

balance



sheets

A series of information sheets for employers interested in helping employees balance their work, family, and personal responsibilities

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One Small Step
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"As long as I've been at Baxter the approach has been clear: take the broader view. We don't offer only one choice of medical plans, and similarly we don't offer only one type of work/life benefit. An employee may not need a particular benefit now, but chances are someday they will. So fairness arises from offering choices to meet as many needs as we can."

Alice Campbell, Director, Community Relations and Work/Life Initiatives, Baxter International

"The Great Place to Work® Model emphasizes that supporting work/life balance is a fundamental component of conveying respect to employees. Employers who respect their employees' lives outside of work, and publicly demonstrate this commitment, will be able to support all employees in some way. Work/life benefits may vary according to employee needs, but the respect for every employee's life outside of work can be consistent and fair."

Amy Lyman, President,
Great Place to Work® Institute

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What's Fair? – Defining Equity in the Context of Work/Life Solutions

Seasoned work/life professionals have long recognized that work/life initiatives cannot be everything to everyone. The term "equity" as it relates to employer responses to work/life issues may be defined as **doing something for everyone, rather than doing the same thing for everyone.**

Background

Organizational experts explain the issue of fairness in the workplace by focusing on how decisions about resources are made. Unlike most other workplace policies, many work/life benefits are distributed on the basis of need.

Employees expect that compensation and other human resources benefits will be allocated based on factors such as the complexity of their job responsibilities, employee productivity, length of service, etc. This is commonly referred to as the "equity" norm. Other resources, such as access to EAP programs, are allocated equally -- that is, every employee can have the same benefit.

In contrast, work/life benefits such as dependent care programs and flexible work arrangements are linked to employee needs, which results in a basic inequity – given the diversity of employees' lives outside of work, not all employees need the same kinds of work/life assistance at the same time.

Historically, many employers have approached work/life issues with a "lifecycle" perspective. That is, they aim to meet the needs of employees at different stages in their lives or during transitions. Examples of "life cycle" events include purchasing a home, giving birth to or adopting a child, suddenly having to care for an ill parent or going back to school.

According to the 2001 National Employee Benchmark Study by Walker Information, employees rate "fairness at work" and "care and concern for employees" as the two most important workplace elements. Just over half (54%) believe their organization treats employees fairly. **Participating employees noted that in criticizing fairness they are usually more focused on the way policies are carried out in the workplace day-to-day, as opposed to the policies themselves.**

THE FEELING OF FAIRNESS

In 2002, researcher Kathleen Mosier, Ph.D., (San Francisco State University) produced a paper, "Fairness Perceptions of Organizational Family-Responsive Policies" developed in conjunction with Emmy Naranjo (3-D Group) and Derick Yasuda (Port of Oakland).

According to their research, there are three primary means for allocating resources within an organization:

- **Equity** – distribution according to one's contributions, seniority, level of responsibility, etc.
- **Equality** – distribution of the same amount of benefits to every member of a group
- **Need** – distribution according to level of need

Organizations commonly allocate resources based on equity. Compensation, promotions, access to special benefits, etc. are typically given to those employees with the highest qualifications, most productivity and/or most complex responsibilities. Equality is the norm for distribution of other common organizational benefits such as access to medical insurance, sick leave or vacation time.

In contrast, need-based allocation is not as common, though it is a necessary aspect of many work/life initiatives. While employees readily accept equity and equality as the basis for resource allocation, they may find need-based decisions harder to take. For example, when an underperforming employee gets time off for a family reason, feelings of unfairness may surface.

Additionally, Professor Mosier notes in her paper that, "... employees may agree with the notion that an individual who needs time off to care for children should receive it, but may

perceive the allocation as unfair if they anticipate having to pick up the slack for the absent parent."

In her study of 406 students and workers, Professor Mosier found that employees think it is most fair to allocate work/life benefits using the equality norm (everyone has access to the same programs). If that is not possible, the second choice is to rely on need-based allocation.

Interestingly, however, when study participants were asked about which method should be used for different types of work/life programs, distribution according to equity - that is, based on relative contribution - came out slightly ahead of need for Flexible Work Arrangements.

WHEN IS FAIRNESS QUESTIONED?

When resources are scarce. Tough economic times will lead some employees to wonder why work/life programs are benefiting some of their coworkers, while everyone is struggling to keep the organization afloat.

When new programs are proposed. The first question many upper-level managers will ask when considering a new work/life initiative is, "What about all those employees who aren't eligible or don't need it? Won't they be upset if we go forward?"

When high-profile programs are rolled out. As a great new work/life benefit is getting attention from employees, it may also remind some employees of those offerings they can't access.

EMPLOYER RESPONSES

Providing benefits according to employee "need" can be tricky, but at **Autodesk** (San Rafael, CA) it is an accepted part of the culture. For

example, while there is no on-/near-site child care, the company does offer a generous child care subsidy that is available to all employees whose family income is less than \$125,000 per year. While not all employees meet this requirement, it is accepted that those employees who need it most deserve the support. At Autodesk, the approach to fairness was established very early in the organization's culture so it is accepted and embraced by the leadership and employees alike.

Baxter International (Deerfield, IL) has long recognized the value of work/life offerings for retaining talent among its 22,000 employees. The champions of work/life within the company have become adept at educating managers about real benefits for individuals and teams. When need be, they are prepared to respond with: external benchmarking information, internal employee data, industry trends and media clips. A broad array of information helps to respond to the ultimate manager question, "what's this mean for me and my team?" In advance of launching a new benefit they prepare detailed information for team members that includes the program description as well as a listing of anticipated Q&As (question and answers). Baxter makes current work/life information readily available in paper form, through presentations and via the intranet and explicitly connects each roll-out with current company priorities.

At **Blue Cross Blue Shield of Massachusetts**, the idea of "work/life fairness" is grounded in the company's culture. Helping employees balance work and life is an integral part of meeting the business goals for the organization. As such, work/life programs are designed to address as many employee needs as possible, which means providing different

things for different employees at different stages in their life. One key to their success is knowing the population and listening to employees when they discuss their needs. With a population that is 78 percent female and an average age of 40, BCBSMA has built a wide variety of programs carefully structured to meet the many needs of employees: male or female, married or single, with or without children. The menu includes on-site child care, emergency back-up care, adoption assistance, tuition reimbursement, EAP, legal services, resource & referral for child and elder care, concierge service. The list goes on.

In light of difficult economic times, **Charles Schwab** (San Francisco, CA) is focusing on voluntary benefits as a way to support employees in balancing work and life demands. Because voluntary benefits are available to all employees and paid for by those who need them, they are perceived to be quite fair. At Schwab, voluntary benefits include access to several types of insurance (car, renters, home, pet, long term care) as well as access to group legal services.

For **ChevronTexaco** (San Ramon, CA), communication with its 22,000 U.S.-based employees is critical for promoting a feeling of equity relative to work/life initiatives. For example, the company has made a targeted effort to educate employees about the broad range of services offered through its comprehensive resource and referral program. When the program was first introduced, employees associated it primarily with resource and referral for child care. More recently, communications have emphasized that all employees can use the service to access financial, educational, and other available resources. By focusing on what is available and useful for everyone, ChevronTexaco is able to communicate its commitment to all employees.

Federal Reserve Bank of San Francisco has long offered flexible work arrangements to its employees, but not every job can take advantage of the policy. The organization has put considerable effort toward educating employees about the rules of eligibility and the rationale for those rules. The language of the policy emphasizes that flexible work arrangements must ensure that business needs are met. The impact on business operations and co-workers is considered when evaluating a request for work flexibly. By explaining the criteria and their basis, the Bank hopes to help employees understand the fairness of the policy.

At **The MITRE Corporation**, a not-for-profit research and engineering organization that manages three federally funded research and development centers, a lot of attention is paid to fairness and getting needed information to all employees regardless of location. Both work/life efforts and diversity programs are coordinated across multiple locations. For example, work/life seminars that are delivered on-site at the two largest offices in McLean, VA, and Bedford, MA, are made available to other locations via video conferencing, video streaming over the company's intranet and videotapes. Similarly, diversity activities such as a speakers series and cultural celebrations are coordinated to take place at different locations across the country on the same day and/or jointly by video teleconference. The specific activities may vary but the organization is committed to being consistent and to helping all employees feel valued.

Recognizing that a work/life program's implementation significantly impacts the perception of fairness, **SGI** (Mountain View, CA) has developed tools and coaching mechanisms for managers who must evaluate requests for telecommuting. SGI

helps managers consider factors such as the potential impact on teamwork, customer service and meeting objectives. By being as clear as possible about the criteria managers should take into account, SGI helps ensure a consistent application of the policy.

Symantec based in Cupertino, CA, with 4,411 employees worldwide, has found creative solutions for being fair to its employees. While employees at some locations enjoy access to onsite facilities, those in field offices can take advantage of subsidized memberships at local gyms or reimbursements for membership elsewhere. With this solution, everyone has access to some kind of fitness benefit. Symantec has also found that offering Paid Time Off creates an equitable solution for all employees.

"At Intuit, we started by offering benefits that are accessible and meaningful to everyone (e.g. - traditional health benefits, 401k matching, Employee Stock Purchase, life insurance, etc.). We also included early on some fairly popular and "non-controversial" benefits that only benefit a subset of employees: Vision insurance, Tuition Assistance. We have gradually added programs that meet the needs of smaller subsets of employees (e.g., Adoption Assistance, Computer Purchase Loan). The resulting array of benefits is perceived as fair because everyone gets a strong basic benefits package, and those with more needs may access extra support from the organization. "

*Barb Karlin,
Director of Work/Life Initiatives, Intuit*

THE CONCEPT OF MEMBERSHIP

According to Amy Lyman at the Great Place to Work® Institute, the perception of fairness in a workplace is closely linked to whether employees feel they are truly "full members" of the community. Employers can create a sense of membership among employees by paying attention to how employees at every level are treated, how communication is carried out, and how resources are distributed. By focusing on "equity of membership," organizations can build the value of fairness into their workplace culture.

Examples of strategies that increase the feeling of membership include:

- **Extend basic benefits** to all classes of employees, including less than full-time workers.
- **Avoid special perks** that aren't directly linked to performance. For example, provide a prime parking spot to the employee-of-the-month instead of the newly-recruited VP who also got a signing bonus.
- **Provide opportunities for conversation and interaction** between all employee levels so front-line people are regularly included in discussions with company leaders.
- **Share information often** about the organization's vision, culture and current direction so every employee is invited to support success.

For more information, go to: www.greatplacetowork.com.

General Information

This series is a joint project of the Boston College Center for Work & Family, in Boston, MA, One Small Step, in San Francisco, CA, and the Midwestern Work-Family Association, in West Lafayette, IN, with participation by Work/Life Balance of Philadelphia, PA.

The Boston College Center for Work & Family (Center) is home to the national Work & Family Roundtable and the regional New England Work & Family Association, which together represent over 165 employers. These corporate partnerships provide a sounding board to ensure the Center's research responds to the needs of the workplace, and create a valuable opportunity for corporate leaders to convene to shape corporate and public responses to the demands of the workplace, family, and community in order to enhance employee effectiveness.

One Small Step (OSS) The Bay Area Employer Work & Family Association promotes the development of employee and family supportive initiatives in San Francisco Bay Area workplaces. Through conferences, publications and other services, OSS assists its nearly 100 members and other employers in taking at least "one small step" to respond to employee, family and business needs. OSS was founded by The United Way of the Bay Area in 1986 and currently operates under the auspices of the Northern California Council for the Community.

The Midwestern Work-Family Association (MWFA) advocates for quality work environments that are consistent with business objectives. MWFA was created through a partnership of The Center for Families at Purdue University and leading midwestern employers. With research, education, and outreach, the Center for Families at Purdue University strengthens services to families provided by employers, legislators, and others.



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