THE CHANGING WORK FORCE
AND IMPLICATIONS FOR WORK AND FAMILY

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Thank you for inviting Families and Work Institute (FWI) to participate in the National Public Policy Education Conference. At FWI—a not-for-profit research and consulting firm—we are studying a wide range of work and family issues.

My own background is in business. I have an MBA from Columbia and was a commercial lender in New York City for a number of years. I also was a unit manager at a bank, where I experienced firsthand how the work-family issues of my employees impact not only their personal well-being but also their ability to serve our customers effectively. Complicating the problem at the time, there were no work-family supports I could provide. As a result, I was motivated to make this *my* work, to help raise awareness and understanding around these issues.

As public policy educators and family and consumer science educators, you also can help increase understanding and help support productive dialogue around issues such as work and family. In order to support your efforts, I am going to talk today about a piece of research FWI conducted, entitled "The National Study of the Changing Workforce."

The study findings present the realities workers are facing in the workplace and at home. The study also presents what companies are doing in light of these realities and what they could be doing better. Given trends we see at Families and Work Institute, I will close by providing you with some suggestions for encouraging effective dialogue between employers and employees—dialogue that addresses these issues.

Now let's look at the changing workforce study conducted by FWI. Although it is a nationally representative study, what makes it unique is that the study was sponsored by leading corporations and foundations. We asked them, "What do you need to learn about the workforce in order to be competitive?" The companies wanted this information!

The study's founding cosponsor was Salt River Project. The cosponsors included Allstate Insurance, American Express, AT&T, Commonwealth Fund, DuPont, General Mills Foundation, IBM, Johnson & Johnson, Levi Strauss & Co., Merck & Co., Mobil, Motorola, the Rockefeller Foundation and Xerox. Additional support came from the Ceredian Corporation and Philip Morris.

We conducted hour-long telephone interviews with 2,958 waged and salaried workers employed by large, as well as medium-size and small companies.

The interviews covered the following broad topics:

- *What are work and family life like today?*

- *How are companies responding?*

- *What are the costs of work-family problems and the benefits of the solutions?*

- *What does the future hold?*

Realities in the Workplace

Let's look at what workers told us work and family life are like today. We will start with the realities facing workers in the workplace.

What is life at work like today? One of our most important findings is confirmation of turbulence in the workplace, with the highest level of downsizing reported in larger companies. Nearly one in five employees feels personally vulnerable.

And, workers are working hard. In fact, 65 percent of employees are working *very* fast and 80 percent are working *very* hard. Yes, this question measured "perception." But similar work conducted by Rena Repetti confirmed the findings; her study compared personal ratings of job conditions with comparable peer ratings and found the two were very similar.

Employees also are working long hours. One in four works more than 50 hours per week. One in 10 works more than 60 hours a week. The notion of a 40-hour work week is no longer true. In this case, these averages were pulled down by workers with permanent *part-time* positions. So, it's not surprising employees reported feeling burned out.

In spite of the reported turbulence, the insecurity and the long hours worked at demanding jobs, a surprising 99 percent of the workforce continues to want to do a good job—with 57 percent *strongly* agreeing [with the statement "I always try to do my job well, no matter what it takes"].

But, with regard to exerting that extra effort—going that "extra step"—the percentage of workers strongly agreeing dropped by half to 28 percent. While this finding could reflect the insecurity and burnout of workers, overall it should be a concern for employers, especially in these competitive times.

How can an employer enhance employee initiative and commitment? Start by considering what is important to employees. The findings from our open-ended question were somewhat surprising. (See following.) They contradict the conventional wisdom that money is a primary motivator. As a result, spurring commitment with monetary rewards could have limited impact, if the quality of jobs and worklife is poor.

Personal Measures of Success in Worklife

"What does success mean to you?"

	Percent
• *Personal satisfaction from doing a good job*	*52*
• *Earning the respect or recognition of supervisors and/or peers*	*30*
• *Getting ahead or advancing in job or career*	*22*
• *Earning a good income*	*21*
• *Feeling my work is important*	*12*
• *Having control over work content and schedule*	*6*

When the employees reported how they decided to take their current job, salary was the reason they ranked as 16th most important, while open communication was No. 1. This result suggests that instead of motivating employees monetarily, employers could enhance commitment and initiative by developing quality workplaces.

What *are* the characteristics of the work environment that make the greatest difference in *quality*?

For employees, the first characteristic is perceived autonomy on the job. In other words, the most important factor in people's willingness to go the extra mile is their having a say in what happens on the job.

Another factor is control over the work schedule. The findings show workers with more job autonomy and control over their work schedule are less burned out and take more initiative.

Another factor contributing to the quality of the work environment is social support, as represented by manager supportiveness (which perhaps is enhanced by manager training).

Perceived Work-Family Supportiveness of Supervisors

	Strongly Agree	Agree	Disagree	Strongly Disagree
		Percent		
• *Keeps me informed*	33	49	14	5
• *Has realistic expectations*	32	57	8	2
• *Accommodates me when I have family or personal business*	42	51	6	2

Perceived supportiveness of the culture is another factor contributing to workplace quality. Employers need to address the prevailing assumptions in the culture. The study found a supportive supervisor and culture are correlated with employees who take more initiative.

Perceived Supportiveness of Workplace Culture

"At my place of employment . . ."

	Strongly Agree/ Agree	Strongly Disagree/ Disagree
	— — — — —Percent— — —	
• *Unwritten rule that you can't take care of family needs on company time*	37	64
• *Employees' having to choose between advancing in their jobs or devoting attention to their family or personal life*	35	65

Finally, a quality work environment is dependent on believing you have an opportunity to advance, regardless of gender or race. Workers who believe they are discriminated against or who feel they have fewer chances for advancement are— among other things—less loyal *and* less likely to take initiative.

Our research indicates, however, that companies have a way to go before creating this sense of opportunity, as evidenced by respondents' perceptions. Overall, for example, 38 percent of all workers thought white males have the greatest opportunities for advancement. But only 29 percent of white men believed that.

The same holds true for minority women. Twenty-five percent of all respondents thought minority women have an excellent chance to advance. Yet, only 18 percent of minority women believed their chances for advancement are excellent.

The next finding was somewhat disturbing: 52 percent of the respondents prefer to work with others like themselves. At the same time, 34 percent prefer working with those who were different from themselves, and 14 percent have no preference.

The good news, however, is that this tendency in reported preference reversed if an employee already had worked on a diverse team. In that case, working with a diverse group was preferred.

Realities in the Home

Life is not divided into discrete spheres. We have looked at the realities facing workers in the workplace sphere. Now let's shift our attention to what employees told us they face at home.

- **Overall Responsibilities**. We found 91 percent of the respondents live with either a family member or someone else. It is important to remember, however, that those who live alone also have responsibilities, such as dealing with family members who live elsewhere or just having to meet the plumber during work hours. The responding workforce included 47 percent with dependent care responsibilities.

- **Dual-Career Families**. Married women have moved into the labor force in record numbers over the past 20 years. Although conditions have improved somewhat, we found employed wives continue to hold primary responsibility for housework. Interestingly, this did not change with younger generations. It did not change as the wife's earnings level increased.

- **Housework**. Employed men and women in dual-income couples were asked whether housework is shared evenly in their homes. I actually laughed when I first saw the responses, because they made me realize the debate that is ongoing in my house goes on in homes across America: More men than women think men share the housework evenly!

- **Elder Care**. As the population ages, more and more workers will face elder care responsibilities. The type of care already provided by men and women differs somewhat. Indirect care—such as bill paying—typically is provided by men. More direct care is provided by women.

- **Child Care**. The most difficult problem reported by workers is finding *quality* child care. Other studies have supported this result, finding only 12 to 14 percent of children are in "good" child care, while a disturbing 12 to 21 percent are in child care considered harmful to development. For infants and toddlers, this number skyrockets to between 35 and 40 percent in substandard care. This is a serious problem, especially in light of newly emerging brain research that is confirming the importance of the years 0-3 in a child's brain development.

FWI convened a group of the leading brain researchers this summer to share their knowledge. We are encouraged that some states have begun to organize state conferences around the importance of the 0-3 years and its implications for child care. We also see more action on a community level in the form of block grants to establish public and private partnerships to address dependent care issues.

- **Lack of Time**. When asked what they don't have time for, due to workplace and family realities, the respondents said they primarily sacrifice household work. Clearly, a lot of dust balls are forming in homes across America!

What Companies Are Doing

We now know about the realities in the workplace and at home. Let's look at what companies are doing to address these realities. How are companies responding?

"Traditional" benefits include pensions and personal/family health insurance. We found that overall, workers receive 2.3 of these benefits. This decreases for low-wage workers and employees of smaller companies. Average employees have access to less than one dependent care program (e.g., child/elder care resource and referral, employer-sponsored child care, child care vouchers, flexible spending accounts for dependent care)—a particularly interesting finding, given workers' dependent care responsibilities. Where does support come from, especially for low-wage workers?

Here's a good place to note the difference between *access* and actual *use* of work and family supports. Indeed, the first step is to provide employees access to flex time and leave policies. Their actual use of flex time and part-time options is trickier, however, and may be dependent upon the quality work environment characteristics we discussed earlier: a supportive culture and supervisor.

Interestingly, we found the greatest predictors for family-friendliness in large companies were *mergers* and *downsizing*. Some companies have indeed discovered that work and family supports rekindle commitment and initiative.

In companies with fewer than 1,000 employees, the predictors of their being family-friendly included: larger size, higher number of professional employees, a business change, a new president, a merger or acquisition, and a business expansion.

Costs of Work-Family Problems, Benefits of the Solutions

When presenting the business case for work and family supports, it always helps to illustrate bottom-line concepts. Hey! The reality is, business is in business to make a profit—right? So, what are the costs that work-family problems incur? What are the benefits of the solutions?

Here's one example. Multiply the following numbers by four, to annualize them. You'll find that, on average, employees reported missing a little more than three days a year for child care reasons. These kinds of absences are unplanned and create inefficiency and lost productivity. Impact can be quantified in the most basic way by calculating a per diem salary expense and multiplying by three days per employee.

Work Missed in Preceding Three Months, Due to Children Under 13

All Child-Related Reasons	Overall	Men	Women
• Average number of days missed	0.80	0.51	1.08
• Average number of short days	0.64	0.42	0.86

Again, by providing access to work-family assistance, companies derive tremendous benefits. If nothing else, workers with access to flexible time and leave options and/or dependent care assistance are more committed to doing their jobs well, more loyal, more willing to work hard to help their companies succeed, more satisfied with their jobs and more likely to take additional initiative at work.

Here is another way of looking at the reasons underlying the positive response of employees to support. Which do you think is greater: Job-to-home spillover? Or, home-to-job spillover?

Job-to-home spillover (as measured by having no personal time, no family time, a bad mood, and/or lack of energy, due to the job) was greater. You might be surprised, however, by how much greater the job-to-home spillover was. You also might see where the increase in commitment, initiative and loyalty would come from, if employees were given supports to help offset the effects of that spillover into their homes.

To further illustrate the importance of work-family supports, we studied a wide range of benefits. As one example, I will highlight flextime. We found workers very willing to change employers and sacrifice advancement for greater access to flextime.

Tradeoffs for Benefits - Flextime

All Employees:
Offered benefits	29%
Not offered benefits; would change employer to obtain—	
Yes	26%
Maybe	6%
Employees With Children Under Age 13:	
Not offered benefits; would change employer to obtain—	
Yes	35%
Maybe	10%
Not offered benefits; would trade advancement to obtain—	
Yes	28%
Maybe	4%

What Does the Future Hold?

We also compared actual allocation with the preferred allocation of time and energy. We found the workforce would prefer to take 7 percent of their time and energy and reallocate it between themselves and their families. Young workers, in particular, said they are much more willing to make sacrifices in their education, careers and jobs than in their personal and family lives. These are realities companies have to address, one way or another.

Conclusion

There also is a future for "The National Study of the Changing Workforce." We are finishing up the questions for a repeat of this research. The goal is to update it every five years. For this second round, we are trying to ensure compatibility with the "Quality of Employment" survey conducted in 1977 by the Institute of Social Research at the University of Michigan. This should allow us to make a 20-year comparison, covering a generation of employees. As usual, we will make data available in public-use files two years after the study is conducted.

To recap a case for work and family supports, based on our current findings:

- In an increasingly turbulent workplace, workers reported a level of insecurity, despite working harder and longer.

- Although experiencing a level of burnout, almost all reported a continuing commitment to a job well done.

- Workers did not report an equal willingness to "go that extra mile."

- A majority face family responsibilities, with employed women bearing the greatest responsibility for housework.

- Few can find quality dependent care, and very few have access to work-family supports at work.

We found that by providing a quality workplace and work-family benefits, employers can enhance the commitment, initiative and loyalty they need in these competitive times *and* mitigate the stress experienced from the overlapping spheres of work and family.

What can *you* do to support productive dialogue between employers and employees, as well as to facilitate change?

When addressing work and family issues, remember it is more than child care and policies. The nature of the work and the workplace are equally important. So, help companies look at the way work is done and the supportiveness of the culture and of supervisors. Strive to create a "quality" workplace, which employees seem to value over money. Currently, our workplace research focuses almost solely on this area.

Include small-business and low-wage workers in the dialogue. These groups historically have not been part of the work-family debate.

To address dependent care needs, encourage meaningful partnerships between/within various community constituencies: service providers, small and large business, local officials, educators. Use the FWI national study findings as objective, fact-based reasoning for coordinated action. Together we can find solutions!