



Seven Categories of Work-Life Effectiveness

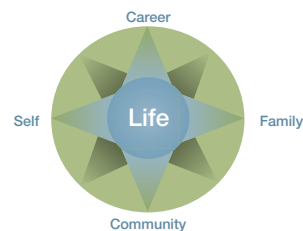
Successfully Evolving Your Organization's Work-Life Portfolio

- Caring for Dependents
- Health and Wellness
- Workplace Flexibility
- Financial Support for Economic Security
- Paid and Unpaid Time Off
- Community Involvement
- Eliciting Management Buy-In and Transforming Organizational Culture

Defining Work-Life Effectiveness

Work-life refers to specific organizational practices, policies and programs that are guided by a philosophy of active support for the efforts of employees to achieve success within and outside the workplace. These employer-sponsored initiatives comprise a strategic framework referred to as the work-life portfolio, a key element of the organization's total rewards strategy to attract, motivate and retain employees.

The term "work-life" refers to the intersection of self (the worker), career (work), family and community.



Creating and Sustaining a Successful Portfolio

Building and managing a multi-faceted work-life portfolio for your organization is both an art and a science.

Effectiveness can be measured. Research has established that investment in any one of these categories of response to work-life conflict yields a positive return and that a relatively modest investment in all of them is associated with measurable increases in productivity, engagement, retention, better health outcomes and greater shareholder value.

The process of effectively engineering your work-life portfolio requires a variety of skills: strategic planning, change management, change communication, project management, implementation, monitoring and measuring the results.

Support for work-life effectiveness across employers of all sizes and sectors has evolved over the past two decades into the following seven clusters of people practices:



The bi-directional arrows indicate that none of the categories is linear, isolated nor random. Rather, the categories interrelate in complex ways we are only now beginning to understand through research. For example, well-designed workplace flexibility practices are strongly associated with better health and wellness outcomes. And workplace flexibility requires aggressive retrofitting of workplace culture. Physical and financial well-being are more interdependent than we once understood. Ensuring that employees' dependents are well taken care of impacts employee health and wellness, improves employee financial security, requires flexible management practices, and benefits from the creative application of paid and unpaid time off practices.

Build Your Portfolio

Step One:

Assess your present work-life situation

It is easy to construct the outline of your organization's existing work-life portfolio by performing a simple inventory of the policies, practices and programs currently offered within each category of the work-life portfolio.

A useful resource for this activity is the Work-Life Audit, available on the Alliance for Work-Life Progress website. www.awlp.org/pub/selfaudit.pdf

Step Two:

Coordinate the components of your work-life portfolio

Evaluate any notable gaps in work-life support and prioritize areas needing improvement so that each category is harmoniously coordinated with your organization's strategic goals.

Step Three:

Check in with your workforce, for they are at the receiving end of the support provided

Ask them how well your current work-life portfolio is meeting their needs and what might be missing or revised that will increase their best performance at work and success at home.

Using this three-step process to renew or engage your work-life efforts should result in a work-life portfolio that is:

- Coordinated
- Integrated
- Based on sound planning decisions
- Strategic
- Organized
- More accessible (has something for everyone in your organization)
- Measurably impactful on the organization and employee morale

Caring for Dependents

Work-life support began in response to the influx of women into the workforce after World War II. The first work-life issue that employers faced was the need to find or provide quality care for the children of mothers going to work. Employer-sponsored child care is the highest quality in the country today. At a time when only a third of secondary school students graduate and employers are faced with too many poorly educated workers, investment in dependent care for employees' children not only pays off in more productive, engaged employees but creates a more solid educational foundation for the workforce of the future. According to a 2010 U.S. Chamber of Commerce report, every dollar invested today in high-quality education for children from birth to age five saves from \$2.50 to as much as \$17 in the years ahead.

Dependent care encompasses policies and services that are designed to reconcile parenthood, other unpaid care giving and employment, for men as well as women. This service has greatly expanded over the past decade to include elder-care support for the parents and other elderly relatives of the growing number of dual-career families. More recently, given an increase in the incidence of children with special needs (such as autism) and elders with Alzheimer's, there is a new focus on providing support for employed caregivers themselves.

Some examples of typical programs and services are:

Child care:

- Child-care resource and referral services
- Child-care discount program at national providers
- Emergency backup child-care service (two options: center-based and in-home care)



Elder care:

- Elder-care resource and referral services
- Long-term care insurance
- Emergency backup elder-care service

Business Impact

- A 2010 study of 4,000 working parents found that employees with dependent-care supports provided by their employer reported less stress and significantly better health than employees without access to these services. Nearly a third (31%) of those with dependent care were less likely to report lost productivity due to stress, and 25% had fewer personal health problems. These same employees were more engaged in their work and exhibited more loyalty.

Source: Bright Horizons. 2010. Enhanced employee health, well-being, and engagement through dependent care supports. A report from the consulting practice at Bright Horizons. Watertown, MA.

- A study by Bright Horizons demonstrates the impact of employer-sponsored full-service child care on recruitment and retention:
 - 68% of parents using full-service centers said that worksite child care was important in their decision to join their company.
 - 94% of parents using full-service centers say that worksite child care would affect their decision to make a job change.

Source: Bright Horizons. 2008. The Lasting Impact of Employer-Sponsored Full-Service Child Care. Watertown, MA.

- Child care and elder care enhance recruitment efforts in a competitive marketplace. A 2009 study demonstrated that availability of child-care benefits influenced the job choices of 58% of participants and elder-care benefits influenced the choices of 33%.
- Employers offering dependent care also realize savings on health-care and disability payments because employees using these services are three times less likely to be in treatment for such serious health conditions as high blood pressure, high cholesterol and diabetes — conditions for which organizations spend billions of dollars each year.

Source: Bright Horizons. The Lasting Impact of Employer-Sponsored Full-Service Child Care. Watertown, MA.

Proactive Approaches to Health and Wellness

Reduction of performance-inhibiting and morale-draining stressors in the workplace is the central premise of work-life effectiveness.

Because the negative impact of stress-related illness has been shown to eclipse the combined annual profits of the FORTUNE 500 companies, focusing on this category of work-life support holds the most promise of contributing to the reduction of escalating health-care costs. Some examples of these programs and services are:

- Employee assistance programs (EAP)
- Health promotion initiatives
- Concierge service
- Workplace convenience services
- Fitness center affiliations
- On-site work-life seminars (e.g., stress reduction, financial planning, parenting, etc.)



Business Impact

- A 2009-2010 Towers Watson survey reported that companies with the most effective health and productivity programs achieved 11% more revenue per employee, delivered 28% higher shareholder returns, and had lower medical trends and fewer absences per employee.
- According to a 2010 meta-analysis of the literature on costs and savings associated with workplace wellness programs, medical costs fall by about \$3.27 for every dollar spent on wellness programs.

Source: Baicker, K., Cutler, D., & Song, Z. 2010. "Workplace wellness programs can generate savings." *Health Affairs* 29(2): 304-311.

- According to a 2005 study on the business impact of employee wellness programs, participants averaged three fewer missed workdays than those who did not participate in any wellness programs. The decrease in absenteeism translated into a cost savings of \$15.60 for every dollar spent.

Source: Aldana, S.G., Merrill, R.M., Price, K., Hardy, A., & Hager, R. 2005. "Financial impact of a comprehensive multisite workplace health promotion program." *Preventive Medicine* 40(2): 131-137.

- A five-year fitness study showed that more than 300,000 participants demonstrated a 16% decrease in hospital claims among those who increased or consistently maintained physical activity, according to the Healthcare Intelligence Network.
- A 2010 study revealed that respondents using dependent-care supports offered by their employer:
 - Report fewer instances of chronic and often preventable health issues
 - Report less stress and fewer minor and major mental and physical health issues
 - Are less likely to report lost work productivity due to stress
 - Are less likely to consider looking for a new job
 - Are more engaged in their work as revealed by 12 measures of employee engagement.

Source: Bright Horizons. 2010. Enhanced employee health, well-being, and engagement through dependent care supports. A report from the consulting practice at Bright Horizons. Watertown, MA.

Creating a More Flexible Workplace

Workplace flexibility refers to management practices that optimize control over when, where and how work gets done by individuals and teams. Flexibility (broadly defined) is empirically shown to increase engagement, retention, productivity and even wellness, and is thus an essential pillar of the work-life portfolio. It is grounded in a business strategy that connects flexible management practices with the need to increase the levels of speed, agility, innovation and creativity in an increasingly complex and ever-changing global economic, social and political context. There are many tools and approaches employed to enhance workplace flexibility, including flexible career strategies, flexible benefit options, management training and work redesign that streamlines processes and eliminates low-value work. One of the most common tools employed to increase workplace flexibility involves the provision of flexible scheduling.

Some examples of these options for customizing how work is done are:

Full-Time Options:

- Flextime
- Telework or Telecommuting
- Compressed workweek

Part-Time Options:

- Part-time schedule
- Job sharing
- Phased return from leave

More recent and transformational approaches to work redesign include The Results Only Work Environment (R.O.W.E.) approach developed at the corporate headquarters of Best Buy and Mass Career Customization, created by Deloitte LLP.

Business Impact

- Employees with access to high levels of flexibility are more likely to be engaged in their jobs, have higher job satisfaction, want to remain with their employer and are in better health than employees who have access to moderate or low levels of flexibility.

Source: National Study of the Changing Workforce, 2008.

- According to a 2009 survey of employers and employees by Spherion, 90% of organizations say their work/life balance programs have improved worker satisfaction, and nearly three-fourths (74%) say they have improved retention of workers.

- JPMorgan Chase found that 95% of employees working in an environment where the manager is sensitive to work and personal life — including informal flexibility — felt motivated to exceed expectations, compared to 80% of employees in environments where the manager is not sensitive to such needs.

Source: Corporate Voices for Working Families, 2011. Business Impacts of Flexibility: An Imperative for Expansion. Washington, D.C.

- Internal research at Procter & Gamble validates that on a global basis, flexibility, energy and simplification of work demands drive work-life effectiveness and personal well-being, which in turn drive business performance and the company's ability to remain an employer of choice.

Source: Corporate Voices for Working Families, 2011. Business Impacts of Flexibility: An Imperative for Expansion. Washington, D.C.

Financial Support for Economic Security

Providing financially for one's self and loved ones is fundamental to achieving work-life effectiveness. On this front, benefits, compensation and work-life professionals collaborate and communicate the value of financial strategies and programs. Some examples of these programs and services are:

- 401(k) plan
- Personal financial planning service
- Pension plan
- Adoption reimbursement
- Tuition reimbursement (student aid/loan programs)
- Dependent care flexible spending accounts
- Health care flexible spending account
- Voluntary benefits (e.g., auto, home, pet insurance)
- Mortgage assistance
- Pre-negotiated discounts on a variety of products and services



Business Impact

- 67% of employees indicate that the availability of retirement benefits such as pension programs and retirement savings accounts contributes to their loyalty to their employer.
Source: MetLife, 2010. Study of employee benefits trends: Findings from the 8th annual national survey of employers and employees. New York.
- According to a 2010 Towers Watson retirement attitudes survey, one-fourth of employees cite their company's retirement program as an important factor in their decision to work for their current employer; even more cite it as an important factor in their decision to stay with their employer.
- 99% of employees who participated in the *HealthyMoney Program* offered by Pepsi Bottling Group* (in partnership with PricewaterhouseCoopers) indicated that the program met or exceeded expectations. The program minimizes the stress and uncertainty employees face related to personal issues like struggling to get out of debt, figuring out how to send a child to college, facing foreclosure, or ensuring that loved ones are provided for in the event of a disability or death.

*A 2009 recipient of Alliance for Work-Life Progress's Work-Life Innovative Excellence Award

Creative Use of Paid and Unpaid Time Off

Time to spend with loved ones and in one's community is the most fundamental element of work-life support. Some newer policies in this category include paid family leave for new fathers as well as mothers, and paid or release time for community service. Some examples of these programs and services are:

- Personal days/vacation
- Paid holidays
- Paid family leave for new parents (fathers as well as mothers)
- Sabbaticals
- Responsive shift-work policies
- Paid leave bank and buy-back programs
- Extreme travel comp-time policies
- After-hours email and calling policies



Business Impact

- Five months after mandating a full day off each week at the 24/7 on-call culture at Boston Consulting Group, the quality of work delivered to clients improved; work efficiency increased; team communication elevated; silos eroded, while job satisfaction and intent to stay significantly increased.
Perlow, L., and Porter, J. 2009. "Making Time Off Predictable – and Required." Harvard Business Review.
- Accenture's *Future Leave* program*, a self-funded sabbatical, is designed to provide flexibility to all employees as they address life events. Employees determine a percentage of their pay to "bank" to prepare for their "future leave." Accenture is currently tracking *Future Leave's* impact on decreased health-care costs, improved engagement and retention.
*A 2008 recipient of Alliance for Work-Life Progress's Work-Life Innovative Excellence Award
- Employers who coordinated their own wage replacement benefits (such as paid sick days or vacation) with the state Paid Family Leave program realized cost savings due to reduction in turnover.

Source: Appelbaum, E., and Milkman, R. 2011. Leaves That Pay: Employer and Worker Experiences With Paid Family Leave in California.

Community Involvement

Employers' and employees' interests are in close alignment when it comes to community, because both the workforce and customers come from the community in which the organization operates. Community focus is expanding to include not only new types of external community outreach, but also a renewed internal focus on building a strong internal sense of community. Some examples of these programs and services are:

External outreach:

- Community volunteer program
- Matching gift program

Internal sharing:

- Shared leave program (donating personal/vacation time to others facing emergency situations, such as a child with terminal illness or other family catastrophe)
- Disaster relief fund

Good Corporate Citizenship

- Corporate Social Responsibility
- "Green" initiatives



Business Impact

- A 2011 Harris Interactive survey revealed that a majority of workers believe that an employer's dedication to the environment is as important as the profit they generate. 63% of full-time workers take a company's impact on the environment into account when evaluating a new workplace. 71% value a commitment to sustainability. 61% say the same about profitability.
- Employer-sponsored volunteerism is strongly associated with a positive organizational identity, according to a study conducted with working professionals who had participated in volunteer programs.

Source: Houghton, S., Gabel, J., & Williams, D. 2009. "Connecting the two faces of CSR: Does employee volunteerism improve compliance?" *Springer Science & Business Media* 87.

- According to a survey conducted by United Healthcare and VolunteerMatch in April 2010, employees who participated in corporate-sponsored volunteer programs reported a strengthened bond with co-workers and colleagues.
- Hospital Corporation of America (HCA)* actualizes its mission of caring by providing "volunteer leave hours," a policy that has doubled employee volunteerism and greatly increased the level of both company and employee philanthropic giving. Measurable impacts include higher energy and engagement, a sterling reputation in the community, and the recruitment of top talent as a bona-fide employer of choice.

*A 2010 recipient of Alliance for Work-Life Progress's Work-Life Innovative Excellence Award

Eliciting Management Buy-In and Transforming Organizational Culture

Achieving culturally embedded work-life effectiveness at all organizational levels requires strong leadership in culture change management, change communication, new approaches to management education, training and role modeling to create collegial, agile, productive and more profitable work environment.

New research generated by the NIH-funded Work, Family & Health Network provides data on how specific behaviors by managers toward employees can predict employee cardiovascular risk, sleep duration and even elevated stress hormone production in children of employees. These insights are clarifying how imperative it is that everyone with managerial responsibility understand their role in creating and sustaining the most supportive, healthy and productive work environment possible. Culture is the organizational oxygen that everyone breathes, so employees need to understand their accountability as well. Great workplaces aren't accidental. They are engineered and sustained by a workforce committed from top to bottom to a higher quality of life for the good of the business, workers, their families and communities.

In order to eliminate any residual barriers to the full engagement and productivity of every contributor, it is sometimes necessary to launch specific interventions to eliminate existing cultural barriers to the full productivity of every individual contributor. Thus, there is synergy between work-life effectiveness, diversity initiatives, women's advancement, mentoring, networking and other change management endeavors.

Some examples of these programs and services are:

- Diversity/inclusion initiatives
- Women's advancement initiatives
- Work redesign (efforts to reduce work overload and burnout by transforming the work itself and not the people who do it)
- Team effectiveness approaches
- Generational diversity management
- Work environment initiatives
- Affinity or employee interest groups



Business Impact

- Ryan LLC's myRyan initiative* shifts the work culture from measuring hours worked to results achieved. Voluntary turnover has decreased from 18.53 in 2008 to 6.45 in 2010. Clients and employees are happier and revenue is solid.

*A 2011 recipient of Alliance for Work-Life Progress's Work-Life Innovative Excellence Award

- A 2011 study found that employee turnover is lower for employees participating in the ROWE initiative, which offers employees greater work-time control and flexibility, regardless of employees' gender, age or family life stage.

Moen, P., Kelly, E., & Hill, R. 2011. "Does enhancing work-time control and flexibility reduce turnover? A naturally occurring experiment." Social Problems 58(1): 69-98.

- Mass Career Customization (MCC)* has had a positive effect on retention, engagement, morale, client satisfaction, revenue and productivity. In a single year there was a 12% increase in satisfaction.

*A 2011 recipient of Alliance for Work-Life Progress's Work-Life Innovative Excellence Award (Deloitte LLP)

- A 2007 study suggests that organizational-culture variables such as fairness, inclusion, stress and social support are related to employee outcomes of well-being, job satisfaction and organizational commitment.

Source: Findler, L., Wind, L. H., & Mor Barak, M. E. 2007. "The challenge of workforce management in a global society: Modeling the relationship between diversity, inclusion, organizational culture, and employee well-being, job satisfaction and organizational commitment." Administration in Social Work 31(3): 63-94.

- A 2010 study suggests that fairness, opportunities for personal growth, enthusiasm for the job and good reputation enhance job satisfaction.

Source: Bellou, V. 2010. "Organizational culture as a predictor of job satisfaction: The role of gender and age." Career Development International 15(1): 4-19.

About WorldatWork®

The Total Rewards Association

WorldatWork (www.worldatwork.org) is a not-for-profit organization providing education, conferences and research focused on global human resources issues including compensation, benefits, work-life and integrated total rewards to attract, motivate and retain a talented workforce. Founded in 1955, WorldatWork has nearly 30,000 members in more than 100 countries. Its affiliate organization, WorldatWork Society of Certified Professionals®, is the certifying body for the prestigious Certified Compensation Professional® (CCP®), Certified Benefits Professional® (CBP), Global Remuneration Professional (GRP®), Work-Life Certified Professional™ (WLCP®), Certified Sales Compensation Professional™ (CSCP™), and Certified Executive Compensation Professional™ (CECP™). WorldatWork has offices in Scottsdale, Arizona, and Washington, D.C.

The WorldatWork group of registered marks includes: Alliance for Work-Life Progress® or AWLP®, workspan®, WorldatWork® Journal, and Compensation Conundrum®.

About WorldatWork's Alliance for Work-Life Progress®

WorldatWork's Alliance for Work-Life Progress advances work-life effectiveness as part of an integrated total rewards strategy. The Alliance defines and acknowledges best practices and innovation, facilitates dialogue, and elevates work-life thought leadership. Each year, the Alliance leads a national awareness initiative celebrating October as National Work and Family Month. Recognizing that work-life encompasses a wide array of programs, the WorldatWork Society of Certified Professionals established the Work-Life Certified Professional (WLCP®) designation in 2007.

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