

BOSTON COLLEGE

CENTER FOR WORK & FAMILY

EXECUTIVE BRIEFING SERIES

In this Issue:

- Four trends will be examined:

Wellness, Health, and Productivity

Managing health & wellness reduces health care benefit costs, lessens stress, and increases productivity.

Expanding Diversity

Utilizing the unique skills/traits of all employees establishes an inclusive work environment that strengthens the competitive business advantage.

Aging Workforce

Retaining older workers preserves organizational knowledge and leadership skills as labor shortages grow.

Flexible Work Culture

Promoting a supportive and "family friendly" work culture results in committed and engaged workers, with greater productivity.

Attention will also be directed toward:

- How managers can address the needs of the changing workforce.
- Practical business solutions for employers.

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The Next Step:

Exploring Dynamic Workforce Trends

Today's workplace has been transformed by a combination of shifting demographics, technological advances and a global economy that has generated workforce trends that impact the priorities of Work/Life practitioners. Members of the Boston College National Work & Family Roundtable identified four significant trends that permeate their organizations in a recent pulse survey: 1) increasing attention on employee health and wellness driven by escalating health care costs, 2) building a diverse and inclusive workforce, 3) managing the aging workforce, and 4) creating a flexible work culture.

The Work/Life function is evolving in tandem with these dynamic trends and forging a more strategic footing as it tackles workforce issues from multiple vantage points. Work/Life efforts are located in many different areas of the business today due to the distinct focus of these trends. Rather than advocating that there is one "right" place for Work/Life to reside, Work/Life roles are becoming more interdisciplinary and better linked through partnerships with Diversity, Wellness and Health Promotion, Benefits and Compensation, Organizational Effectiveness, Training and Development, and even some line businesses. Work/Life practitioners are crossing boundaries and sharing responsibilities with a broader array of colleagues to enhance the potential for business success. These trends verify that Work/Life practitioners are positioned at the crossroads of the issues that are vital to the success of their organizations and can lead the way in driving comprehensive culture change.

"[W]ork/life is not only a social movement intended to benefit the next generation of children in our society, it's a field with powerful ideas for cultural transformation that compel businesses to make more intelligent and humane use of people and technology."

-STEWART FRIEDMAN

PRACTICE PROFESSOR, MANAGEMENT DEPARTMENT
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BECOMING A WELLNESS, HEALTH AND PRODUCTIVITY CULTURE

"Employers are realizing that to get to the root of the health care cost problem, they must take a more active role in managing the health of their employees.

Programs that focus on managing specific diseases and help workers make lifestyle behavior changes aimed at weight management, exercise and smoking cessation can go a long way toward slowing rising costs over the long term."

— HELEN DARLING, PRESIDENT,
NATIONAL BUSINESS GROUP ON HEALTH,
FROM 2005 ANNUAL SURVEY OF LARGE
EMPLOYERS BY WATSONWYATT AND
NATIONAL BUSINESS GROUP ON HEALTH

"It's not so much what you do, but how you deliver it, that creates the greatest impact in educating employees to take charge of their health. Building local manager acceptance first, creates the support and communication needed to get employees to participate. The employee response and enthusiasm have been overwhelmingly positive to the Lifespan 'Stress Less' program."

— SHEILA JACOBS
LIFESPAN HEALTH PROMOTION MANAGER

The rising cost of health care benefits and the business need to increase employee productivity has sparked employers' growing concern about the health and wellness of employees. More employers are adopting health management and consumer-directed health care benefit programs to help control costs, and some are encouraging employee involvement in health care decision-making. In addition, work stress and overwork contribute to unhealthy behaviors such as smoking, obesity and substance abuse, while healthier employees can reduce costs by needing fewer medical interventions. Healthy employees are sick or absent less often, are more productive, and have greater employment longevity. (Families and Work Institute, *When Work Works*, 2004; US DHHS, NIOSH, *The Changing Organization of Work and the Safety and Health of Working People*, 2002)

Wellness and Health Trends:

- **Rising health care benefit costs** are the most critical economic trend for HR practitioners. (SHRM, 2004-2005 *Workplace Forecast: A Strategic Outlook*)
- **Increasing stress levels** are consistently linked with higher health care benefit costs and lower job satisfaction. (Families and Work Institute, *Overwork in America*, 2004).
- **Emphasizing employee productivity** is a method to offset the costs of health care benefits according to HR professionals. (SHRM, *Weekly Online Survey: Health Care and How Organizations Plan to Adjust to Increased Costs*, 2005)
- **Providing workplace supports** is a strategy for: managing stress and increasing health and wellness, engagement, job satisfaction, commitment and performance. The focus can be changing work culture and work redesign as well as offering health education programs and other interventions. (Snow, 2004; Anderson, Coffey and Byerly, 2002; Allen, 2001; Thompson, Beauvais and Lyness, 1999; Kossek and Ozeki, 1998; Meyer and Allen, 1997)

It is important to understand that each element of health and wellness has different organizational outcomes. For example, while physical or mental morbidity may contribute to increased health care costs and time off, low well-being can contribute to inefficiency and compromised individual performance. Work/Life professionals need to build programs that target the elements with the greatest impact on the desired organizational goal.

Ways that Work/Life Can Support a Healthier Workforce

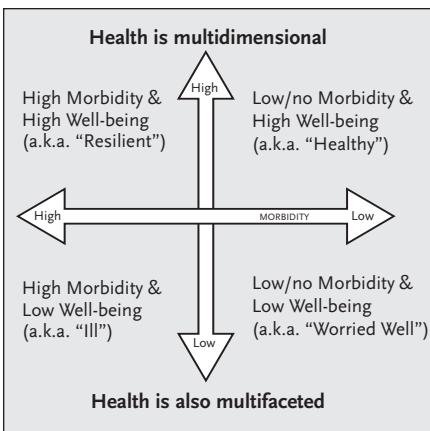
Benefits Design:

- Shift some health care coverage costs/decisions to employees
- Manage chronic diseases and add preventative coverage
- Review mental health plan limits
- Examine R&R and EAP reports for utilization trends

Wellness and Health Promotion:

- Target stress with education/awareness campaigns
- Offer preventative screenings to identify health risk factors
- Promote healthy lifestyle choices

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Keyes, 2002; and Grzywacz 2005, presented at Boston College Work & Family Roundtable Meeting

WELLNESS

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Work Effectiveness:

- Empower work groups to eliminate low value work, have fun, and find practical solutions to lessen the burden

GlaxoSmithKline encouraged the use of Work/Life programs as part of its engagement strategy, and estimates that they saved 15,000 employee hours through their Work/Life Resource and Referral program. **Blue Cross Blue Shield of Massachusetts** worked closely with their Benefits area as well as their Health and Wellness group to develop an integrated health management strategy called Healthy Directions. The premise is that healthier associates enjoy a better quality of life, increased productivity at home and at work, and lower health care costs.

BUSINESS STRATEGIES

Wellness, Health and Productivity

Strategy	Goal	Company Practice	Partners/Links
Promote health and wellness	Improve employee health status and manage increasing health care coverage costs.	Lifespan Health System-Rhode Island: Interdisciplinary approach: targeted programs to raise awareness of effects of stress on health.	Internal: Health Promotion; Human Resources; Work/Life; Occupational Health; Benefits; local teams. External: Medicine; EAP; Worker's Comp.
Encourage a comprehensive resilience, engagement and health approach	Increase resilience and mental well-being; home and work integration.	GlaxoSmithKline: Multi-faceted strategy- targeted interventions and measurements.	Internal: Employee Health Management; Human Resources; Occupational Safety

Action Steps: Network with other functions to develop a coordinated, multi-faceted approach to promoting a healthy workforce.

EXPANSION OF DIVERSITY

To compete successfully in a rapidly changing marketplace, employers are expanding several key areas of Diversity in an attempt to:

- Promote an inclusive work environment
- Focus beyond race, ethnicity and gender
- Increase cultural awareness and competence
- Explore emerging market communities

As the workforce continues to evolve, it becomes more challenging to create an inclusive environment that drives better business results. Powerful opportunities exist when an organization leverages the contributions, ideas, and creativity inherent in its diverse workforce.

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EXPANSION OF DIVERSITY

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"Managing diversity means creating an environment that enables all participants to pursue organizational goals. With this approach, companies can move beyond race and gender issues and look at how all differences—age, tenure, lifestyle, managerial level, development and sexual orientation—affect working relationships."

— ROOSEVELT THOMAS, FROM PERSONNEL JOURNAL, APRIL 1993 VOL. 72, NO. 4, BY SHARI CAUDRON, "VALUING DIFFERENCES ISN'T THE SAME AS MANAGING DIVERSITY."

"What prompted us to investigate multigenerational programs is simply that we looked at our demographics and noticed how generationally diverse the company is. We want to improve workforce effectiveness by raising managers' awareness, and to educate them to become better coaches and mentors of diverse age employees."

— ANNETTE BYRD, GLAXOSMITHKLINE, US
MANAGER, WORK-LIFE SOLUTIONS

Trends in Diversity:

- **Multi-ethnic/multilingual workforce:** There is a dramatic shift toward greater diversity in the US workforce, created by a multi-ethnic, multilingual immigration (13.3 million people between 1990 and 2000), and a growing “minority” population, estimated to increase to 50% of the total US workforce by 2050. (US DOL, Bureau of Labor Statistics, 2002)
- **Aging and retirement:** Workers aged 45 to 64 represent the fastest growing segment of the US workforce and will define a new “retirement,” generating distinct employer challenges. (AARP, *Baby Boomers Envision Retirement II: Survey of Baby Boomers' Expectations for Retirement*, 2004).
- **Fundamentally changed families:** According to the 2000 US Census, only 7% of households fit the “traditional” family model. Fifty percent of children born in the 1990s will live in single parent households at some point during their childhoods. Four and one-half million children live in grandparent-headed households. The number of adults living alone has surpassed the number of married couples. And, there are 1.2 million same-sex unmarried partners.
- **Multigenerational workforce:** The multigenerational workforce is creating management challenges as workers of various ages approach employment with different expectations. (Families and Work Institute, *Older Employees in the Workforce*, 2004)

Diversity is evolving to respond to these new demographics and other dimensions of “inclusion,” such as ideas, work styles, religion, generations and life stages. Regardless of the status of the economy, attracting the best and brightest employees will always be the key to gaining competitive advantage. Hiring diverse employees who understand an organization’s customers, and generate the highest productivity is paramount.

As part of their Diversity Speaker Series, **Blue Cross Blue Shield of Massachusetts** included Work/Life topics, such as: "The Changing Definition of Family: Employees dealing with Increasing Elder Care Responsibilities." And the **AstraZeneca** Eldercare Employee Network (AZEEN), launched under their Diversity umbrella, will offer resources to employees dealing with eldercare issues in order to enhance Work/Life effectiveness.

Ways That Work/Life and Diversity Can Collaborate:

- Focus on a myriad of “inclusion” factors, not just demographics
- Consider age in retention efforts
- Provide career and leadership opportunities for younger workers through mentoring and reverse-mentoring experiences
- Redesign manager/employee training and communications

BUSINESS STRATEGIES			
Expanding Diversity			
Strategy	Goal	Company Practice	Partners/Links
Create inclusive work environment; focus on all facets of “diversity”	Inclusion of all constituencies.	Goldman Sachs: Training, mentoring, accountability; employee networks.	Internal: Wellness; Diversity; Work/Life; Recruiting; Supplier Diversity; Foundation
Establish internal/ external diversity leadership position; build diverse leadership infrastructure	Alignment across regional boundaries for diversity/inclusion, driven by corporate vision and business objectives.	Marriott: “Committee for Excellence” is driven by members of the Board of Directors and senior leadership and is executed through regional diversity councils.	Internal: Workforce Effectiveness; Diversity; Work/Life; Regional Businesses

Action Steps: Partner to develop Diversity and other strategies that attract, retain and develop talent; train managers and employees.

WORKING WITH AN AGING WORKFORCE

About one-third of men and almost one-fourth of women [in the 65-to-69 age group] were working in 2004. Already there has been a dramatic change since the mid-1980's in the labor force participation of older workers."

— JOSEPH F. QUINN, LABOR ECONOMIST
AND DEAN AT BOSTON COLLEGE

"Folks who may have been marginalized in your organization, or at least think they have, will have options other than retirement. What are you planning to do to hold on to them and their knowledge?"

— TOM CASEY
MELLON FINANCIAL, BOSTON
THE TRUTH ABOUT THE COMING LABOR SHORTAGE, HR MAGAZINE, MARCH, 2005

Employers will be impacted by a labor force shortage not only when large numbers of baby boomers retire (76 million individuals born between 1946 and 1964), but as the generations following them are smaller. The challenge is how to respond to the older worker's variety of needs and interests and how to offer career growth, advancement and transition at different life stages so that they stay engaged at work.

Additional impacts on employers include: care giving responsibilities for older relatives, spouses and partners, and children; as well as, health care benefits and other workforce costs of an older workforce, especially with people working into their retirement years.

Aging Workforce Trends:

- **Retention of older workers is a “sleeper” issue:** Though employers acknowledge this trend, many companies are not actively responding. Employers who do not make an effort to attract and retain older workers are likely to have difficulty finding and keeping enough qualified workers.
- **Employee benefit responsibilities:** There is a paradigm shift towards an “ownership society,” highlighted by the expectation that individuals will take more responsibility for their retirement and health care expenses. And, while baby boomers remain optimistic about retiring, they are developing more conservative financial expectations. (AARP, *Baby Boomers Envision Retirement II*, 2004)
- **Non-traditional “retirements”:** Financial concerns are vital, but only one factor in the decision to continue working. Other factors include the desire to: stay mentally and physically active, remain productive or useful, and to retain health care benefits. (AARP, *Boomers Envision Retirement II*, 2004)
- **Employer/employee perceptions of older workers:** The older worker is often seen as a liability, who is less productive and more costly than a younger worker. (AARP, *American Business and Older Employees*, 2000) Yet, work is

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AGING WORKFORCE

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very important to older workers and research indicates that they are more “work-centric” rather than “dual-centric” (oriented to both work and family), or “family-centric.” (Families and Work Institute, *Generation and Gender in the Workplace*, 2004)

Ways that Work/Life Can Collaborate on the Aging Workforce Issue:

- Provide strategies to recruit and retain older workers in order to curtail the “brain drain” and ensure that the pipeline is secure.
- Offer employer-sponsored financial education to encourage saving and benefit participation, especially for low-income employees.
- Create multigenerational team experiences to build a more supportive workplace.
- Devise career transition options and flexible work arrangements to retain employees.

BUSINESS STRATEGIES

Aging Workforce

Strategy	Goal	Company Practice	Partners/Links
Multi-generational management; targeted issue communications	Foster intergenerational communication, teamwork, and understanding	Marriott: Generational Diversity workshop for managers; newsletter for 50+.	Internal: Workforce Effectiveness; Diversity; Work/Life; Regional Businesses
Multi-generational management; employee engagement	Attract and retain resilient multigenerational workforce; manager education; enhance work effectiveness	GlaxoSmithKline: workshops; expanded elder R&R, assessments, discounts and reimbursements; elder support group.	Internal: Human Resources; Employee Health; Work/Life External: Mature Worker Researcher; EAP

Action Steps: Fill the pipeline by engaging older workers: provide training, financial planning; offer flexible career options.

FLEXIBLE WORK CULTURE

What Makes an Effective Workplace?

An effective workplace has a flexible work culture with “family-friendly” policies and practices, supervisor support and an alignment between work and family needs. However, if an employee views the policies as unfair because they are not available to everyone, then the organization may be viewed as unsupportive. (Allen, 2001; Kossek, 2004; Thompson et al., 1999)

Six Factors for Workplace Effectiveness:

- Job autonomy
- Flexible work options
- Supervisor support
- Coworker and team support

See FLEXIBLE WORK CULTURE, next page

FLEXIBLE WORK CULTURE

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- Learning opportunities on the job
 - Involvement in management decision-making
- (Families and Work Institute, *When Work Works*, 2004)

Ways that Work/Life Can Support a Flexible Work Culture

Identify Organizational Issues:

- Flexible work arrangements are a standard policy in many companies, but they typically do not incorporate career, transitional, or even occasional flexibility.
- There are organizational barriers to creating a flexible work culture, such as gender role assumptions, lack of a national policy, rigid schedules, lack of management support, and corporate culture. (Moen, 2003; Rapoport, Bailyn, Fletcher and Pruitt, 2002; Allen, 2001; Thompson et al., 1999)

Address Management Issues:

- It is difficult to institutionalize "flexibility" as a common practice because the ability to use flexible work arrangements can differ from manager to manager.
- Employee perception of an organization's supportiveness, or the "usability" of Work/Life policies, can be affected by their direct supervisor. (Eaton, 2003)
- Companies need to focus on selecting and training managers who are more creative and open about non-traditional approaches to work.
- Studies have found that one of the most important factors in the success of Work/Life policies is a supportive manager, but many barriers remain such as the perception that "face time" is a measure of productivity. (Kossek, 2004)

Communicate the Importance of Flexibility:

- Finding more flexible ways to work enhances employees' effectiveness on the job, and this benefits the bottom line. (Families and Work Institute, *When Work Works*, 2004)
- At IBM, the unofficial flexibility mantra is "Work is not a place, it's what we do." This statement captures their view of today's work environment and implies that work transcends time and place.

BUSINESS STRATEGIES

Flexible Work Culture

Strategy	Goal	Company Practice	Partners/Links
Promote an attraction/retention strategy	Attract and retain highly productive housekeepers	Marriott: flexibility and non-traditional pay practice to promote productivity, flexibility and retention.	Internal: Workforce Effectiveness; Diversity; Work/Life; Regional Businesses
Create a flexible work culture	Promote value, understanding and utilization of flexibility	IBM: help work teams eliminate unnecessary work, define unique work environments, and develop training for effectively managing remote and mobile workers.	Internal: Work/Life; Diversity; Human Resources; Senior Management; Line Businesses

Action Steps: Train managers to be committed to flexibility as a business imperative rather than a workplace accommodation.

SUMMARY

As demonstrated by the trends discussed in this Briefing, it is clear that Work/Life has expanded to include nearly every aspect of a person's working life. Initiatives such as employee recruitment, benefits, health care plans, job design, career advancement, employee transfers, travel policies, leave taking, career paths, the composition of work teams, and evolving corporate cultures can be found under the Work/Life umbrella. Indeed, Work/Life today encompasses the needs of all types of employees at all levels of the organization - young, aging, males, and females, exempt, non-exempt, and managerial.

In moving from programs to organizational culture change and in partnering with other Human Resources functions, Work/Life links to strategic business goals of increasing employee commitment, job satisfaction, and career satisfaction, in addition to decreasing turnover, absenteeism, job strain, and health care costs. For example, **Prudential Financial** went from a fully dedicated Work/Life area with a 3.5 headcount to partial time from 4 employees across two functions (Health & Wellness and Diversity) for a total of 1.3 employee time. This reallocation brought together disparate areas of expertise (strategy, analysis and metrics, employee assistance, child care, wellness, diversity, communications, and vendor and contract management) plus a full array of business and professional contacts. The new team is a model for successful resource sharing in their Corporate HR Department, with an annual cost savings estimated to be \$350,000 per year.

Employers invest heavily in their workforces to keep employees engaged, productive, and resilient so that their businesses can maintain a competitive edge. A new broader lens has dramatically changed approaches to workforce management and Work/Life has responded by becoming more interdisciplinary. By linking areas such as Diversity, Wellness, Organizational Development, and more, Work/Life is able to profoundly increase its impact on the workforce.

For more information on the Aging Workforce and Flexible Work Culture, see the 2004 Executive Briefings on "Creating a Culture of Flexibility" and "The Aging Workforce: Exploring the Impact on Business Strategy" available from the Boston College Center for Work & Family.

About this Series

Written for an executive level audience, the Boston College Center for Work & Family Executive Briefing Series addresses topical and strategic issues of particular relevance to the current business climate. The series highlights research findings, data trends and best practices in a concise format, aiming to foster action-oriented dialogue within organizations. Each issue features an accompanying PowerPoint presentation that captures key points and includes a section for practitioners to customize and add organization-specific data.

About the Center

Since its founding in 1990, the Boston College Center for Work & Family has been a national leader in helping organizations create effective workplaces that support and develop healthy and productive employees. The Center provides a bridge linking the academic community to the applied world of the work/life practitioner and has three main focus areas: research, membership, and education. The Center is committed to enhancing the quality of life of today's workforce by providing leadership for the integration of work and life, an essential for business and community success.
