. A survey amongst employers in 2001 revealed that about 40% of organisations offered their employees a choice in their benefits (Hay Group 2002). A survey conducted in 2003 showed that by then about 60% of organisations offered their employees some choice in their benefits, and 30% offered extensive choices in terms of time and money (Hillebrink 2006). Most of these plans were introduced around the turn of the millennium.

Recent estimations of the percentage of employees that participate in FBPs vary. In most Dutch studies, participation rates lie around a quarter of employees. A cross-section of Dutch employees revealed that 19% of employees with access to an FBP had participated in this system (Van Sloten et al. 2005). In one Dutch university, 32% of respondents had used the plan (Hillebrink et al. 2004b), while in another participation was around 20% (Delsen et al. 2006). In the FBP of a particular Dutch insurance company, Langedijk (2001) reported an average participation rate of around one-third, taken over a four-year period during which the majority of respondents had changed their benefits at least once.

Unlike the American situation, cost control is not among the main reasons Dutch organisations consider flexible benefits. In a recent survey among Dutch organisations it appeared that the reasons to implement flexible benefits are not so much cost-related, but much more employee-related. Among the organisations that were about to introduce flexible benefits, only 9% did so to reduce costs, and in fact, 17% of the organisations not offering flexible benefits said it would be too expensive. Organisations rather indicated their aim was to improve their attractiveness to employees (Hillebrink 2006). Indeed, in her thorough investigation of the influence of the introduction of flexible benefits, Langedijk (2001) found that employees' appreciation of their benefits went up after such a system was introduced. Remarkably, this effect was similar for people who used the system and for non-users. Another reason for the implementation of an FBP brought forward by organisations is to give their employees more freedom (Hillebrink 2006). The introduction of flexibilisation in the composition in pay can therefore be viewed as one of the answers to the growing wish of the increasingly diverse workforce in our contemporary 'multiple choice' society (Breedveld and Van den Broek 2003) to have more of a say over their benefits in general and their working times in particular. With the growing number of women participating in the labour market, more (male and female) employees combine their professional lives with substantive caring tasks. Depending on their specific household situation or life-course phase (Schipper 2001), employees may prefer a different composition of benefits. FBPs are believed to accommodate the growing variation in employee preferences.

However, as Langedijk's study (2001) showed, having the 'opportunity to choose' is at least as important for improving employees' perceived value of pay as actually changing one's benefits. The perceived value of benefits goes up just by adding the option of choice. Moreover, the wish and opportunity to make an active choice does not necessarily imply that people actually do so (Breedveld and Van den Broek 2003; Duyvendak and Hurenkamp 2004). The time and effort it takes for employees to study the possibilities in the plans and their consequences may be higher than the perceived gains. In this chapter we therefore examine what choices employees of a department of a Dutch civil-service organisation made in their FBPs. We research two elements of their choice behaviour. As little is known about who finds the opportunities of an FBP interesting enough to participate in it, we firstly analyse who chooses to change their benefits. Which employees use the opportunities an FBP offers to adjust their benefits to their personal situation and preferences, as organisations expect them to do? In a statistical analysis we will examine the effects of work and household characteristics on employee participation. We will also look into the particular time choices employees make: do they buy or sell time? These choices are of particular interest in the context of the debate on time competition. In the choices regarding working time and non-working time that employees make in these plans, we can see whether an FBP enables them to better deal with the various demands upon their time. Do these demands arise from the working domain or from the household domain? To examine whether flexible benefits are facilitating the combination of work and family, and to see which factors in their work and home situations particularly influence the choice of time or money, we analyse the effects of the work and household characteristics of employees on their time choices.

In the following, we discuss our theoretical model for approaching employees' participation in the plan, and their choices between time and money. We conclude with a presentation and discussion of the results.

THEORY

In this paper we assume people to act rationally and in a goal-oriented fashion. This means that they are expected to make a choice concerning their benefits only if this will help them achieve (one of) their goals, given their preferences and restraints. There are some limits to this rational behaviour, as has been extensively documented by various authors (e.g. Conlisk 1996; Simon 1976). Following these authors, we include the concept of bounded rationality as a result of incomplete information and satisficing behaviour into our model. Employees will only participate in an FBP if the costs of making the change are (perceived to be) smaller than the increase in value that can be established by it. How and whether participating in an FBP may increase the value of their pay depends on

the goals it enables them to achieve.

Lindenberg and Frey (1993) have set out the general goals that people work towards: physical well-being, consisting of comfort and stimulation, and social approval, which they subdivide into status, behavioural confirmation and affect. Choices in benefits may help people realise both sub-categories of physical well-being: comfort may be achieved by increasing one's income, or by increasing the amount of time off. Depending on the quality of the work, stimulation may be enhanced by working more, but for other people by working less, if this allows them to go skydiving. Choices in benefits may also help people realise each of the three sub-categories of social approval. Choosing for more working time may improve one's status at work, for instance. Behavioural approval may be achieved by choosing for more leave to look after a terminally ill partner, but on the other hand choosing for more working time when times are busy at work may invoke behavioural approval from one's colleagues. Affect may make people choose for more time off, so that they can take a world trip with their partner, or to work more and trade in the extra hours for a computer for their teenage children.

By changing the composition of their reward and adjusting the balance between working and non-working time, employees may improve the value of their pay, since it allows them to achieve more of their goals. This is called the perceived value of pay (Langedijk 2001; Lazear 1998), since it relates to the value in the eyes of the employee, not the actual costs for the organisation. This value is influenced by the monetary component of the compensation as well as by the amount of leave and other benefits, and the expectations employees have of the future development of their pay (as a result of promotion or pay rises).

The choices that people make will depend on the value they attach to the elements involved in that trade. Employees will choose for trading in a day off for money if they value that free day less than the value of the cash they receive (and what it allows them to buy) if they work that day. Conversely, an employee may choose for more leave if the value of those extra days off is greater to him than the foregone income. Other elements of flexible benefit packages, such as the option to save for a sabbatical leave or compensation for a computer at home, may have different value to different employees, depending on their goals.

It is important to note that the costs and benefits of changing one's pay extend beyond the benefits themselves. Changing one's benefits requires time and effort. The employee has to study the arrangement, examine which option is most interesting, and then make the change. The amount of work this involves varies greatly between organisations, but also between choices. In the case of trades with little volume, these transaction costs may outweigh the gains of the trade, making participation uninteresting.

Time and money

The benefits offered in flexible benefit plans can be grouped into time and money. Time usually consists of short-term leave and various leave-days saving arrangements. Money can be cash, or come in the shape of a (tax-free) compensation, for example for travelling expenses or a computer. The choices employees can make in an FBP can be classified into four groups (Table 11.1).

All choices have an effect on either the balance between working time and non-working time, or income level, or both. We focus here on the choices that involve time off *and* income: trading in time for money or money for time.

Household

The household situation can affect participation in an FBP, and the choices people make within it. People in certain situations may be able to realise an improvement in the value their compensation has for them, while for others such an improvement may not be achieved because the standard pay is optimal for them.

For parents, particularly of young children, flexible benefits may be useful in improving their combination of work and care. Adjusting the balance between working and non-working time in their compensation may make it easier to relieve the strains of what has been dubbed the 'rush hour of life'. They may be able to reduce their time pressures at home. While there are other arrangements they can use to this end, such as working part-time, flexible benefits will allow a fine-tuning of the situation. We expect parents with (young) children living in the household to participate in the FBP more often.

When it comes to the choice between time-selling or time-buying, we also expect the presence of (young) children to cause an effect. For employees who are caring for children, particularly young ones, the value of an extra leave day may be much greater than for employees without such a responsibility. They will therefore choose more often for buying time off than an alternative option. Given that Dutch women generally make the greater adjustment to their working hours when children arrive (CBS 2004), we expect household effects to be more pronounced for women than for men.

Living with a partner may also make flexible benefits more interesting. Employees living with a partner will prefer greater flexibility, because this will enhance the coordination of various lives and lead to the attainment of more goals, making non-standard benefits more attractive.

The contribution an employee makes to the household income may be particularly relevant. In dual-income households, where there are also two sets of benefits, changing the composition of benefits to make them more complementary may be very useful. Employees who are responsible for

most or all of the household income will tend to prefer trading in money for time, to increase the household income. Achieving the goal of physical well-being for oneself and one's dependents will become more important if this depends on one single income, so enhancement of this income will be more likely to outstrip other goals that might be achieved through different choices.

Work

Depending on specific job situations, employees are expected to make different choices regarding their benefits, since their job construct will also affect their ability to improve their perceived value of pay through participation in an FBP. The working situation will also contribute to the specific goals employees may wish to achieve.

Participation in the FBP is expected to increase with the number of contractual hours. Employees with a full-time position receive more benefits (in absolute terms) than employees who only work two days a week. For the full-time employees an end-of-year payment, for instance, is larger, so trading it in for something else becomes more interesting. This effect applies to a number of possible choices, and thereby employees can achieve more with the plan as the contractual hours increase.

The wages people earn will also affect their participation, since in this system, as in most FBPs, the value of leave is dependent on the hourly wage. A higher hourly wage encourages more participation, because trades can become more substantial. If a receptionist and a manager both wish to acquire a computer through the flexible benefit plan, for instance, and trade in leave for it, the receptionist has to trade in more time than the manager. In terms of time, the computer is more expensive for the secretary. This will not only make the plan as a whole more interesting for people with a higher wage, it will also make them prefer trading in time for money. The higher value of an extra day worked (in monetary terms) will make selling time off more attractive, and buying extra time off a relatively expensive undertaking.

The choices in benefits will not merely be influenced by the monetary compensation employees receive for their labour. It may sometimes appear that money is the only thing employees will work for, though it is safe to say that this is something of a simplification. Intrinsic motivation and other job valuation aspects will also influence the preferences employees have towards their benefits and the goals they can achieve, particularly those concerning their balance between working time and time off. Doing one's work well will be more important depending on the degree of satisfaction the job brings, for instance.

Frey (1997) approaches the relation between intrinsic motivation and compensation with the help of principal-agent theory and crowding-out theory. He posits that people need either an intrinsic or an extrinsic

reason for working. Employers give their employees the opportunity to improve extrinsic motivation for their labour, which should be more attractive to people with a low intrinsic motivation. People with a high intrinsic motivation will be less interested in improving their pay because they receive more of a reward from work itself.

The effects of intrinsic motivation and the pleasure of work on the choice between more or less leave can also be approached from another angle, namely that of 'flow'. Flow is a concept developed by Csikszentmihalyi (1999), and refers to a situation where one is totally engrossed by what one is doing, to such an extent that one loses all sense of time and place. Since this is a pleasurable experience, people will strive towards a situation that recreates this experience.

Bakker applied this concept to work. To this end, he defines it as 'a short-term peak experience which is characterised by absorption, enjoyment of the job and intrinsic motivation' (2005:27). Enjoyment of the activity of work is experienced by employees who have a very positive judgement on their work. Absorption refers to the state of being so wrapped up in a task that a person no longer notices what is going on around her. Intrinsic motivation leads to work itself becoming a motivation and a goal to be achieved. Because it brings them more rewards, people who experience more flow at work should have a greater preference for extending their working time, and therefore will sell their leave more often.

Another element influencing job valuation is workload, and this may affect the choices employees make towards benefits – their leave in particular. People who experience a high workload may feel unable to take all the leave they have each year, choosing more often to trade it in for another benefit. The value of this leave they are unable to take is relatively low for them, making it a cheap source benefit. It should therefore be easy to find something on the goal-side of the plan that is of greater value, and employees with a high workload will also participate in the plan more often.

Commitment to the organisation may be interesting in this context too. Ellemers et al. (1998) developed a three-way distinction of commitment, separating organisational commitment from career-oriented and team-oriented commitment. They showed that these are separate types of commitment, related to different constituencies within the organisation, the goals and advancements of which they support and promote: the organisation as a whole, the team within which one works, and the individual level, the career. For purposes of the current study we examine the effect of organisational commitment on the choices regarding flexible benefits. When one is highly committed to the organisation, its goals become closely tied to one's own. A high level of commitment to the organisation may thus lead to a decision to not buy extra time off, and even sell days off, to promote the goals of the organisation.

Figures 11.1 and 11.2 depict the theoretical models.

METHOD AND DATA

The data for this research was gathered amongst employees of a large department of the Dutch civil service, in early 2003. An aselect, representative sample of 1030 employees received a questionnaire at their home address. There was a response of 40%, with 409 questionnaires returned. As a result of missing values we used 383 questionnaires for the analyses.

The questionnaire

Respondents were asked their personal characteristics: gender, year of birth (which we recoded into age), and their highest completed level of education. On the topic of their household situation we asked them whether they lived with a partner, whether this partner had paid employment and whether there were children in their household (as well as their ages). These variables were recoded into five dichotomous variables: partner, working partner, youngest child in the household younger than 4, youngest child in the household between 4 and 12, youngest child aged 12 or older. We chose these ages because Dutch children go to primary school at age 4 and secondary school at 12, which affects the time demands in the household. If the partner had paid employment, we asked the percentage of the household income that this partner contributed (less than 25%, around 25%, around 50% or more than 50%). In order to include single employees in our analyses we recoded this variable into the percentage of the household income contributed by the employee (more than 75%, around 75%, around 50% or less than 50%).

Respondents were asked in detail about their work situation. The number of contractual hours was asked as an open question. Respondents were asked to indicate their income on a 20-category answer. To measure workload we used the JCQ scale (Karasek et al. 1998). This scale contains questions such as 'Do you frequently have to work very fast?' Respondents could answer on a four-point scale, ranging from '(almost) never' to 'always' (Cronbach's $\alpha = 0.76$). To measure organisational commitment we used the scale developed by Ellemers et al. (1998). This scale contains statements such as 'I feel like I belong with this organisation', which respondents could agree or disagree with on a five-point scale (Cronbach's $\alpha = 0.84$). To measure flow at work we used the scale as developed by Bakker (2005). Examples of statements are: 'My work makes me feel good', 'When I work I forget everything around me' and 'I do my job without wondering what it brings me'. The same five-point scale was used for these statements as for commitment. Cronbach's α was 0.82 for the enjoyment scale, 0.79 for absorption and 0.77 for

intrinsic motivation.

Respondents

Respondents were 45 years old on average, and mostly male (70.2%). Both in terms of age and gender, the dataset is representative for the organisation as a whole. The average educational level was intermediate vocational (MBO). Most respondents lived with a partner (85.4%); 80.4% had paid employment. Almost two-thirds of the employees lived in a household with children (61%). In one out of five of these households the youngest child was under age 4, in 40.5% the children were 12 or older.

Practically all respondents had a permanent contract; only a very tiny minority had a contract for a limited period (1.6%). The average respondent had been working at this department for 22 years (56% for 21 years or longer), putting in 36.3 hours per week, 1.9 hours of which are overtime.

The FBP in this organisation had been in place for two years when we approached our respondents. The plan in this organisation offered two basic options. One was to choose for a tax-free compensation, for instance for a PC or additional childcare expenses. For these compensations, employees could trade in a part of their income and could choose from various sources: holiday money, compensation for travelling costs, or leave. Additionally, the plan offered employees the choice of working more or fewer hours, on a yearly basis. Extra hours were paid out in the hourly wage, hours that are reduced were taken out of the monthly wage. The option of extending the various leave arrangements offered outside of the FBP were not (yet) integrated into the flexible benefit plan.

People could change their benefits once a month. There were clear restrictions on the changes that could be made. Working time could not be reduced by more than 10 days, and extensions were limited to 100 hours per year and 40 hours per week. The number of leave days that could be traded in for another goal was also restricted, although the exact number depends on the age of the employee (since this influences the amount of leave). The youngest employees (on a full-time contract) could trade in about three days. There were also legal restrictions applying to this flexible benefit plan, as they do to all: income before taxes could not sink below the official minimum wage, and only days in surplus to the legal minimum of annual leave could be traded.

RESULTS

Descriptive

Participation in this organisation's flexible benefits model is high: 47% of respondents to the questionnaire had made a change in their benefits in

2002. An internal review showed that 34% of employees participated in 2001. On the basis of this review, changes were made in the presentation of the plan to employees, and the number of choice moments was raised from 2 to 12 per year; the higher participation level we found may be a result of these changes. There is no reason to believe that there is an over-representation of participants in the dataset. Data was collected as part of a wider research project into work-family arrangements, and participation in the flexible benefit plan was only one of several topics addressed in the questionnaire.

Nearly three-quarters (73%) of the respondents who had participated in the flexible benefit plan had made a choice that involved time, mostly trading in leave for another benefit. Two-thirds (66.1%) of the respondents who had participated in the plan used time off as a source benefit, either by trading in leave or by working more hours per week. More than half of the respondents (51.7%) chose for a financial source, 33 people chose for both kinds of sources. In terms of the goals that people chose there was far less variety. Almost all participants chose a financial goal (95.6%), usually a PC: 56.7% of participants made this choice, and 21.1% opted for a bicycle. There were very few people who chose extra time off (7.2%), and there were far fewer who chose for both kinds of goals. Only five people chose a time and a financial goal. Table 11.2 shows the combinations between the sources and goals that people chose in terms of time and money.

Explanatory

In a binary logistic regression we tested our model to see which variables affected participation in the flexible benefit plan (Table 11.3). Because the effects of young children were expected to be more pronounced for women, we decided to estimate the model separately for men and for women. Gender correlated with several other independent variables, not just with the presence of children. The analyses were controlled for age, educational level and job level.

While men participated in the FBP far more often (54.3% compared to 29.8% of women), participation in an FBP is affected by more variables of our model for women than for men. It is not uncommon for such results to appear. A similar difference between the sexes frequently turns up in labour supply research, where men behave more or less identically, and women react more clearly to their circumstances (and preferences) by changing their labour market participation (Killingsworth 1983; Grift and Siegers 1992).

The findings support some of our hypotheses: on the household side, the presence of children made changing benefits more attractive, as we expected. The age of these children had different effects for both sexes. Women participated more often when their children were young, and only if wider margins of statistical significance are applied (an N of 114 is very

small for logistic regression) did other mothers also change their benefits more often. For men this was only more appealing when they had older children. Men with a working partner also changed their benefits more often, for women this had no effect. Almost all women in this group have a working partner.

Female employees participated in the FBP according to their job situation, men did not. The increase in participation as the number of contractual hours goes up fits in with our hypothesis, although income did not have the expected effect. Workload had no effect. Intrinsic motivation has a negative effect on female participation in the model, as hypothesised based on the theory of Frey. The more intrinsically motivated women exhibit a dimmer enthusiasm for increasing their extrinsic reward. Women in higher job levels also changed their benefits more often.

Due to the fact that very few people in this organisation chose to trade in a financial benefit for more time off, this group could not be analysed separately. For the analysis of the decision to trade in time for money, we also performed a logistic regression analysis (see Table 11.4). Time sellers here are people who chose to trade in leave or work more hours for a financial benefit. Because the different age categories for the youngest child had no effect, they were replaced by a single variable for children in the household to improve model parsimony.

Work factors have a stronger effect on the decision to trade in leave for another benefit, and thus extend working time; there were no household factors that had a statistically significant effect. First of all, the number of contractual hours play a role, which we did not expect. The more hours people work, the more often they chose to extend their working time. This may be evidence of a pulling effect of work. This does not take place in emotional terms though. Employees with a higher organisational commitment chose to extend their working time less often. The same goes for employees who enjoy their work. Both these effects are contrary to our expectations. Employees who are intrinsically motivated chose more often for trading in time for money, as expected.

One may wonder about the causal relationship between these job valuation measures and benefit choices: job valuation could be affected by increasing the value of pay via an FBP. Benefit satisfaction has been shown to increase after the introduction of an FBP, but this was equally so for those who had and those who hadn't changed their benefits (Langedijk 2001), suggesting that participation itself does not affect satisfaction. These relationships could be better understood in a longitudinal study.

Because there were only 24 women in this data sub-set, separate analyses for men and women were not possible. When we attempted another method it turned out that two interaction effects were at play, between gender and workload and between gender and intrinsic motivation. The lack of women in the dataset still made the analyses less than perfect, to such an extent that we will refrain from publishing the

results here. Still, the suggestion from the data is that here, too, women react more strongly to their circumstances than men, particularly to their workload and intrinsic motivation. For men, the effect of workload on the decision to trade in leave was close to zero; women chose this option more often when their workload was high. Regarding intrinsic motivation, the effect points in the same direction for both sexes, namely that when intrinsic motivation increases, people chose more often to trade time for money, though the effect is much stronger for women than for men. Further research will hopefully allow us to shed more light on this matter.

CONCLUSIONS

Flexible benefits provide employees with the opportunity to adapt the composition of their pay to their preferences. In the present study we analysed who had changed their benefits and who had traded in time off for a financial benefit. In this final section we will reflect on our findings.

In the department of civil service researched in this study, almost half of the respondents changed their benefits. Strikingly, participation was higher among men than women. This means that for a reasonably large group of employees, especially men, perceived gains exceed the transaction costs associated with participation in the FBP. The model we developed went nonetheless further in explaining female participation than male participation. It appeared that women responded to their individual situation much more than men. Participation of women in the plan depended on both their household (motherhood) and work situations (contractual hours, job level). Men only participated more often when they had older children at home and less often when they lived alone. None of the work characteristics included in the present study were significant. It is likely that men's choices of time or money are affected by other issues, like institutional factors that were not included in this study. As only 13 employees traded in money for time, the data only allowed us to analyse who had traded in time for money. As most time sellers were men, analyses for men and women separately were not possible. When including gender interactions, however, it appeared that women reacted to more and different things than men; workload and intrinsic motivation were particularly significant factors.

Strikingly, household characteristics did not affect employees' choice to trade in time for money. Employees with children (regardless of their ages) did not make this choice less often than employees without children. Obviously, childless employees do not want to augment their working hours per se either. Work characteristics did affect employees' choice to sell time. Factors indicating how employees value their job (organisational commitment, enjoyment, intrinsic motivation) were shown to play an especially significant role, although not always in the way we expected. People who really enjoy their work actually traded in time for

money less often. It is the people who enjoy work less who were extending their working time, which is somewhat counterintuitive. However, we must be careful not to assume automatically that people who trade in time for money necessarily work more hours. It may be that the people who really like their work are also extending their working time, but simply do not feel the need to be compensated for it. The effect of intrinsic motivation undermines this assumption though, as people who are intrinsically motivated chose to trade in time for money more often.

What do our results say about how employees use FBPs as a means to better combine work and family life? Looking at participation rates, it appears that parents find it more useful to change their benefits than non-parents. In that sense, the plan acts as a work-family arrangement. However, the fact that the most popular choice made by employees was trading in time off for a new computer to work at home suggests that the majority of participants did not use the FBP to relieve time pressures, but rather consider it as an attractive tax arrangement. Of course, whether a computer in the home increases employees' time-spatial flexibility by enabling telecommuting and thus has the potential to reduce time pressure is not clear beforehand, as it may also increase negative work-home interference (cf. Peters and Van der Lippe 2005). As the option to trade time for a PC has been abolished, participation rates within FBPs may diminish in the future.

Buying time was far less popular than selling time. As it wasn't possible to test a 'time-buying model', we are not sure whether we can conclude from our study what household characteristics influence men and women to prefer more time off, and whether we can conclude that other work-life arrangements offered by the organisation, like part-time work, flexible hours or home-based telework, suffice to achieve a good work-life balance for employees and their households. The organisation in question is very generous in this respect, in another organisation a different picture may arise. At present, in many Dutch households men work full-time and women part-time, the latter providing households the needed flexibility. A further rise in women's labour market participation is likely, and this may give FBPs more rationale in the light of balancing work and family in the future. Further research is needed to see how parents view FBPs as a means to facilitate the combination of work and family, and how they are used in combination with other work-life balance arrangements.

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