

Business Case: Work/Life Balance

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A decade ago the work/life issue was traditionally perceived as the exclusive province of working mothers. Now people's lives are getting busier and over the last five years an increasing number of men are asking similar questions (and wanting some answers) about the demands on their time. Globalisation, new technologies and business restructuring are challenging long established patterns of paid work while imposing new burdens on families, individuals and households. Consequently, men and women are questioning the impact of factors such as long working hours, high stress levels, low energy, extended travel, take-away meals etc., on the quality of their lives. So much so that employees are looking to the workplace to provide some relief in the form of practical solutions to their stressful existences.

Organisations who work with their employees to identify and implement such solutions find that providing a workplace that fosters work/life balance is not without clear business benefits.

This document gathers research to support the business case for work/life strategies. It shows that the gains are substantial enough to counter allegations that family-friendly strategies are merely corporate social work. Now work/life approaches are being seen as a business imperative.

Today dual career families are the norm and - while statistics are not available for South Africa - in the US a mere 17% of families live traditional lives; where men work and women take care of family responsibilities. As the norm, dual-career parents are under a great deal of pressure to earn a good income while supporting the growth of children and taking care of other responsibilities, such as elderly parents.

NOTES:

This increased pressure is costing business in terms of attracting high-level recruits, staff retention, efficiency on the job (distractions), employee commitment, morale and absenteeism (either stress related due to work/life conflict or sick leave taken to fulfil family responsibilities).

When asked what 'balance' involves many employees will often simplify the issues and respond with requests for child-care and for more women to join men at golf. However, the bigger picture of family-friendly work environments includes adequate child-care but extends to a variety of issues such as; flexible working arrangements, compressed working weeks, time off in lieu, part-time work, intellectual sabbaticals, health initiatives (i.e. corporate gymnasiums, stress management, smoking cessation) telecommuting, home offices, job sharing, self-rostering, term-time working, employee assistance programmes (i.e. help-lines, counselling, life-skills training), parental leaves of absence and elder-care assistance.

While South Africa grapples with more basic concerns like poverty alleviation, job creation and affirmative action, developed countries are prioritising work/life balance in an attempt to humanise the workplace. European countries are in the process of legislating work/life issues and in Britain, from the year 2000, parents of children aged under six - or of disabled children under 18 - have a statutory right to apply for work flexibility. (Management Consultants News No 2, 2003)

Along with legislation the British Department of Trade and Industry (DTI) is deeply committed to work/life issues; funding implementation, providing advice centres, staging an annual work/life awareness week and monitoring case studies within industry. A statistic used by the DTI to support the need for work/life balance in society is that UK employees spend more time managing their e-mail (49 minutes per day) than playing with their children (25 minutes a day).

Although in the USA and Canada, government does not yet regulate work/life issues, employees are demanding that these considerations be included in their overall performance contract. The US-based Business for Social Responsibility (a global organisation that assists its members to achieve success in ways that respect ethical values) has compiled a white paper on work/life issues. This offers further info on the business case for family-friendly strategies (improved company performance, increased customer retention and satisfaction, enhanced employee commitment etc.) as well as further case studies and guidelines for implementation.

With the worldwide business trend shifting towards creating healthier work/life balance for employees, corporations are currently viewing the benefits of family-friendly strategies as part of their competitive advantage. Best Employer status is now being awarded with these issues as a priority. As an example British Telecom (BT) was awarded the UK's Employer of the Year in 2001. Aside from the obvious benefits to employees, BT claims that it uses flexible working hours to empower staff, help increase productivity, reduce costs, retain valuable expertise, and win the war for talent.

Drawing further upon the BT example, the implementation of work/life strategies shows productivity improvements of more than 20% and absenteeism is down to 3.1% (UK average 8.5%). BT has also saved some GBP230 million in property costs since using flexible working. (Management Consultants News No 2, 2003) When it comes to staff retention employers also benefit as parents with their skills and knowledge will be encouraged to stay in the workforce rather than leave to care for their families.

Admittedly amongst South Africa's white-collar workers, many dual-income families are able to afford full-time child-care. For those who opt for home care, most domestic workers are trustworthy caretakers of children but they are not necessarily sufficiently skilled to deal with the full spectrum of child-rearing issues.

This necessitates the involvement of parents in areas such as medical appointments, extra-mural activities, homework assistance etc.

Although legislation may be far off in South Africa, white- and gold-collar workers are currently beginning to make demands about the inclusion of family-friendly strategies and - where these are not available - high-level staff will start migrating to more sophisticated companies that do include family-friendly packages as the norm.

When it comes to company benefits the US-based publication – BusinessWeek - in conjunction with The Center on Work & Family at Boston University, rated 37 publicly traded companies ranging in size from 1 200 to 218 000 US employees. In 1996 they reported the clear gains companies had made.

In the early Nineties, First Tennessee National Corp (BusinessWeek's winner of the overall grading) started taking family issues seriously as a strategic business question. They got rid of a lot of work rules and let employees figure out which schedules worked best. They sent 1000 of their managers through gender sensitisation programmes and found that supervisors supportive of work/family balance retained employees twice as long as the bank average. They also kept 7% more retail customers. This BusinessWeek reports contributed to a 55% profit gain over two years, to \$106 million.

Management at First Tennessee believes that work and family are not discrete phenomena and the solution is to build consideration of family issues into job design, work processes and organisational structures – just as one would consider marketing concerns or IT input.

DuPont - another participating company in the BusinessWeek survey – showed mounting loyalty amongst staff members once work/life programmes were implemented. They claim that loyalty has a tangible effect on profitability. When it comes to staff taking initiative, the survey

also found that workers who took advantage of family-friendly programmes were twice as likely to participate in team problem-solving and nearly twice as likely to suggest product or process improvements.

Reductions in absenteeism and staff turnover are even more manifest. Aetna Life & Casualty Co halved the rate of resignations among new mothers by extending its unpaid parental leave to six months, saving \$1 million per year in hiring and training expenses. After implementing a series of family-friendly programmes, Johnson & Johnson reduced the number of days absent among all workers and in a further study the Families and Work Institute showed that workers with access to flexi-time and leave were more likely to remain at their employers. (BusinessWeek Sept 16th 1996). Loyalty and retention is particularly relevant to South African businesses that are subject to the worldwide talent squeeze in a small pool of highly skilled top-flight workers.

Canada too makes recommendations for business work/life strategies through their national Labour Program (<http://labour.hrdc-drhc.gc.ca/worklife/familyfriendly-en.cfm>). When it comes to stress, a 1999 study by Health Canada showed that 40% of working Canadians reported high levels of stress resulting from work/family conflict. The main issues for people who report high levels of work/life conflict are;

- lack of time,
- low energy levels,
- stress, anxiety and guilt about not being able 'to do it all',
- lack of control over their work and work arrangements,
- a need for greater work and life satisfaction.

This conflict is particularly acute for women (especially those with pre-school children) but is becoming more of a concern for men (49% reported some kind of work/family stress). The Conference Board of Canada's Survey of Canadian Workers on Work-Life Balance (1999)

reported the current level of work/life conflict stress is twice the number since 1989. Conflict-related stress levels are reflected in health problems and short duration absences from work.

According to the UK Health and Safety Executive, more than half the UK workforce is suffering from stress and one in four takes time off. 6.5 million stress-related sick days are taken, costing British Industry GBP370 million per annum (7.11m per week).

In an attempt to manage work/life conflict stress, employees are using sick leave to cope with the demands of their families. Fortune Magazine (2003) reports that US workers are taking a quarter of their sick leave (24%) for family and personal reasons – up 2% from 2000. Both men and women were using sick days to deal with the steady stream of demands that come with raising children or caring for elderly relatives (or both). Fortune comments that costly unscheduled days-off could mean that people are starting to shift their priorities; lowering the job by a notch or two to devote more attention to family life. Theoretically, they claim, people who never before were willing to put family first may now be using their sick time to do so.

Although the issues confronting employees are the same as ten years back, the big difference now is that most women work but their family needs remain unchanged; so either working parent has to find the time to pick up the slack. Fortune stresses that the report is pointing out the alarming deficit in society's ability to handle the demands of dual-career households.

When it comes to the particular challenges facing women, in the US and Europe women are leaving corporate companies in their droves. A survey conducted by Catalyst – a research organisation dedicated to studying women's issues – showed that females are leaving corporate America at twice the rate of men. Four reasons are cited for this with lack of flexible working hours topping the bill at 51%. Others include;

glass ceiling (29%); unhappiness with work environment (28%) and feeling unchallenged in their jobs (22%). Only 5% reported being made redundant by downsizing.

When Deloitte and Touche first noticed the increased attrition rate of females in early 1992, it formed a task force for the Retention and Advancement of Women.

One of the taskforce's first moves was to set up a series of two-day mandatory conferences to explore the impact of gender differences and assumptions. The forums highlighted the issues women faced and showed the impact of career development, mentoring, work/life balance and company culture on women. The findings were used to build retention strategies and the work/life programmes have led to a lower turnover rate – so much so that the company was recognised by Working Mother – a magazine aimed at this sector - as one of the Best 100 Companies for Working Mothers, for five years.

As far as business issues are concerned, this strategy has paid off for Deloitte & Touche; contributing to 77% more revenue since the policies were instituted in 1993. Additionally the company estimates that the retention of client services due to these actions totalled \$11 million. (Report compiled by Aimee Hsuing - Women in Management Consulting Firms.)

As a consequence of traditional female socialisation, working mothers still take on the bulk of the responsibilities in the home. A Sunday Times report (Careers August 2003) quoted studies from the US, Sweden and The Netherlands showing that women in dual-career families work an extra month each year – a man's average workload is 68 hours a week; a woman's is 78 hours. A spokesperson from the Johannesburg office of the Independent Counselling and Advisory Service (ICAS) – the company that conducted the international study – claimed that stress over work/life issues appears to be on the increase among South African women. This is explained by the fact that females are taking on more senior positions while carrying the bulk of responsibility at home.

Contributing factors to female stress include marital strain and the issue of less remuneration than a male counterpart. The US Dept of Labour shows that in 2000 women still earned 77c to a man's dollar and in the UK a woman's gross individual income (salary, pensions, benefits and investments) is on average 51% less than a man's (UK Equal Opportunities Commission).

Whether it be the extra domestic labour taken on by women or inequitable remuneration, women must learn to become more conscious of the effect of their socialisation and find more effective strategies to create better lives for themselves.

The study also showed that businesses in the US and UK recognise the importance of retaining female talent; companies with women in top positions produced higher earnings and shareholder wealth. Benefits such as flexitime, telecommuting, paid parenting leave and compressed workweeks allow high-achieving mothers to stay in their careers. This translates into lower turnover rates and hiring and training costs for companies. However these benefits cannot be created for women alone. In situations where working mothers are given treatment different from their male colleagues, female careers suffer, as does the individual's contribution. For this reason, the female aspect of the balance issue can only be dealt with within the environment of a total work/life strategy for all.

Attracting the right recruits is also influenced by family-friendly strategies. In a 2003 Lee Hecht Harrison survey (a US-based work/life consultancy) pragmatic considerations - like ongoing training opportunities - were listed as number one on job seekers' wish lists (78%) with flexi-time coming in at a close second (73%). Whereas in 1999 health club membership topped the bill for new recruits, in 2003 it featured in only 45% of the respondents wish lists; along with use of a company car falling in importance to a mere 28%. Evidentially job seekers are more interested in benefits that will enhance both their employability and work/life balance rather than the flashy perks preferred in the Nineties.

Among the younger generation, the Baby Boomer notion of success at all costs is no longer considered an all-important fundamental life-operating principle (better known as the acronym FLOP!). Generation Xers (currently aged between 25–45) are far more likely to be persuaded by better lifestyle balance than status factors.

The 1999 PriceWaterhouseCoopers International Student Survey reported that 57% of students stated that work/life balance is their primary goal and don't believe that this competes with long-term career development and personal growth goals. In more mature groups the AONS Canada @ Work 2000 Survey showed that 29% of respondents rank work/life balance as the first or second most important factor in taking a job.

A survey of young high-flyers called the Career Innovation Survey (conducted in 1999 by Whiteway Research International) showed that companies failing to meet the expectations valued highly by young professionals are likely to lose 40% of these recruits within two years of employment. The top three 'career values' for high-flyers are: 1) to explore wide horizons, 2) work/life balance and 3) to gain the necessary professional expertise to make them more employable. Paradoxically the report shows that the more employable companies make these high flyers, the longer they are likely to stay loyal to their existing employer.

In a further survey of students conducted by the EE Times (a US-based industry publication for engineers and technical managers), 75% of student engineers stated that achieving balance between their work and personal life was a top concern; balance topping salaries as the priority issue.

With benefits to business like: improved overall performance, increased productivity, retention of valuable staff, reduced absenteeism & staff turnover, enhanced employee commitment and increased job satisfaction & morale, the business case for work/life balance is far more than a necessary 'social responsibility' evil – simply put – it makes good business sense.

CHALLENGES:

Probably the most consistent challenge throughout the work/life literature is the change necessary in management culture. Change is essential in order to make the shift away from traditional thinking about what it means to be a member of an organisation. Traditional styles such as control, micro-managing and autocratic leadership will stand in the way of developing effective work/life strategies that accomplish something for the business. For this reason many companies that embark upon developing effective work/life strategies undergo extensive leadership training to develop more project-based or outcomes-based leadership styles.

Along with leadership styles, the literature makes reference to the importance of changing performance management systems to be more in line with work/life ideas. Among other things, The Canadian Labour Program (referred to earlier) suggests the following: Appraisals could be based on employee satisfaction survey results, 360 degree Feedback or Balanced Scorecard, absenteeism rates, productivity rates, and/ or work unit turnover rates. The results could then be tied to incentives, bonus calculations and flexible compensation. They also suggest regularly putting the work/life issues on business agendas, at all levels in the company, to encourage openness and dialogue – critical in the early years of development.

A further important factor is that work/life issues do not come naturally to people who have been socialised traditionally; which means the majority of all employee populations. For many people, family-friendly policies are seen to be soft HR issues, mainly for women. By adulthood, gender roles are firmly entrenched (operating unconsciously to drive behaviour) and success with these strategies requires sensitising both men and women to the roles prescribed by their early programming. Issues here include the basis of an individual's self-esteem, emotional baggage (gender roles in particular) and personal responsibility.

According to a survey conducted by Environics, most Canadians who report striking the right work-life balance are achieving this by taking charge of their own life, through personal action and through attitude. In order for employees to reduce their dependency upon organisations and create the balance for themselves, training will be necessary.

Additionally where businesses have developed a culture of long-hours, employees can confuse 'face-time' (being seen at work) with making a productive contribution and - too often - managers also unwittingly or wittingly reward 'face-time'. Where this is the case, those who opt for work/life balance can be penalised by managers and/or colleagues who believe in the nobility of being seen at work for extended periods.

Yet, it is known that the number of hours an employee is present at the office does not necessarily translate into productive work. When Hewlett Packard Financial Services put some workers onto a compressed working hours schedule, those who worked shorter hours completed 252 transactions a week; while those who continued to work eight-hour days, five days a week, completed only 185 transactions (BSR report). To address the myth of long-hours Microsoft UK offers a daily small monetary incentive for workers who are able to complete their tasks within the 9 – 5:30 stipulated working day.

Finally the literature cautions against work/life balance strategies that do not take the childfree employee into account. Where this occurs, employees who do not have a family are often overloaded to compensate for those who do. Mostly aspects such as the provision of day-care facilities is not perceived to be an issue for the childfree, but having to travel, work over-time etc., to compensate for the balanced time taken by dual-income parents are factors that niggle the childfree. Businesses need to assess the ratio of working parents to childfree employees to ensure that this issue is incorporated and addressed prior to implementation.

PRINCIPLES OF EXCELLENCE IN WORK AND FAMILY:

Boston University's Center for Work & Family is one of the US's organisations at the forefront of work/family research. They offer the following principles to guide organisations through the implementation and assessment process:

1. The employer recognises the strategic value of addressing work and personal life issues.
 - Business is practiced with sensitivity to the employee's personal life needs.
 - Work/personal life solutions are aligned with business goals.
 - The employer's commitment to addressing work/personal issues is viewed as a long-term investment.
 - Work/personal life strategies are flexible to meet changing organisational and employee needs.
2. The work environment supports individual work and personal life effectiveness.
 - The employer's informal culture supports a healthy work/personal life balance.
 - The employer provides meaningful work/personal life programmes and policies.
 - The employer is committed to ongoing education of key stakeholders – employees, management and community.
 - The employer strives for continuous improvement through ongoing evaluation and assessment.

3. The management of work and personal life effectiveness is a shared responsibility between employers and employees.
 - Managers and employees are empowered to develop solutions that address both business and personal objectives.
 - Managers and employees are held accountable for their behaviour in support of these objectives.

4. The employer develops relationships to enhance external work and personal life resources.
 - Partnerships are formed to maximise value of employer and community resources available to employees and community members.
 - The employer serves as an active role model.
 - The employer is open to working with the public sector to strengthen policy that benefits both employers and individuals.

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