

The State of “Work-Life Effectiveness”



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Overview

The evolving, modern workplace faces unique challenges. Employers seek new ways to keep the workforce energized and engaged despite complex demands spanning the home and office. Employees represent an older and more diverse workforce. They have growing needs such as caring for children and aging family members, demand for a dual income household, or increased healthcare costs. To meet these needs, employers are embracing the concept of “work-life effectiveness” to better retain and recruit employees—less as an accommodation and more as a business strategy with measurable bottom-line results.

The Work-Life Effectiveness movement has had a profound effect on the workplace, but it still has more ground to cover. This new line of thinking requires more than corporate or government policies. It must also be accompanied by a cultural shift in which work-life balance is viewed as a critical societal and business asset.

Workplace Trends

Key forces shaping workplaces and workforces over the next decade are illustrated by the following trends.

- In 2005, there were a record 66 million employed women comprising 46% of the total U.S. workforce.
- In 2006, the oldest baby boomers will turn 60 years of age. Even more of these citizens, when reaching age 65, will delay retirement as a necessary step simply to maintain access to health care.
- “Diversity” has become important lingo in today’s workplace denoting a changing cultural and ethnic landscape within organizations. It includes ethnic, gender, age, sexual orientation, and religious diversity of workers. Employers are training managers to deal more effectively with diverse work populations and embrace minority workers through mentoring programs.
- In 2000, dual earner couples comprised 59.6% of the population, and the combined work hours of dual-earner couples with children were 91 hours in 2002, as compared to 81 hours in 1977.
- Generations “X” and “Y”, the upcoming generations of workers, are shown through research to be more family-focused and less inclined to work in the same capacity as baby boomers.

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Takeaways for Today's Workplace

- Research shows that one third of U.S. employees can be categorized as being chronically overworked. With technology changing when and where business is conducted, employees have 24/7 access to the workplace. Research also notes that while some women have “opted out” of the workforce to care for children or support aging or ill relatives, a decrease in Women’s Labor Force Participation Rates reflects the effects of a recession in early 2001, not a care giving epidemic. However, with the high costs of recruiting and training new workers, employers are starting to launch marketing programs that attract talented working women who have cycled out of the traditional workforce
- Today’s work-life effectiveness programs are more expansive and designed to meet a wide range of workers’ needs. Programs range from concierge and take-out meal services, employee volunteer projects, on-site elder consultant options, to traditional policies of working part-time or tele-commuting. These programs’ returns on investment (ROI) include an increase in worker productivity, retention, loyalty, and bottom line corporate profitability. In 2003, the U.S. government recognized the importance of executing these programs in the workplace by declaring October “National Work and Family Month.”
- The true payoff of work-life effectiveness programs is clear — 75% of employees who experience a high level of supervisor support for managing work-life priorities are far more likely to remain with their companies in the subsequent year versus only 42% of those who experience low levels of support.

Future Forecast

- Aging Baby-Boomers will demand more flexible work arrangements to pursue lifelong passions.
- Upcoming Generations “X” and “Y” workers will demand more time for family and recreation.
- Non-traditional families, such as single or same-sex led households, will continue to grow and impact work-life effectiveness policy development as well as benefits coverage.
- Companies that are slow to offer work-life effectiveness policies will lose their status of “employee of choice.”
- Women will continue to make strides to break the glass ceiling with gender wage gap decreases further promoting their status.
- Women and men will have more role models in the workplace for balancing work and home demands.
- Companies will do more to attract workers who have taken a hiatus to care for family members back into the work environment.

The State of “Work-Life Effectiveness”

As we move into the 21st century, employers continue to grapple with how to keep their workforce energized and engaged. They see a workplace that is rapidly changing — from a demographic profile extending to an older and more diverse workforce to those who need to care for their children and aging family members. To retain and recruit employees, employers are beginning to see work-life balance practices less as an accommodation and more as a business strategy.

This report illustrates the workforce's changing profile and how workplaces are supporting their needs through “work-life” or “family friendly” programs and policies. In today's workplace the term, “work-life effectiveness,” is used more widely as it describes the very essence of what these programs and policies are attempting to do —make one's life *work* more effectively. For this paper, “work-life effectiveness” will be used throughout when referring to programs offered by organizations to ease the demands put upon today's workers on both the home and work front. This report will also provide a forecast for how workplace practices will be redefined in the future.

Anything but “Business as Usual”

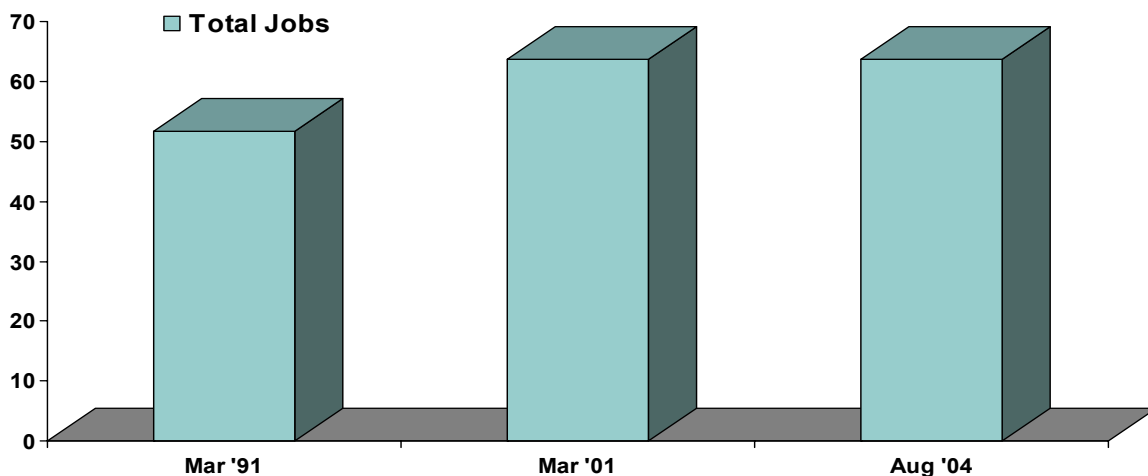
In this section, we illustrate the types of forces that are shaping the workplace and policies being developed by employers.

Current Demographic Trends

Job Profile

- In the ten year period leading up to the last recession, from March 1991 to March 2001, women gained 12 million jobs to a total of 63.7 million jobs.¹ (See Chart below)

Jobs Rebound After Recession



- ✓ Women held 51.7 million jobs in March '91
- ✓ Growth continued reaching a high of 63.7 million in March '01
- ✓ Recession of March-November 2001 affected women's job growth negatively for the first time in 40 years
- ✓ Job loss stabilized to pre-recession levels in August 2004

- The recession of March to November 2001 was the only period of sustained job loss for women in the last 40 years.²
- In 2005, there were a record 66 million employed women, comprising 46% of the total U.S. workforce.³
- Women are projected to account for 51% of the increase in total labor force growth between 2004 and 2015.⁴

Age Profile

- Another change in the workforce since the early 1990's is the median age of the workers. In 1978, the median age in the workforce was 34.8 years old⁵ as compared to the projected age of 40.7 years old in 2008.
- In 2006, the oldest baby boomers will turn 60 years of age, and more reaching age 65 will delay retirement as a necessary step to retaining health care coverage.⁶

Diversity Profile

- Ten years ago, “diversity” was not even standard company jargon. Today, “*diversity*” has become important lingo in today's workplace to connote the changing cultural and ethnic landscape in organizations. It includes but is not limited to ethnic, gender, sexual orientation, and age diversity of workers. Asians and Hispanics have the fastest labor force growth. It is projected in 2008, that white non-Hispanics will still be the largest labor force group at 71%, followed by Hispanics at 13%, African Americans at 11%, and Asians and other groups at 5%.⁷

Today's Family Dynamics

Employees represent more diverse households and have higher expectations for their ability to align their work and family priorities. Employers are trying to meet current demands for work-life effectiveness and anticipate new demands by adjusting to following current trends:

- In 1970, 35.9% of couples represented dual earner households; 51.4% of couples fell into single earner (male) households. By 2000, dual earner couples represented 59.6% of the population.⁸ Combined work hours of dual-earner couples with children were 81 hours in 1977 and went up to 91 hours in 2002.⁹
- Single parent families are also growing—one in two children will live in a single parent family at some time during their childhood.¹⁰
- Grandparent-led families are part of a growing trend in the category of “All Other” families (single parent and grandparent-led families) that rose by 6% from 1980 to 2003.¹¹
- More than two million fathers are the primary caregivers of children under 18, a 62% increase since 1990.¹²
- Inter-racial families were increasingly more significant in the 2000 Census with 2.8 million children under age 18 and nearly 7 million Americans of all ages identify as more than one race.¹³
- Between 6 to 10 million children currently reside in gay, lesbian or bi-sexual households¹⁴

Future Outlook for the U.S. Competing in a Global Marketplace

The changes to the U.S. market as a result of increasing globalization will impact the way business is done in increasingly competitive markets. Organizations will require workers who are more engaged and productive in order for the U.S. market to stay ahead. Companies who provide work-life effectiveness programs will help to insulate their workers from stress and burnout that these increased demands could cause.

- China and India will continue to grow as powerful players on the world stage in total GDP. It is predicted that the United States will remain the world leader in the short term, but may be overtaken in the next half century by these countries total GDP.¹⁵
- U.S. workers on the whole are more vulnerable to economic downturns than their counterparts in other western nations because workers in those countries benefit from social safety nets such as government supported health care and support for maternity leave.¹⁶ A study of 168 countries found that 163 guarantee paid leave to women in connection with childbirth, and 45 guarantee paid paternity or parental leave.¹⁷
- With high-school drop-out rates on the rise, there is a concern that high-school dropouts will join the pool of unskilled labor that has fueled the creation of an “hourglass workforce.” In other words, research has indicated that for all the benefits reaped by an increasing workforce at the top of the knowledge sector, there will be a corresponding bulge in the service sector beneath creating an 'hourglass-shaped' economy.¹⁸ This is cause for concern given the bottom 40% of the population possesses only 0.2% of the wealth in the United States.¹⁹ Companies who offer education and on-site training to their workforce will move a portion of workers out of the bottom of the hourglass and help to improve U.S. competitive standing.

Net Impact

The impact of these statistics is just beginning to be felt in the workplace. Employers find that they need to change the way they interact with their workforce in order to remain competitive and retain highly skilled workers. These initiatives may be employer-led or initiated by outside groups in support of employers and/or employees. Here are some examples of changes occurring among leading edge employers:

- In the short-term, the aging of the workforce will influence how much emphasis an organization will place on offering programs to support care giving issues. In the long term, part-time options with benefits attached may be available for older workers as they move beyond retirement age and want/need to remain in the workplace.
- As a result of complex family systems employers have changed how they support non-married partners or same sex unions. In fact, in 2005, employers were more likely (21%) to provide health insurance coverage for the unmarried partners of employees than was in the case in 1998 (14%).²⁰
- Gender discrimination manifests itself in many forms in the workplace from the subtle—such as assuming women are not as committed to their jobs once they become mothers—to the more overt ... workplace bullying. To uniquely deal with discrimination in the workplace, organizations such as grassroots-oriented “GenderPac” demonstrate the trend in among employers to combat insensitivities that may occur from stereotyping a particular group.²¹
- As a result of the continuing existence of the glass ceiling, women have left the corporate world in large numbers to start their own businesses. *“As of 2005, there are an estimated 10.1 million majority-owned, privately-held, women-owned firms in the U.S., employing 18.2 million people*

and generating \$2.32 trillion in sales. Since 1987, the number of women-owned firms in the U.S. has doubled, employment has increased four-fold, and their revenues have risen five-fold.”²²

- Even small companies have jumped on the bandwagon to compete with larger companies to retain high quality workers. Small employers, defined as organizations with 50-99 employees, in most instances offer greater flexibility to all or most employees than larger organizations.²³ Employers implementing these changes report lower turnover rates.
- Diversity departments have expanded to include areas of differences among employees they may have been hesitant to tackle in the past such as religious or sexual orientation content and programming. For example, 28% of responding companies offered a diversity initiative specifically focusing on religion.²⁴ They also create awareness of the difficulties facing under-represented workers; for example, one finding shows that two out of five lesbian and gay adults in America's workplaces report facing some kind of harassment on the job.²⁵
- Fueled with research data on how to retain workers, corporations are taking on the task of combating stereotypes in the workplace. Organizations are doing even more by training workers and offering mentoring programs to help workers achieve acceptable behavior norms. As an example of unique approaches to diversity, PriceWaterhouseCoopers, LLP (PWC) has created a book entitled, "You're not what I expected ...Perceptions." "Perceptions" is the culmination of more than 50 interviews with partners and managing directors within PWC. The book was initially designed to challenge some of the assumptions about who can be successful at the firm. The book offers lessons about the role perceptions play in the journey to connect with one another.²⁶

Current Workforce Psychographics

Twenty-first century workers have witnessed a generation of globalization, work and personal obligations. American workers are stressed. “*Technology has been both a boon and a bane for today's workers. It allows them more flexibility as to where and how work can get done but has also tethered them more closely to work and raised expectations for individual productivity.*”²⁷ It is important for employers to understand how their workers view their world so that they can offer the right work-life effectiveness policies and programs to meet their needs.

- Baby Boomers (post-war period births from 1946-1964) are more likely to be work-centric (those placing a higher priority on work than family) versus Generation X (born in 1965-1980) and Generation Y (after 1980—just starting their career) who are more likely to be family-centric (those placing a priority on family or both)²⁸:

Work Priorities across Generations

Relative Importance Placed on Work vs. Family	Generation “Y” (Born after 1980)	Generation “X” (Born between 1965-1980)	Boomer – (Born between 1946-1964)	Mature (Born before 1946)
Work centric	13%	13%	22%	12%
Dual-centric	37%	35%	37%	54%
Family –centric	50%	52%	41%	34%

- Generation X fathers spend 1.2 hours more time with their children than Boomer fathers with children of the same ages, yet only 52% of Generation X fathers aspire to advance—down from 68% in 1992. However, they work three hours a week more than those of the same age in 1977.²⁹
- Women claim that the bulk of child care responsibility rests on their shoulders. They often feel like they work a second shift when it comes to home responsibilities: In 2002, 72% of moms claimed they had greater responsibility for taking time off of work to stay home with kids (This is down just 5 percentage points since 1977).³⁰
- According to the 2004 study on “Overwork in America,” 44% of U.S. employees self-described themselves as overworked “often” or “very often.” The work outcomes of this are that they feel more likely to make mistakes, be angry at their employers for expecting them to do so much, and resent coworkers who don’t work as hard as they do. The personal outcomes are that they are more likely to have higher levels of stress, feel symptoms of depression, report that their health is poorer, and neglect caring for themselves.³¹
- As baby boomers age, an increasing number of them are seeking work that is more meaningful. This trend has been called the “re-potting” of their careers in order to follow something for which they have a passion.³²

Are Women “Opting Out” or “Opting In”?

With Labor Force Participation Rates (LFPR) for women fluctuating in the last few years, there has been speculation that working mothers are fed up and leaving the workplace to tend to their children’s needs. However, it appears that something else is happening. Diverse points in this argument arise that help us to investigate whether women are leaving the workplace in a trickle or a downpour, and if so, what are their real reasons for wanting to exit the workplace? This trend has implications for employers’ desires to retain and re-engage women employees.

Media Frenzy

- In October of 2005, *The New York Times* reported on a study that concluded that “Many women at the nation’s most elite colleges say they have already decided that they will put aside their careers in favor of raising children.”³³ This set off a media frenzy that implied that all women want is to really be “moms.” While the story made great headlines, the fine print of the study revealed that these women actually desire to continue working part-time when they have children, and about half wanted to take a hiatus for only a few years.³⁴

Impact

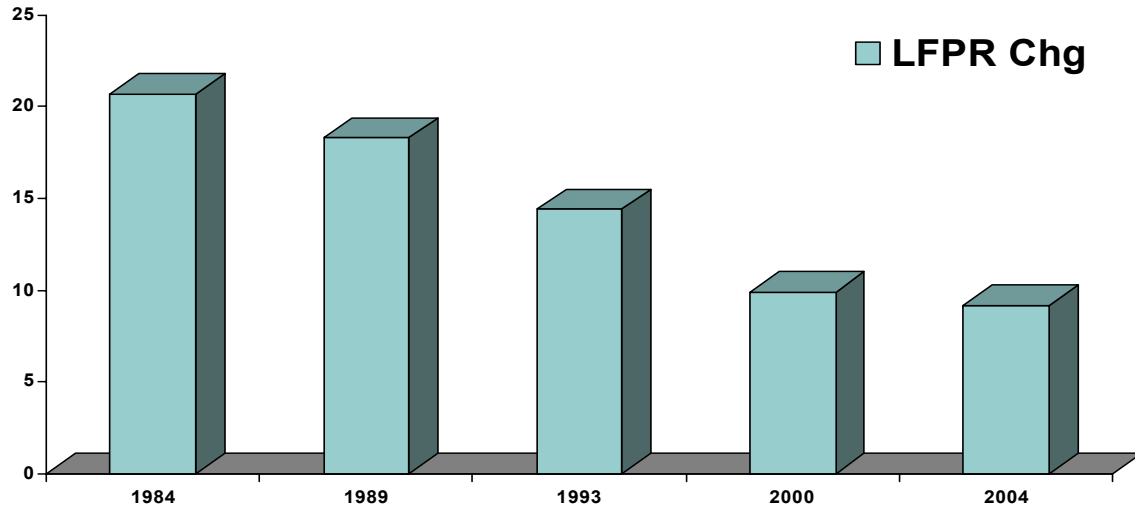
- The overall impact of the study and similar articles on women “opting out” has undermined women’s strides and seemingly taken pressure off organizations to continue to promote a work-life effectiveness agenda. The Center for Economic and Policy Research analyzed the “child effect” which is the reduction in women’s LFPR due specifically to having a child to analyze if women were indeed opting out of the workforce. They found that since 1984, the margin of change narrows between those who are in the workforce with kids and without kids. (See Chart.) As a result, it appears that having children had less of an impact on a women’s decision to join the work force in 2004 than it did at any earlier point since 1984.³⁵
- An argument can also be made that women aren’t opting out. It appears instead that declining LFPR among women over the last four years is a result of a weak labor market. The recession of early 2000 led to job losses across all groups of women.

- However, for those women who choose to take a hiatus from the workplace, corporations are starting to implement programs to bring back the workers who they view as highly skilled and trained. Some employers are preparing for having to choose from a declining base of workers in the near future. Some tactics employers are using to lure at-home moms back to work are: paid at-home projects, training and career planning, assigning mentors to keep in touch, issuing invitations to office parties and meetings, sponsoring mothers' networks for current and returning employees, and assigning internal recruiters to match skills with openings.³⁶

Women Are Opting In

The "child effect" is the reduction in women's LFPR due specifically to having a child

Labor Force Participation Rate Percentage Point Change



- ✓ This reverses the misconception that women are opting *out* of the workforce.

Source: Center for Economic and Policy Research

- The "child effect" is the reduction in women's LFPR due specifically to having a child
- Over time the margin of LFPR percentage point change narrows between those who have children and those who don't
- Children had less of an impact on a woman's decision to join the workforce in 2004 than they did at any earlier point since '94

“Keeping-Up” to Keep Workers

Work-Life Effectiveness Policies More Mainstream

The awareness of work-life effectiveness policies have expanded beyond the reach of the employee, the employer, and even the U.S. government. The reasons for this are many, yet the overarching theme is that work-life effectiveness policies simply make good business sense.

- Employers are more understanding of worker's needs as they themselves are experiencing a similar pull between their work and home demands.
- The benefits of work-life effectiveness programs are more substantiated. At first, justification for these programs was primarily anecdotal. However, corporations demanded more facts that related to their ROI. So now, more statistical data on business outcomes is available.
- The advancement of technology is making it easier to stay in touch with work allowing employees to operate out of the office environment.
- Employers observe that their clients and customers are experiencing similar dilemmas in balancing work and home demands. Therefore, by offering work-life effectiveness programs to their own workers, they enjoy a positive halo effect within the environments in which they are doing business.
- On Sept. 5, 2003, the U.S. Senate unanimously passed Resolution 210 that designated October as National Work and Family Month. By making this landmark declaration, the U.S. Senate concurred with the National Work-Life Initiative that "reducing the conflict between work and family life should be a national priority."³⁷
- The U.S. Department of Labor's Women's Bureau, offers a Flex Options program whereby organizations of any size can sign up to receive free consulting advice on how to develop and execute a work-life effectiveness program.

Technology

The explosion of technology over the last decade spawned a whole new set of employees referred to as virtual workers. These workers now use technology to work remotely, which allows access to immediate work and home needs. Widespread use of the Internet and e-mail--work tools that were barely on the radar screen 15 years ago--has now become the new workplace norm. With access to high-speed wireless networks and other technological advances, the numbers of telecommuters have tripled over a four year period from 4.2 million homes in 2000 to 12 million in 2004.³⁸ Tele-work is beneficial because it:

- Saves employers thousands of dollars in real estate costs (for example if office space rent is \$65.00 a square foot, the cost of that space can be saved and used more effectively for other business purposes.)
- Helps the environment by cutting down on vehicle emissions since workers are not using transportation to get to work.
- Allows organizations across the country to offer workers the ability to be trained through web-based seminars, thus cutting down on travel costs.
- Assists in retaining office productivity during disasters— anecdotal evidence supports that telecommuting employees were able to continue office functions more effectively in the aftermath

of September 11th. Similarly, when the SARS virus hit the city of Toronto, Ontario, Canada in 2003 requiring thousands of workers to be quarantined, those workers who could work from home and connect to their office computer systems could get more work done than those who could not.

- Provides workers with the means to network with other employees outside of the office via websites, chat-rooms, and blogs.

While the benefits of tele-work are many, workers must be wary to insure that the boundaries between work and home remain separate.

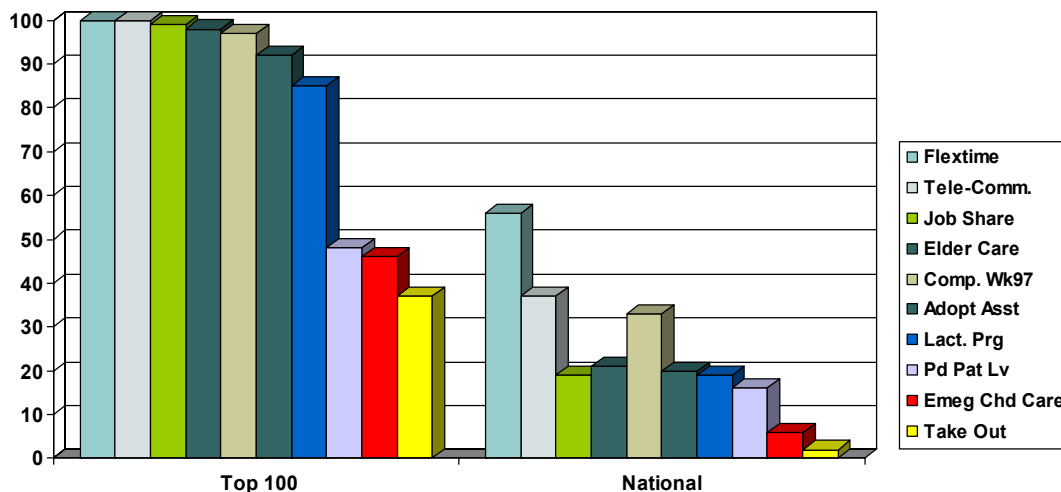
Work-Life Effectiveness Program Content

To meet employees' 24/7 needs to support personal and work needs simultaneously, employers offer a varied menu of options to retain their workers.

Program Dimensions

While strides have been made to offer a wide variety of programs, many companies still do not offer even the most common work-life effectiveness programs such as working part-time or tele-work options. A 2005 report by the Society of Human Resource Management showed that 19% of companies offered job sharing, 33% had compressed work weeks, 56% provided flextime, and 37% allowed tele-commuting.³⁹

Working Mother Top 100 List vs General National Employers



Working Mother Top 100 List 2005 Indexed against National Organizations on the 2005 Benefits Survey for Human Resource Management Members

New Trends

A new movement in the workplace is offering time off to volunteer for community activities. In the last two years, with the natural disasters of the Southeastern Asia's Tsunami and Hurricane Katrina, companies became more involved in charitable work ... leading clothing drives and fundraising efforts. Companies view community service programs as a way to demonstrate good corporate citizenship and increasingly, as a human resource mechanism, to attract and retain employees.

- In 2002, 77% of adults surveyed by Cone/Roper indicated that a company's commitment to social causes influenced their decision about where to work.⁴⁰ One such company, Timberland, offers paid time off to volunteer in the community, service sabbaticals where employers can go to volunteer for two weeks at a time, and the company held annual global service events (e.g., Earth Day.)⁴¹
- Another method of helping out communities is allowing workers to pledge company dollars to the charities of their choice. Last year, Stellar Solutions an aerospace engineering company donated over a quarter of a million dollars on behalf of their employees to such groups as "Race for the Cure," "Orange County Child Abuse Prevention," and the "Monterey Bay Aquarium."⁴²

In an effort to not simply offer "one size fits all" programs, companies now offer a wide range of policies to help ease work and home demands including:

- Back-up day care
- Back-up eldercare services⁴³
- Child care and elder care research and referral services
- Concierge services
- Counseling services for children of workers who are college-bound
- E-courses offered on-line that include training managers to embrace and support work-life effectiveness initiatives and tips for new parents
- Estate planning services
- Flexible work options (place and hours)
- "No meeting" Fridays
- On-line tools that help workers who are caregivers or for employees going through cancer treatment
- On-site elder-care consultants
- On-site medical care
- Paid paternity leave
- "Parent Night –Out" programs that offer babysitting at the employer-sponsored daycare
- Private lactation rooms
- Sick child day-care
- Take-home meal services⁴⁴
- Time-off for adoption and adoption reimbursement

ROI on Work-Life Effectiveness Programs

Human Resource professionals can no longer rely on anecdotal information alone to justify the benefits of work-life effectiveness policies to managers. Companies have learned to develop ROI calculations that involve costs related to recruiting, absenteeism, retention, and even providing access to outside research firms to measure the financial impact of work-life effectiveness programs.

Here are four examples of calculating ROI:

- For justifying daycare costs, Bright Horizons, a provider of employer sponsored childcare, analyzed cost savings due to a 49% reduction rate in voluntary turnover among childcare center users that translated into a \$3.4 million aggregate cost savings.⁴⁵
- Another way of viewing costs associated with work/life programs are the costs associated with losing employees. According to The Project for Attorney Retention report, law firms typically focus on revenue generation rather than bottom-line profitability. For this reason, they may overlook that this high attrition creates millions of dollars of other types of loss.

Replacing each attorney costs between \$200,000 and \$500,000—and this does not include the hidden costs of client dissatisfaction due to turnover, lost business of clients who leave with departing attorneys, and damage to the firm's reputation and morale.⁴⁶ This model can be translated to other client service industries such as accounting, consulting, and advertising.

- Another way to view ROI is to analyze employee productivity. At Deloitte & Touché, 88% of managers said flexible employees met or exceeded the service quality along the nine dimensions of service excellence that the firm has established versus peers who weren't on flexible arrangements.⁴⁷
- ROI has also been calculated by outside research firms that have compared the positive business profits by companies who execute work-life effectiveness policies to those that do not. For example, companies on “best companies to work for” lists (e.g. excellent HR practices) produced four times the bottom line gains as compared to other indexes such as the S&P 500.⁴⁸

New Paradigms for Engaging Managers

Putting a policy out into the workplace will not guarantee that managers will embrace it. Many companies have included measures in managers' performance appraisals to ensure that they are supporting and encouraging workers to access work-life effectiveness policies.

However, while these measures have made inroads into the cultural domain of the workplace, there often remains a lack of support for policies that may be deeply ingrained in the culture. Lack of adequate training for managers to help them understand the impact on the bottom-line is often cited as one reason for the lack of support. Traditional expectation of face-to-face and 9 to 5 work structures undermine the willingness of managers to allow for more flexible options. In these environments, employees report that they feel penalized for making use of flexible work alternatives. Based upon how ROI of these programs is calculated in different ways, managers at times remain skeptical. Training and coaching are recommended as effective means to enlighten managers to the new work paradigms that flexibility creates. According to research, although five out of six employees work over a distance on a regular basis, only one in eight managers receive training on managing off-site employees.⁴⁹

Karol Rose, a well known work-life practitioner, clarified the old and new paradigms related to manager behavior during her presentation at the 2003 Work-Life Congress:⁵⁰

Old Paradigms	New Paradigms
Focus on Face Time	Focus on Output
One Size Fits All	Diversity, Individual Needs
Equal	Equitable
Total Control of Work and Process	Control Work, Not Process
Delegate	Empower

Another aspect of changing manager behavior begins with top executives “walking the talk,” meaning that top executives take advantage of work-life effectiveness programs. This in turn positively affects the

employees' reluctance to access policies based on their fear of career repercussions. The payoff is clear according to a study by the Families and Work Institute. 75% of employees who experience a high level of supervisor support in helping them manage work-life priorities are extremely likely to remain with their companies in the coming year versus only 42% who experience low level of supervisor support.⁵¹

Wage Disparities

Access by working women to benefits, appropriate pay rates, and opportunities to advance are also directly related to work-life effectiveness. When a working mother is not paid commensurately with her male peers, her ability to participate in work-life effectiveness programs such as on-site daycare, telework options, working on a part-time basis, community involvement, or hiring care at home is limited.

- A comprehensive study used a 15-year time period that took into account women's lower work hours and their years with zero earnings due to care giving responsibilities and compared these results to full-time male annual earnings. The study found that women in their prime earning years make only 38% of men's salaries. This gap of 62% is more than twice as large as the 23% gap commonly reported.⁵²
- Women continue to be concerned with the stigma of accessing work-life effectiveness programs given evidence that indicates accessing policies does affect their earning potential. In a study that followed 162 mothers over the course of a decade to analyze the impact of policy usage wage level, penalties were most severe for women in managerial and professional jobs, who sacrificed 27% of their wage growth for telecommuting and 22% for working part-time.⁵³
- In Canada, in the province of New Brunswick, the Advisory Council on the Status of Women has paid for advertising to create awareness of their local gender pay gap of 21%. The ads have a picture of a young girl and boy and the headline reads "Introduce your daughter to the facts of life: Give her 79% of your son's allowance."⁵⁴ U.S. results are similar, according to 2005 labor statistics, full time women's weekly earnings were 81% of men's.⁵⁵

The Work-Life Effectiveness Industry

Ten years ago women who brought up the topic of work-life or work-family balance were on the painful edge of change. Today a thriving work-life industry exists. The industry of "work-life effectiveness," unheard of a decade ago, now is represented by an industry group called the Alliance for Work-Life Progress (AWLP) in which members come together to network, learn best practices in the field, and be exposed to the latest trends. The AWLP is also the education arm in the industry where they offer courses to certify professionals in such areas as client and employee engagement, best practices, and management support of policies and programs. According to research compiled by the AWLP, the profession breaks out as follows⁵⁶:

- Practicing work-life effectiveness professionals (41%)
- Human Resources professionals with some work-life effectiveness responsibility (34%)
- Vendors (7%)
- Consultants (6%)
- Academics/Researchers (1%)
- Other (11%)

Academic institutions have opened centers to specifically study the dynamics of work and family. The Alfred P. Sloan Foundation has strengthened the study of work and family dynamics through its funding of additional centers and by sponsoring many high-profile projects through these non-profit organizations:

- The Business and Professional Women's Foundation—the first nonprofit public foundation to conduct and gather research on issues specific to workingwomen; their new employer initiative is aimed at partnering with employers to create successful workplaces that empower workingwomen to achieve their full potential
- Corporate Voices for Working Families—A program created in 2001 to bring together leading companies to forge a deeper understanding of working family issues⁵⁷
- The Families and Work Institute—a nonprofit center for research that provides data on the changing workforce, family, and community⁵⁸
- Workplace Flexibility 2010—A campaign to support the development of a comprehensive national policy on workplace flexibility at federal, state, and local levels⁵⁹

Conclusion: The New Workplace Norms

The vast changes in workplace demographics and psychographics mandate employers to do a better job of helping employees in their quest for balance between work and home demands. With the future of the American workplace becoming a seller's market versus the buyer's market as it is today, employers find that they need to do a more effective job of holding on to their talent. They are learning that work-life effectiveness programs are a smart tool to keep their workforce engaged and increase their bottom line profits.

With women and minorities becoming more dominant forces in the workplace, employers know that they must offer this group programs and policies that demonstrate that their contribution is important and valued. Gender pay and promotional inequities have been important topics in today's board rooms indicating the newfound importance of the work-life effectiveness agenda. With work-life effectiveness policies noticed by government through such declarations as "Work and Family Month" perhaps these workplace policies are starting to now be perceived as a "need to have" instead of "nice to have."

Research shows that the desire to spend more time with family is expressed more now by men than in the past and the institutional taboo for men accessing these policies is declining. Also, changes needed for time for self and family will be expressed at the extremes of the age of the work population. Specifically, Generations "X" and "Y" will chart new courses for workplace norms around the traditional 9 to 5 day as older workers who feel the clock ticking will want to have more free time to explore their inner passions. Finally, technology will aid workers in being able to work from remote locations, thus improving their ability to be productive at work while attaining higher participation in their home lives.

Addendum

Appendix A

Highlights of 1993 Business and Professional Women Report on Work-Life Effectiveness Practices

In 1993, The Business and Professional Women's Foundation issued a report on the status of the Work-Life Industry entitled, "Work and Family Policies: Options for the 90's and Beyond." Key findings from that report include:

- Households where the father goes to work and the mother stays at home represented 25% of the population.
- The number of families led by one parent, usually a female, was on the rise, with the family dependent on those wages. The report indicated that single parent households increased to 28% in 1992 from 13% in 1970.
- 60% of all women with children under six were in the workforce.
- 24 million children under the age of 13 were in need of daycare with only licensed centers for 6 million. In addition, the cost of child care for the poor was almost unattainable, ranging from \$2,500 to \$10,000 for full time annual child care.
- Five federal programs designed to support women and men were highlighted. One of these programs, The Family and Medical Leave Act, provided up to 12 weeks per year of unpaid leave for childbirth or adoption to care to a child, parent, or spouse with a serious health condition or a serious personal illness.
- There was a 500% increase between 1978 and 1993 in the number of employers providing some form of dependent care assistance or benefit to their employees. Flexibility benefits were just beginning to be viewed as an asset, essential for attracting and retaining skilled workers.
- The terms of "work-life" or "work-family" were becoming more prominently used across corporations instead of the term "family-friendly."

1993 Report: Off Base or On Target?

The 1993 Report was on target with providing an accurate overview of the industry as it stood 13 years ago. However, the effects of technology, the aging of the workforce, and the growth of diversity in our population are three key areas that continue to shape the landscape of our industry not previously highlighted as areas to watch in the future. With women's pay averaging 81% of men's salaries,⁶⁰ companies will continue to grapple with practices that advance women as they grow in numbers in the workforce.

Appendix B

Changes in Government Dependent Care Programs

As the “sandwich generation” gets caught between caring for their children and elder family members, workers will find some support from the government. This section examines changes in government programs since 1993.

Family and Medical Leave Act

Since its passage in 1993, the Family and Medical Leave Act (FMLA) has enabled 50 million American workers to care for family members or recover from illness without losing their job.⁶¹ While its passage was an important milestone for worker's rights, it only covers 43% of female workers and 48% of male workers.⁶²

Currently there are numerous amendments that have been proposed to the Family and Medical Leave Act; however, to date (April 2006) none have been passed by Congress. Some of these recommended changes include:⁶³

- Adding new categories of families to include domestic partners, grandparents, parent-in-law, adult children, and same-sex spouses
- Clarifying the meaning of “a serious medical condition” for business purposes
- Expanding the reasons for accessing FMLA such as attending children's educational or extra-curricular activities, providing living organ donations, having a spouse, son, daughter, or parent called up for military duty, visiting elderly relative in nursing homes, addressing the effects of domestic or sexual violence, or taking time off to vote
- Extending the coverage to employers with 25 or more employees (currently covers organizations with 50 or more employees)
- Lengthening the time off from 12 to 24 weeks
- Providing paid leave through an insurance program. Currently, California law provides working parents up to six paid weeks of leave to cover caring for a newborn, newly adopted child or foster-card child, or to care for a seriously ill family member. The program costs less than \$2.25 per employee per month. Illinois is now considering a paid family and medical leave that would cost less than 60 cents a week per worker.⁶⁴

FMLA has helped to change the way paternity leave is viewed. Because FMLA exists, the stigma of fathers taking time off to be with a new child has lessened. However, it is still not viewed as a norm in the U.S. In Canada, where the federal government's leave for new parents expanded in 2001 to up to 17 weeks of maternity leave and up to 37 weeks of parental leave, the usage of parental leave for fathers more than tripled in just three years.⁶⁵

Healthy Families Act

This is an act, currently under debate in the U.S. Congress (April 2006), which guarantees a paid sick day for a routine illness. The Healthy Families Act is designed to guarantee seven paid sick days a year. Eligible employees would be those who work a minimum of 20 hours a week or 1,000 hours annually. It covers all employers with at least 15 employees. If this act passes, it is estimated that 65.8 million workers will have new or expanded paid sick leave coverage.⁶⁶ Women would especially benefit from this act, since research shows that children aged 5-17 miss an average of more than three days of school per year for health reasons.⁶⁷

Child Care Assistance

When welfare reform legislation passed in 1996, Congress recognized that child care is one of the best ways to help low-income families prosper. Until 2002, federal funds available for child care flourished and the number of families receiving help for child care doubled.⁶⁸ Even with that increase in funding only one in seven children received the care they needed.

Since 2002, federal funding for child care has been frozen. In fact in 2004, states for the first time have fewer funds to spend on child care than the year before including the Child Care and Development Block Grant (CCDBG) and Temporary Assistance to Needy Families (TANF). Another concern, as reported by the Center for Law and Social Policy (CLASP), is that, in 2004, 30 states cut child care assistance compared to only 19 states the previous year.⁶⁹

Other Acts

Other programs that are offered to workers to help alleviate their tax burden or supplement their wages are the Earned Income Credit (EIC) and The Child Tax Credit (CTC).⁷⁰ There were only modest changes made to the salary levels of those who are eligible to receive the credit and slight changes to the available credit levels for the EIC and CTC since the 1993 report. The Pregnancy Discrimination Act has not changed since that time either.

Of note, the U.S. Small Business Administration (SBA) awarded less than 3% of its government contracts to female run firms in 2003 far below its federal goal of 5%. The United States Women's Chamber of Commerce (USWCC) filed a lawsuit against the SBA forcing them to comply. In the summer of 2005, SBA had filed a motion to dismiss the suit on the grounds that the 5% was a goal not a legal requirement.⁷¹

Discussion Questions

1. The term “diversity” is a new and important theme in the work-life effectiveness industry. “Diversity” is about supporting the mix of employees from older workers to diverse cultural groups. How would you describe the “diversity” in your organization? Can you describe ways in which minority groups (women, ethnic groups, older workers, etc.) are supported in your organization? Do you feel they are represented in the higher ranks of your organization? What is being done about any wage gaps that exist between, for example, men and women at the same level?
2. Mentoring is an important process particularly for helping minority groups in organizations, such as women, break out of stereotypical modes. How would you describe the mentoring taking place in your organization? Is there a formal program? If informal, are minority groups getting access to senior managers? How do you think a good mentor can help someone?
3. Companies have become more aware of the need to offer work-life effectiveness programs and policies. These range from flexible work arrangements to on-site child-care centers. How would you describe how supportive managers are in your organization when an employee decides to access a policy to ease her/his work and home demands? What type of training is available for managers to better support policy requests from their staff? If none are available, what types of coaching do your managers need? How would tying manager performance to incentives for supporting policy usage by staff work in your organization?
4. “Opting Out” has been a phrase that has received a tremendous amount of attention in the media over the past few years. What are your thoughts on the reality of women “opting out” of the workforce the past few years? What do you see happening in your workplace? Do you think women who have left your organization received support around their work-life challenges? Why or why not? How could your organization do a better job of supporting women in their quest to manage home and work demands? Do you see any men opting out of the workplace for time at home?
5. Over the past few years, organizations have been offering more unique work-life effectiveness programs ranging from concierge services to coaching for high student students on college selection. What work-life effectiveness policy is most utilized in your workplace? Why? What types of policies would you like to see your organization offer in the future? What benefit do you seek from your employer by adding that particular policy? What benefit do you see for employees?
6. Companies are seeing that offering work-life effectiveness policies enhances the bottom line. What types of return-on-investment analyses have been done in your organization to understand the cost-benefit of offering work-life effectiveness programs? Has your organization looked at retention costs? Why or why not? Does your company look at these programs as business-building objectives? If not, what would have to happen for your senior executives to tie these programs to business objectives?
7. There is a broader understanding in the workforce today of how younger workers have different lifestyle demands than baby boomers. What types of changes in attitudes are you seeing in your organization between these two groups? Has your organization put any programs in place to retain younger workers? If so, what are they? How would you rate their success and/or failure? Please explain.

Additional Resources

Websites

The following websites have excellent information concerning various areas within the work-life effectiveness agenda.

- www.9to5.org **National Association for Working Women**
- www.aarp.org **AARP (formerly America Association of Retired Persons)**
- www.bc.edu/agingandwork **The Center on Aging and Work/Workplace Flexibility at Boston College**
- www.bpwfoundation.org **Business and Professional Women's Foundation**
Features online resource center which offers a clearinghouse of resources on work-life effectiveness, flexibility, diversity, and workplace equity
- www.bpwusa.org **Business and Professional Women/USA**
Features nonpartisan public policy fact sheets and access to 1,300 local women's networks
- www.catalystwomen.org **Catalyst: Research on Women in Business**
- www.dol.gov/wb **U.S. Department of Labor, Women's Bureau**
- www.familiesandwork.org **Families and Work Institute**
- www.fortefoundation.org **Inspiring Young Women to Pursue Business Careers**
- www.iwpr.org **The Institute for Women's Policy Research**
- www.worklifepolicy.org **Center for Work-Life Policy**

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