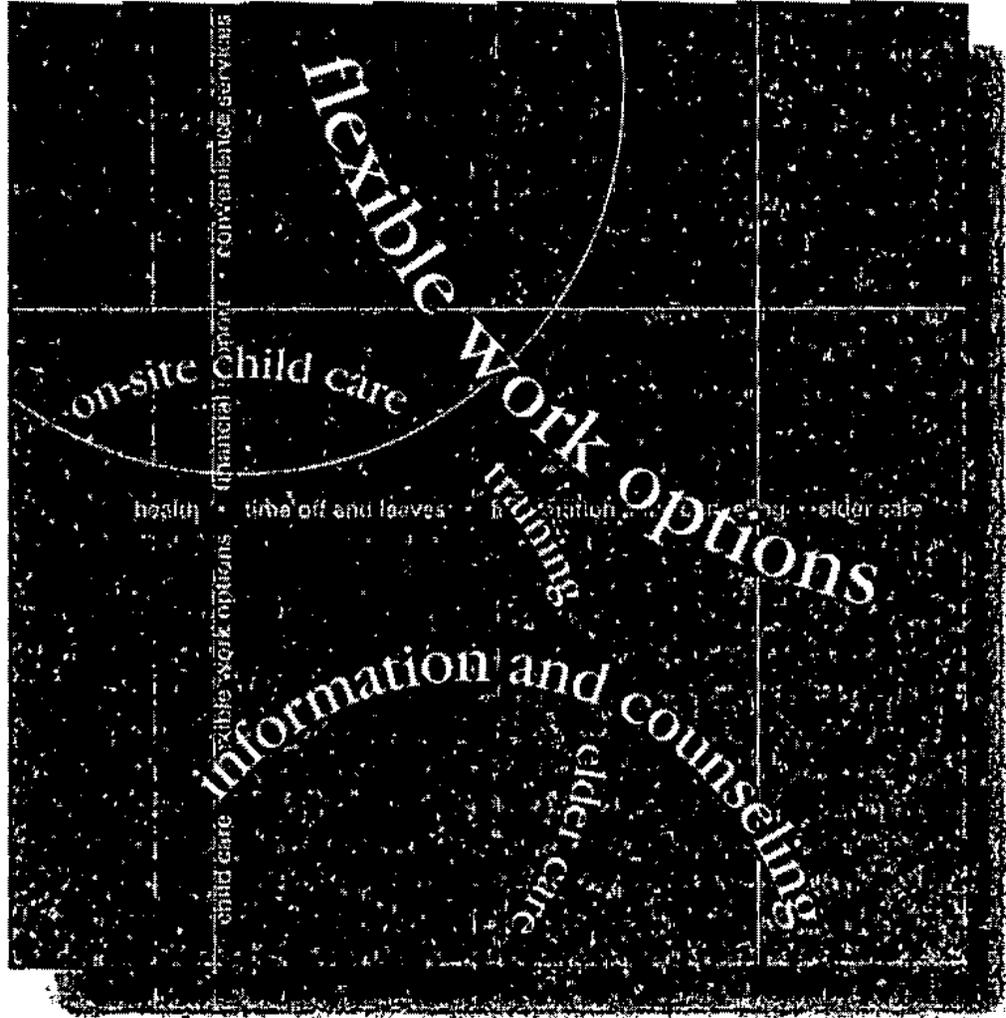


Survey of Work/Life Initiatives 1998

FAMILY +
work

Conducted in
partnership by
Bright Horizons
Family Solutions
and William M.
Mercer



WILLIAM M.
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Bright Horizons
FAMILY SOLUTIONS™

Bright Horizons Family Solutions is the nation's leading provider of employer-sponsored child care, early education, and work/life consulting services. The company manages 274 family centers for more than 220 clients in 35 states and the District of Columbia. Its clients include many of the country's best known companies, including 68 Fortune 500 companies and 44 of the "100 Best Companies for Working Mothers" as recognized by *Working Mother* magazine. Principal offices are in Cambridge, Mass., and Nashville, Tenn. For further information, visit Bright Horizons Family Solutions Web site at www.brighthorizons.com or call 617/577-8020.

William M. Mercer, Incorporated, one of the nation's leading consulting organizations, assists employers in the areas of human resource strategy and implementation. Headquartered in New York and with offices in 39 other US cities, the firm is the US operating company of William M. Mercer Companies, LLC, a worldwide consulting organization serving clients from offices in 34 countries. For further information, visit the Mercer Web site at www.wmmercer.com or call 212/345-7000.

To provide the broadest possible service to their clients, William M. Mercer and Bright Horizons Family Solutions have entered into a strategic partnership to jointly provide consulting services around work/life issues. As part of this partnership, the two firms jointly conducted the Survey of Work/Life Initiatives. Custom benchmarking reports using data from this study are available by calling 516/767-3957.

Survey of Work/Life Initiatives

HD 4928
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1999

Survey of Work/Life Initiatives 1998

REPORT OF SURVEY FINDINGS

by Dana Friedman, Ed.D, Bright Horizons Family Solutions,
and Beth Umland, William M. Mercer

The following individuals also were involved in conducting the survey and preparing this report: Richard Wald, William M. Mercer, served as co-project director with Dana Friedman. Mitchell Stein, William M. Mercer, was responsible for survey methodology and data collection.

ABOUT THE SURVEY

The 1998 Survey of Work/Life Initiatives is a benchmark study jointly sponsored and conducted by Bright Horizons Family Solutions (BHFS) and William M. Mercer (Mercer). The study explores the motivations for corporate investments in work/life strategies and investigates over 100 different work/life initiatives in terms of their reach and impact.

The written survey was distributed in June 1998 to a random sample of 5,000 companies on the Dun & Bradstreet roster, stratified to capture those U.S. companies with between 500 and 1,000 employees, 1,000 to 5,000 employees and over 5,000 employees.

Four hundred employers participated in this benchmarking effort, providing a rich profile of business efforts to address the work/life concerns of their employees. Because the response rate is low, these findings may not be generalizable to the population of all U.S. companies. We do believe, however, that the companies in this sample provide valuable information. The study includes some of the most progressive firms in the country, as well as companies that are just beginning to explore their options, but at this point are doing very little.

On average, the companies in this sample have a moderate level of investment in work/life initiatives. On the BHFS-Mercer Work/Life Initiatives index created for this study, the average score was 72 out of a possible score of 248. We believe the burgeoning commitment expressed by some medium-sized companies, combined with some large-company leaders that have been evolving their work/life agendas over the past decade, allow for a reasonable analysis of the work/life initiatives offered by companies with some commitment to doing so. We have also found that these results are consistent with other national benchmark surveys, given differences in the sample.* Yet, this group may still be somewhat more supportive of work/life initiatives than the population as a whole because of their willingness to complete the survey.

*The prevalence of various initiatives is consistent with a 1998 benchmark study conducted by the Families and Work Institute, which involved a random sample of companies with more than 100 employees.

PROFILE OF PARTICIPATING COMPANIES

The companies responding to this benchmark survey typically employ more than 1,000 workers but fewer than 10,000. The average workforce is 53% female and 15% unionized. More than half of the participating companies have no unionized workers (58%).

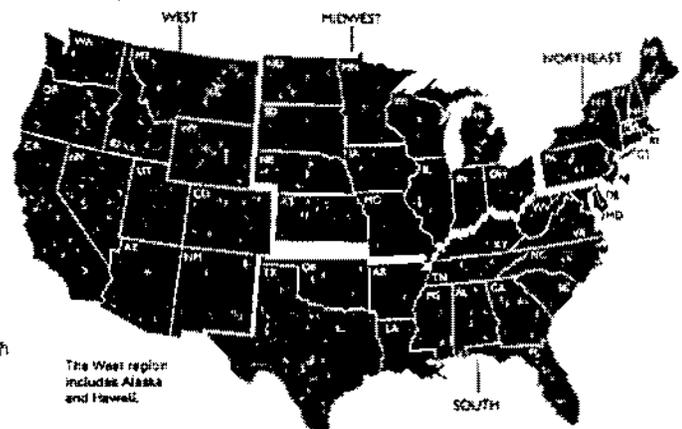
Manufacturing firms comprise 26% of the sample. Nine companies fall into the category of pharmaceutical manufacturing, and they are consistently the group offering the most support for work/life initiatives.[†] Service firms comprise 17% of the sample and another 16% are in the health care industry.

Sixty percent of these firms had worldwide sales of under \$1 billion in 1997. The largest portion of employers are based in the Midwest (37%) followed by firms from the South (25%).

The company representatives who completed the survey are primarily female (80%), and have been with their firms for almost nine years, on average. Over three-quarters are in the Benefits or Human Resource area. Only 6% hold a specific "work/life" title, which is surprisingly low considering that 45% of responding companies have a formal work/life program. Nonetheless, almost half of the individuals completing the survey have attended at least one work/life conference in the past year.

[†]Because of the small number of pharmaceutical firms, they have not been highlighted throughout this report for their progressive policies.

GEOGRAPHIC REGIONS USED IN THE ANALYSIS



Survey respondent demographics

Number of employees

Less than 1,000	21%
1,000-5,000	39
5,000-10,000	20
10,000-20,000	10
20,000 +	11

Mean of total sample: 11,670

Percentage of female employees

Less than 30%	15%
30%-49%	25
50%-69%	31
70% +	30

Mean of total sample: 53%

Percentage unionized employees

None	58%
Less than 50%	28
50% +	14

Mean of total sample: 15%

Industry

Manufacturing, other	20%
Services	17
Health care	16
Wholesale/retail	12
Financial services/insurance	10
Manufacturing, computer/electronics	4
Transportation/utility	4
Communications	3
Manufacturing, pharmaceutical	2
Other*	11

1997 annual worldwide sales

Less than \$1 billion	60%
\$1 billion to \$9 billion	30
\$10 billion +	10

Region

West	17%
Midwest	37
Northeast	17
South	25
No response	4

*Includes 36 companies in the education field, 12 in gaming, hospitality, and entertainment, 7 in construction, 7 in non-profit, and 7 each in a diverse group of industries such as sports, agriculture, law, and mining

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A word about benchmarking

Most companies are driven by competition not just in their products, but—increasingly in a talent-scarce labor market—in the policies, programs and environment they offer to their employees. A benchmark study can pinpoint where current efforts are less generous than competitors' or where they are unique and provide the company with a recruitment or retention advantage.

There are, however, some limitations to benchmarking. It can't always measure the ideal. In the work/life arena, it is well documented that policies and programs are necessary, but not sufficient to making the company truly people-friendly. The factors that influence job satisfaction and work/life balance are related more to the culture of the company, support from managers and co-workers, respect for employees, and measures of performance, than they are to specific benefits, policies or programs. These critical ingredients of a work/life agenda are difficult to ask about on a benchmark survey and difficult to answer by only one person in the organization whose perspective on the culture of the entire organization may not be representative.

A benchmark study of this kind provides one source of data for guiding the direction of a company's work/life strategy. It has limitations in that it does not provide a qualitative assessment of program quality, utilization or effectiveness. It merely compares the work/life initiatives among companies to gauge competitiveness and areas of focus. An employer must decide if the competitive position it occupies among this group of companies is appropriate, and whether their activities make sense to emulate. This information should then be considered in conjunction with other internal research at the company regarding the needs of the employees and the business.

This report

This report presents the participating companies' general approach to work/life initiatives—their objectives, commitment, and staffing support, and the recognition they've received for their work/life efforts. The prevalence of 105 work/life initiatives are reviewed next, broken down into 12 categories. Comparisons have been made among companies of varying size and concentrations of women and unionized employees, and among different industries and regions. Finally, the effects of work/life initiatives are described through respondents' evaluations of their organizations' work/life agenda overall, of the perceived value of specific initiatives, and of the extent of backlash they believe exists against these efforts.

This profile of 400 U.S. employers highlights the diverse levels of commitment and ways of responding to work/life issues. Where some companies have introduced a range of innovative family and personal supports even during periods of restructuring, others have maintained a host of traditional benefits that help employees achieve a desired quality of life, but are not indicative of a deliberate attempt to update the workplace for the 21st century employee. Less than half of these employers believe work/life initiatives are critical for meeting strategic business goals. However, as monitors of corporate forays into the work/life arena for the past 20 years, the authors believe this profile of companies demonstrates significant growth in the scope and creativity of work/life initiatives and in the range of companies that have become involved.

KEY FINDINGS

- The average company in this sample has engaged in about 33 different activities intended to support the work/life concerns of employees. Their primary reason for this investment is to improve retention rates in a tight labor market. In fact, almost twice as many companies indicate that retention is the primary objective for their work/life initiatives as indicate that recruitment is their objective. Further evidence of commitment to these initiatives is found among the two-thirds of companies that recently restructured, where nearly all maintained or increased their support to work/life initiatives during this period of intense change.
- An employer's work/life initiatives may or may not be part of a formal work/life program or comprehensive agenda. In fact, 55% have no formal name for their work/life efforts; 52% see only a limited connection between work/life initiatives and business competitiveness; and over one-third do not aspire to win any awards or recognition for their work/life efforts.
- The company representatives answered candidly and consistently: those who rated their companies high in commitment to work/life initiatives also ranked high on the Work/Life Initiatives Index developed by the study sponsors. Almost half of the company survey takers have been to at least one work/life conference in the past year.
- Among 9 categories of work/life support inquired about, flexible work arrangements were deemed the third most valuable to employees, yet fewer than half of these companies have policies for formal flexible work arrangements and only a fourth have guidelines to help employees and managers use them. This value assessment of various work/life initiatives is based more on intuition than fact: less than a quarter of companies have conducted evaluations of them.
- Almost one in five of the employers in this sample sponsor an on-site, near-site, or consortium child care center. As a strong endorsement of this option, a third of the sponsoring companies have created more than one center, over half of which are owned and operated by the company itself.
- Despite the aging of the workforce, there is surprisingly limited support for elder care, with no more than about a quarter of respondents offering any one of four options.
- Research increasingly defines managers as key determinants of employee levels of work/life conflict. However, fewer than a quarter of companies offer voluntary training on work/life issues and only 8% mandate such training.
- The overwhelming majority of companies do not see backlash against their work/life initiatives as an issue: 59% of companies have not seen any backlash. To the extent that it exists, it may come from those at remote sites who don't have access to what others in the company do, or from employees who cannot use the program, e.g. childless employees' sentiments about child care programs.
- The only company characteristics that correlate with support for work/life initiatives are related to size—both number of employees and amount of annual sales. Geographic region and the percentage of women or unionized workers are not at all predictive of the overall generosity of work/life offerings in this study.

Commitment and Approach to Work/Life Initiatives

Company commitment to the work/life concerns of employees cannot be measured solely by the numbers of programs or policies offered. While necessary, these initiatives are not sufficient for creating truly supportive work environments. This study measures the company commitment to a work/life strategy in two ways:

- A self ranking of commitment based on a 1-10 scale
- A score on the Work/Life Initiatives Index created by BHFS and Mercer that includes both policies and some aspects of the environment.

These measures are described in greater detail below and are then compared. Do the companies that rank themselves high in commitment also score high on the Work/Life Initiatives Index? This analysis follows the description of the two measures.

Self Ranking We asked survey respondents to rank their company's commitment to work/life issues on a 1-10 scale; the average rating was 5.2. Larger companies, in terms of sales (over \$1 billion) and workforce size (10,000 or more employees), rated themselves as more committed than smaller firms, with larger firms rating themselves 5.8 on average and smaller firms rated at 4.7 on average.

Work/Life Initiatives Index Each of the 105 initiatives included in the benchmark survey does not have the same value to employees or potential return to the company. As a way of comparing each company's full complement of initiatives, we created the Bright Horizons Family Solutions-Mercer Work/Life Initiative Index. Each initiative was ranked on a scale of 1 to 3, with the higher number given to those initiatives that

Commitment to work/life initiatives

SELF SCORE COMPARED TO WORK/LIFE INITIATIVES INDEX

SELF SCORE	AVERAGE SCORE IN WORK/LIFE INITIATIVES INDEX
1	30
2	45
3	58
4	62
5	81
6	80
7	92
8	118
9	123
10	128

Commitment to work/life initiatives, by company demographics

	SELF SCORE*	WORK/LIFE INITIATIVES INDEX SCORE*
Number of employees		
Less than 1,000 employees	4.7	60
1,000 - 9,999 employees	5.2	76
10,000 + employees	5.8	100
1997 annual worldwide sales		
Less than \$1 billion	4.9	68
More than \$1 billion	6.0	95
Industry		
Manufacturing, pharmaceutical	7.4	131
Communication	6.4	102
Financial/insurance	5.8	92
Health care	5.7	88
Manufacturing, computer/electronic	5.3	79
Education	N/A	79
Transportation/utilities	4.9	73
Manufacturing, other	4.9	70
Services	5.0	69
Wholesale/retail	4.7	65

*Self score is based on a scale of 1-10, with 10 being the most committed. Work/Life Initiatives Index score is on a scale of 0-248, with 248 being the maximum value of all initiatives.

reach more employees, have the potential of helping them or the company more, or are more progressive or cutting edge. (The ratings for all items included in the Work/life Initiatives Index are included in the Appendix.) Out of a total possible score of 248, this group of employers received an average score of 72, ranging from a low score of 8 points to a high of 183 points. Due to the greater number of child care initiatives compared to other categories, there is a slight bias in the Index toward companies that have invested in child care solutions.

The companies with the top 10 scores on the Work/Life Initiatives Index are generally well known as leaders in the provision of work/life supports, most of whom have been recognized as one of the *100 Best Companies for Working Mothers* by *Working Mother Magazine*. They include (in alphabetical order):

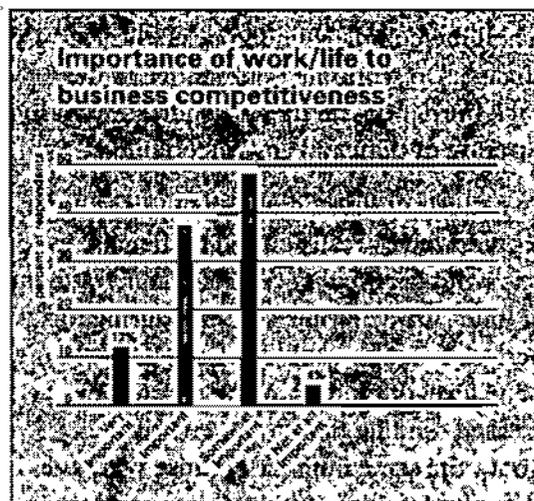
- Bristol-Myers Squibb
- Chase Manhattan
- Cigna
- DuPont
- Ford
- Gannet
- John Hancock
- Mobil
- Pfizer
- Sequent Computer Systems

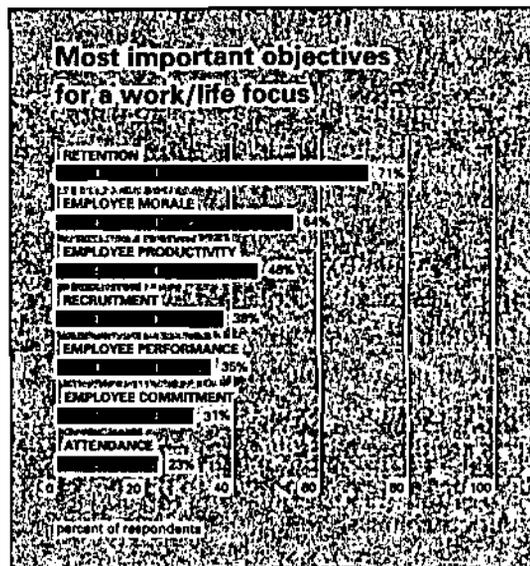
As subjective as they may be, the self-ratings of those completing the survey are very consistent with ratings on the Work/Life Initiatives Index. The low-rated companies on the Index had an average self-ranking of only 2.5 on a scale of 1-10, while those rated as having a high Index score had an average self-ranking of 8.4.

Perceived Benefits of Work/Life Initiatives

The commitment of a company to work/life initiatives is influenced largely by the degree to which they are perceived to benefit the business. The moderate commitment to work/life initiatives among this group of companies may be explained by the fact that more than half say work/life initiatives are not at all or only somewhat important to business competitiveness. High technology firms are those most likely to report work/life issues as very important to business competitiveness.

To the degree that work/life initiatives provide a competitive advantage, most companies are hoping their work/life efforts help them address issues of retention, morale and productivity. Among the three most important objectives given for their companies' work/life efforts, retention is mentioned most frequently, and almost twice as often as recruitment. Manufacturing firms are significantly more likely than service firms to say retention is one of the three most important objectives of their work/life initiatives (85%





versus 68% for services firms). Attendance is a more important objective for a work/life effort in companies with higher concentrations of women and unionized workers. Morale as a driver appears to be most important to health care organizations, computer manufacturers and utility firms.

Commitment During Restructuring

One compelling measure of a commitment to work/life initiatives is what happens when the company undergoes radical change: Do work/life issues move to the back burner or can they be addressed during a period of upheaval and uncertainty?

Two-thirds of the companies in this study reorganized or restructured in the past two years and very few decreased the investment of funds for work/life supports during this period. In fact, two-thirds maintained the same level of funding, and a quarter increased funding for work/life initiatives. About the same number of those with sales above and below \$1 billion decreased their

funding of work/life programs during a restructuring, yet, twice as many of the higher grossing companies *increased* their financial support of work/life during this period than did those with sales under \$1 billion.

Desire for Recognition of Work/Life Efforts

If an employer is to derive maximum competitive advantage from its work/life initiatives, their efforts must be made public. The best publicity is free publicity, which the winners of current magazine-sponsored contests receive in abundance. *Working Mother* reports that in the first hour after the release of its list of the best 100 companies, the story was picked up in 280 broadcast news stories, and subsequently appeared in 97 newspapers and 80 websites. Companies on which these honors have been bestowed can incorporate this recognition into their company's pedigree, to be distributed to recruiters and web sites around the world.

Twenty-eight companies in this sample have been on *Working Mother's* list of *100 Best Companies for Working Mothers*, and some of the same companies have been named as one of *Fortune's 100 Best Companies to Work For*. In addition, 15% of this group of

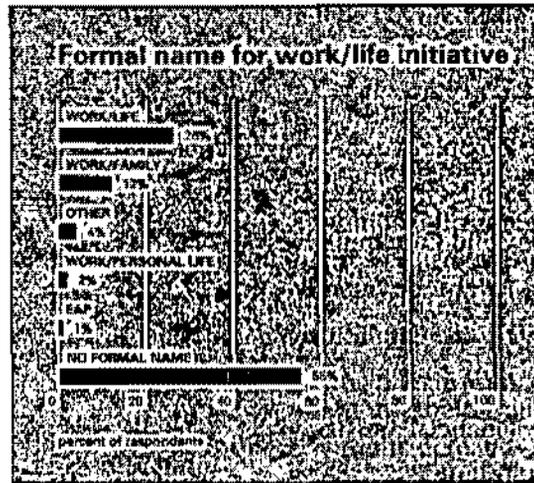
Has won awards for work/life efforts

	NUMBER OF COMPANIES	PERCENT OF COMPANIES
<i>Working Mother</i> 100 Best	28	8%
<i>Fortune</i> 100 Best	13	4
<i>Fortune's</i> Most Admired	9	2
<i>Business Week</i>	8	2
Baldrige Award	4	1
Ron Brown Award	1	<1
Other, State, Local, National	55	15

companies have received some state, local or national recognition for their work/life efforts. Over a third of all respondents says it does not aspire to win any of these awards; only 7% aspire to win them to a great extent. Manufacturing firms express the greatest interest in coveting awards or recognition for their work/life efforts.

A Formal Program for Work/Life Initiatives

A formal name for the constellation of work/life initiatives is one expression of a commitment to work/life issues, yet 55% of this sample of companies do not have one. Among those that do, "work/life" is used more than twice as often as "work/family." Among



those who selected "other" titles the trend is still towards a broader work/life connotation, e.g. "Quality of Life," "Life Balance," "Lifestyle Benefits," and "Life Care."

The Range of Work/Life Initiatives

This survey benchmarks 105 different work/life initiatives broken down into 12 categories:

- Flexible Work Arrangements
- Time Off Policies
- Child Care Initiatives
- Elder Care Initiatives
- Health Care Initiatives
- Information and Counseling Support
- Financial Assistance
- Training
- Convenience Services
- Strategic Alignment
- Community Investment
- Implementation and Evaluation

Companies offer 33 work/life initiatives, on average, with far more offered by larger companies with sales over \$1 billion. The bulk of these initiatives are in the area of health and flexibility—the two areas which respondents believe have the greatest value to employees.

When examining these categories of initiatives in terms of company commitment, employee size or annual sales, several areas of focus are more likely to account for the differences found. For instance, where there are differences in the company's self-ratings or the Initiatives Index, strategic options and information and counseling services explain more of the variance. However, when examining the differences among companies with different work populations or annual sales, dependent care, flexible work arrangements, and financial supports explain the differences. This suggests that larger companies, by virtue of size or sales, are in a better position to offer programs and policies that in-

volve significant investments of dollars. These costly initiatives are less predictive of company commitment, where more strategic and lower cost initiatives account for the variance in the Initiatives Index.

Flexible Work Arrangements

In this period of "time binds" and "time famine" it is not surprising that employees continually rank flexibility as one of their most needed work/life supports. Changing when or where they work as a way of balancing the demands of work and personal life is something that all employees typically seek at some point in their lives. Flexible work arrangements and time off policies, along with health initiatives, are more popular corporate offerings than dependent care initiatives, for instance, because they are inclusive and not limited to those employees providing care to children or elderly relatives.

It should also be pointed out that many "flexible" work policies were adopted long before work/life issues came into vogue. They were designed to address commuting problems and labor issues. The growth of flexible work arrangements today may be driven more by environmental concerns than by employee concerns.

An important factor in the provision of flexible work options is the reliance on manager discretion for permission to work on a flexible schedule. As a result, many companies have policies on flexible work arrangements, but very few people are able to use them. This study did not measure utilization rates of these flexible work arrangements. As a result, the percentages of companies indicating they have a policy that is available



throughout the company may overstate the extent to which employees feel they can use these arrangements without fear of hurting their careers.

The most prevalent form of flexibility is casual dress—included in this category because it reflects on the company's influence on one's personal choices. More than four out of five companies allow casual dress, with the majority allowing it all year, every day (45%) or on certain days all year (47%). Casual dress appears to be most popular in the retail industry, with 94% of firms permitting it, and least popular in health care firms, where uniforms are more often required.

In terms of flexible hours of work, this survey finds more companies offering part-time work than any alternative schedule. Many part-time jobs, however, are neither flexible nor chosen by the employee; they simply reflect staffing needs. Among the surveyed companies, part-timers are as likely to be offered medical benefits as not. Interestingly, job-sharing policies are more likely to include medical benefits than not. Health care firms are the most likely to offer part-time employment without medical benefits. Employees must work an average of 26 hours

in order to be eligible for benefits. Retailers and other service firms require more hours of work to be eligible for benefits (29 hours, on average).

Between 30% and 40% of companies in the sample offer each of the traditional flexible work arrangements—compressed workweeks, telecommuting, job sharing, and flextime. Although these data, when compared to earlier benchmark studies, suggest an increase in flexible work options, their availability has not kept pace with the demand from employees, as indicated on employee needs assessments. It is encouraging to see that some portion of those with policies on flexible work arrangements have issued guidelines to help employees and managers negotiate them (26% of all companies have such guidelines). Communications firms are significantly more likely to have policies on

Flexible work arrangements

	HAVE	CONSIDERING
Casual dress	84%	3%
Part-time with or without benefits	83	2
Permanent part-time, no medical benefits	57	1
Permanent part-time, with medical benefits	56	3
Compressed workweek	42	5
Job share, with or without benefits	39	6
Job sharing with medical benefits	30	4
Job sharing, no medical benefits	22	6
Flextime with band of any length	39	5
Flextime, 2-hour band	36	5
Flextime, 4-hour band	17	4
Telecommuting on a regular basis	30	11
Flexible work arrangement guidelines	26	9
Midday flex	12	4
Phased retirement	10	3

telecommuting and compressed workweeks, and 62% of these firms have guidelines on how to use them. Other observations on the prevalence of support for flexibility include the following:

- Compressed workweeks are more prevalent (42%) than is flextime, job sharing or telecommuting. In most cases, employees are permitted to work four, ten hour days a week. A few companies permit employees to work 80 hours over 9 days, known as the "9/80."
- Flextime with a two-hour band (for example, the ability to arrive at work between 7 AM and 9 AM) is offered by twice as many companies as is flextime with a four-hour band (for example, the ability to arrive at work between 6 AM and 10 AM).
- While less than a third of companies currently allow telecommuting on a regular basis, it is the policy most companies indicate as "under consideration" (11%).

Companies generally have not limited these flexible work options to headquarters only. Typically, casual dress, part-time work, flexible work guidelines and phased retirement are offered at all sites of the sponsoring company. The more traditional flexible work arrangements—flextime, compressed workweek, job sharing, and telecommuting—are more likely to be available only at some sites.

Time Off Policies

Time off policies help control absences for the company and provide occasional relief to employees when unexpected personal situations arise. These policies have far greater impact on the work/life balance of

non-exempt employees, especially when "occurrences" on one's absence record can lead to termination. Exempt employees are more likely to be able to leave mid-day to take a parent to the doctor or work from home when their child is ill.

While two-thirds or more of participating companies offer unpaid leaves for family and personal reasons, over half of companies offer paid sick days for the care of others, with an equal number offering unpaid personal days. The combination of vacation, sick days and personal days into one Paid Time Off (PTO) bank is a strategy offered by 41% of companies, and is the time off policy that the greatest percentage of companies is considering (12%).

These time off policies are equally available to exempt and non-exempt populations except in the areas of paid sabbaticals and maternity leaves. Of those offering paid sabbaticals, nearly all (92%) offer them to their exempt employees, while only 39% of these companies make them available to the non-exempt population. A smaller discrepancy exists with regard to paid maternity leaves

Time off policies

	HAVE	CONSIDERING
Unpaid leave of absence for non-FMLA reasons	85%	1%
Paid personal days/floating days	70	1
Unpaid family leave beyond FMLA	63	1
Paid sick days for care of others	54	3
Unpaid personal days	53	1
PTO bank (vacation, sick, personal)	41	12
Paid maternity beyond disability	18	1
Paid leave adoptive parents	16	5
Leave pool	14	4
Paid sabbaticals	11	2
Paid paternity leave	10	4

beyond the period of disability: 100% of companies offering the policy make it available to exempt employees, and 90% make it available to non-exempt employees.

Where health care firms are the least likely to offer paid sick days for the care of family members (32%), they are the most likely to offer Paid Time Off policies (71%) or a leave pool (31%). Financial service firms are among the most likely to offer paid personal days and paid sick days to care for family members.

About half or more of companies allow part-timers to use these time off policies, except for paid sabbaticals, which only 15% of companies allow part-timers to use. Over two-thirds of part-time workers can use the company's unpaid personal days, paid paternity leave, or unpaid family leave beyond FMLA.

Child Care Initiatives

The work/life movement in the U.S. has its roots in employer-supported child care. In the early 1980s, many believed the only way to express support for families was to build a child care center. The range of options for child care expanded in 1983 after Section 129 of the IRS Code was passed, designating dependent care as a non-taxable benefit, and after IBM created a national service for child care information and referral. The range of employer-supported child care options continues to grow, with companies expanding services to include back-up care, on-site schools, and adoption assistance.

Since dependent care became a non-taxable benefit, flexible spending accounts (FSA) for dependent care have been the most preva-

Child care initiatives

	HAVE	CONSIDERING
Dependent care flexible spending account	82%	7%
Child care resource and referral	38	9
Adoption subsidies	22	6
College information/school match	21	4
On-site child care center	12	9
Get well care	12	9
Back-up care	10	11
Holiday/vacation care	10	5
Summer camp	10	4
After-school care	9	7
Reimbursement for child care when traveling	9	3
Before-school care	8	7
Near-site child care center	8	10
Child care vouchers	7	4
Contribution to flexible spending account	7	4
Consortium center	5	9
On-site school	4	3

lent form of corporate assistance for child care. Among the surveyed companies in this study, 82% offer an FSA for dependent care. The next most popular option is child care resource and referral services, which 38% of companies offer.

A fifth of respondents have sponsored some form of a child care center: 12% have on-site centers, 8% sponsor near-site centers, and 5% are involved in a consortium center, with several offering multiple types of centers. A third of companies with on-site centers offer more than one center, as do a quarter of those with near-site or consortium centers. There is no better endorsement of the center approach than this level of multiple-center sponsorship. About 10% of companies are considering each of these three strategies for creating child care centers.

Several patterns emerged regarding sponsorship of child care centers:

- Companies in the health care industry are the most active in sponsorship of on-site centers and centers for mildly ill children.

- About half of the companies sponsoring on-site centers offer them at headquarters only (56%), while near-site centers are more likely to be offered at non-headquarter sites.

- In this survey, more than half of the on-site centers are owned and operated by the sponsoring company, and over a third are owned by the company, but managed by an outside vendor. This pattern does not reflect the general trend toward more companies contracting out the management of their centers. Near-site centers, like consortium centers, are most likely to be owned and operated by a vendor, with the company providing ongoing financial support.

- In most cases, part-timers are eligible to use the company's on-site or near-site center.

Adoption assistance With the increase of delayed childbearing in the U.S., in part due to women's participation in the labor force, there has been an increase in fertility problems creating increased interest in adoptions. The costs of adoption agency fees and the financial support of birth mothers are beyond the reach of many families. Costs are even higher for those pursuing foreign adoptions. Not only have more companies begun offering adoption assistance, but the generosity of their support has increased as well.

In this benchmark study, one in five companies offers adoption subsidies, which amount to \$3,000 on average. Among 80 companies that indicated how much adop-

Amount of adoption subsidy*

Less than \$2,000	14%
\$2,000-\$2,999	40
\$3,000-\$3,999	27
\$4,000-\$10,000	19
Mean: \$2,960	

*Among companies with an adoption subsidy

tion support they offer, nearly all allow funds to be used to cover both public and private adoptions. Very few companies stipulate the age that a child must be in order to be covered under the adoption policy. However, less than half of the companies with an adoption policy will cover adoptions of a grandchild or stepchild. Nearly all of these companies allow adoption subsidies to cover legal fees and agency/placement fees and over half will cover birth mother expenses, child's medical treatment prior to adoption, and travel costs for foreign adoptions.

Elder Care Initiatives

In 1986, The Conference Board sponsored a national conference entitled: *Elder Care: The Benefit of the 1990s?* Now that the 1990s are nearing an end, we can answer the question posed at this conference with an unqualified NO. While the graying of America is of concern when discussing Social Security and Medicare, the issues of caring for the parents of the baby boomers have not been adequately addressed by either the business community or government agencies. In fact, the Business Task Force of the American Society on Aging had to fight to have elder care on the agenda of the 1997 White House Conference on Aging.

The low level of elder care support from the companies in this sample is consistent with

Information and counseling

	HAVE	CONSIDERING
EAP contracted out or in-house	77%	7%
EAP contracted out	64	6
EAP in-house	26	4
Stress management counseling	51	5
Pre-retirement counseling	50	10
Fitness/nutritional counseling	45	7
Seminars on work/life issues	38	9
Work/life newsletter or column	32	9
Legal assistance	24	6
Support groups	22	3
Spouse job placement for relocation	19	4
Caregivers fair	19	7
Pre-marriage, marriage, step-family counseling	18	1
Life cycle resource and referral	13	5
Legal insurance	9	10
Retiree help-line	9	4

on an outside vendor, and 26% offer an in-house EAP. A fifth of companies link their EAP to a resource and referral service, a growing trend in the industry. Over three-quarters of firms in manufacturing, financial services, communications, and transportation/utility industries offer an EAP on a contracted basis. Health care firms are most likely to provide EAP as an in-house service. Firms in the retail industry and service sector are the least likely to offer any kind of EAP (roughly one-third do not.)

About half of companies offer counseling for stress management (51%), pre-retirement planning (50%), and fitness and nutrition (45%). Ten percent of companies are considering legal insurance and pre-retirement counseling, more than any other initiatives in the category of information and counseling.

Work/life issues are also dealt with in seminars (38%), newsletters (32%), support groups (22%), caregiver fairs (19%) and life cycle resource and referral services (13%). Companies offering work/life seminars typically offer between one and four each year.

With the exception of caregiver fairs, work/life seminars, and fitness and nutrition counseling, at least 50% of companies offering these information and counseling services make them available to employees at all sites. Part-timers are generally eligible for all of these services, with the exception of pre-retirement counseling, legal insurance, and relocation assistance.

Financial Support

The 401(k) retirement plan has become a standard part of the employer-sponsored benefit package: 92% of survey respondents offer one. While 401(k) plans were originally designed to encourage retirement savings to supplement a pension, a growing number of employers now use them as the primary or sole retirement income vehicle. Surveys consistently find that employees value the 401(k) plan above all other benefits, or on par with health benefits.

Consequently, companies hoping to differentiate themselves in the employment market

Financial support

	HAVE	CONSIDERING
401(k) retirement plan	92%	1%
Tuition reimbursement for employees' continuing education	85	3
Payroll savings plan	55	1
Financial planning services	32	12
College loans or scholarships for employees' dependents	27	2

are offering other forms of financial support. The majority of companies in this survey (85%) provide tuition reimbursement for employees' continuing education (which benefits both the company and the employee). Over half offer payroll savings plans, and a third provide financial planning services. About a quarter offer college loans to employees for their children's education.

These supports are generally available on a company-wide basis, with two-thirds of part-timers eligible for the 401(k) retirement plan and financial planning services. Financial service firms are significantly more likely than firms in most other industries to offer a payroll savings plan (72%), and manufacturing firms are most likely to provide college scholarships or loans for employees' dependents (89%).

Training

On individual company surveys conducted by Bright Horizons Family Solutions, most employees indicate that their ability to balance work/life issues depends on whom they have for a supervisor. The work of Linda Duxbury at Carleton University Business School demonstrates that employees with supportive supervisors—those who help them get their jobs done and who consider their personal needs—have significantly higher levels of job satisfaction, company commitment and job security, and lower levels of stress than those with unsupportive supervisors. These findings suggest that corporate investments in manager training can have a powerful effect on employee productivity and well-being.

The 1997 study, "Relinking Work and Life" released by the Ford Foundation suggests

Work/life issues addressed in training

Leadership training	52%
Career management	42
Ongoing coaching	39
Team building	38
Manager training, voluntary	23
Manager training, mandated	8

that when personal considerations are taken into account in general management practices, more positive outcomes accrue for both the employee and employer. Yet, according to this benchmarking study, about a half of employers incorporate a work/life focus into their training efforts on leadership, and only a third do so in their training programs on career development and team building. This omission suggests that work/life issues are not yet considered integral to critical strategic goals of the organization.

Convenience Services

As we head into the 21st century, employers have begun to resurrect practices that were common during World War II. As Rosie the Riveter dropped off her children at the plant's on-site child care center, she also dropped off her laundry. At the end of the day, she picked up her children, clean laundry and a hot dinner. These practices, which disappeared after the War, are re-emerging as a way to save employees time and eliminate worries about errands they can't perform during the workweek. They may also help employees stay longer at work.

About a third of surveyed companies subsidize meals at work, offer discounts for major purchases, and house facilities for banking, barber shops, stores, dry cleaning, and car repairs. Fewer than one in five subsidize

Convenience services

	HAVE	CONSIDERING
Free or subsidized meals at work	36%	1%
On-site banking, barber, store	34	6
Discounts for major purchases	31	4
Take-home dinners	18	1
Subsidies for non-public transportation	17	3
Subsidies for public transportation	13	4

public or private transportation or offer take-home dinners.

Health care companies are significantly more likely than other industry groups to subsidize meals at work. Communication and financial service firms are more likely to offer on-site concierge services than other industries.

Strategic Alignment

As the earlier cited Ford Foundation study explained, work/life initiatives will not be effective if they are marginalized and unrelated to other strategic concerns of the business. This survey inquired about nine different strategies that can help align work/life efforts with core business issues.

The most common alignment strategy among the surveyed companies is to include questions about work/life issues in the organizational climate survey (42%), which is conducted less than once every two years for the majority of employers (35%), and annually by only 16% of firms. More than a quarter of companies currently have or have had a task force on work/life issues (16% and 12%, respectively). About a quarter of companies have considered work/life issues in their restructuring efforts, which may

help explain the earlier finding that the majority of companies maintained and even increased their support of work/life solutions during a period of restructuring. Only 16% of the companies in this study currently have a work/life coordinator, responsible for managing the various work/life initiatives offered. Very few companies have incorporated support for work/life issues or flexibility into performance criteria. This is a missed opportunity for holding managers accountable for addressing work/life concerns and flexibility, as stated in policy. Finally, only 9% of companies have issued guidelines on the use technology, e.g., e:mail, voice mail, and pagers, as a way of helping employees set boundaries between their work and home life.

Linking work/life initiatives and diversity The evolution of work/life issues at the workplace has occurred simultaneous to the emergence of a diversity focus at the workplace. Since many of the same strategies and behaviors are required to help people feel included (diversity) and to help

Strategic alignment of work/life initiatives

	HAVE	USED TO HAVE
Work/life issues in climate survey	42%	9%
Work/life considered in restructuring	24	2
Work/life considered in total quality	19	3
Work/life in mission statement	16	1
Task force on work/life	16	12
Work/life coordinator	16	2
Work/life sensitivity in supervisory performance criteria	16	3
Flexible work arrangements as business tools in supervisory performance criteria	13	1
Guidelines on technology	9	—

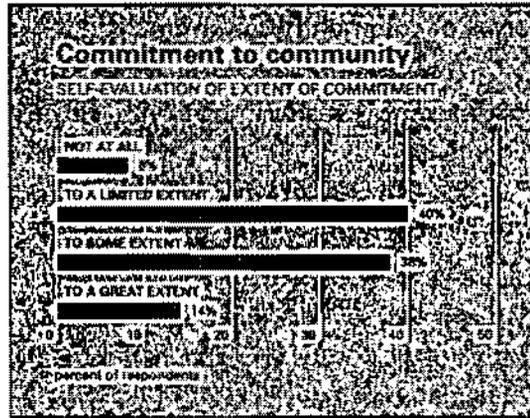
them find some balance in their lives (work/life), it is interesting to explore the functional and structural linkages between the two issues as they are addressed by the organization.

At a 1994 conference on linking work/life issues and diversity sponsored by The Conference Board, some diversity managers expressed a concern about the linkage between the two for fear that it would lead to the predominance of gender, i.e. women's, issues, over race or other areas of diversity. Both managers of diversity and work/life agreed that what it takes to help people feel included in the organization and what it is that helps employees achieve balance in their lives are very similar. It is related to how people are valued and treated in the organization. Neither are marginal programs and both can be strengthened by addressing them in an integrated manner.

Among the group of surveyed companies, 41% do not have a diversity effort. Among those that do, 46% address work/life issues in a separate functional area. About 19% include work/life issues as one of several issues under the diversity umbrella, and 14% of companies consider both topics of equal importance in one division.

Community Investment

About half of the companies in the study express their commitment to supporting the community to some or a great extent. Companies have traditionally invested in community programs, but those efforts are rarely aligned with the work/life efforts pursued through Human Resources. There are some notable exceptions. The most ambitious is the American Business Collaboration for



Quality Dependent Care (ABC), in which 209 companies have contributed \$127 million since 1992 to augment family support services in 68 communities. Companies are also learning the importance of aligning internal and external initiatives. For instance, efforts to encourage employees to volunteer in the community can be undermined if time off policies do not allow some midday flexibility.

The most prevalent form of community support from the companies in this study is financial contributions to United Way. The majority of companies also allow employees to serve on local boards and councils. Less than half of the companies have made any other kind of commitment to improving the availability of work/life supports in the community. Larger companies and those with annual sales over \$1 billion are significantly more likely to make community investments. Employers with high concentrations of unionized workers are also more likely to engage in public-private partnerships: 64% of employers with more than half of their workers in unions have engaged in public-private partnerships, compared to 44% of those companies with no unions representing their workers.

Forms of community commitment

Supports United Way	87%
Employees serve on local councils	74
Offers in-kind services	47
Participates in public-private partnerships	47
Gives matching gifts to employee charities	34
Sets a high priority for family services in donations	33
Gives community service awards	22
Gives volunteer grants	20
Maintains special fund for family programs	18
Has formal policy for release time to volunteer	15
Participates in the American Business Collaboration for Quality Dependent Care	6

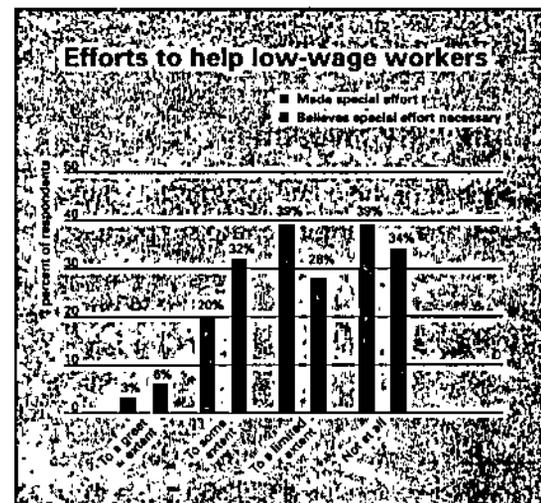
Manufacturing firms are significantly more likely than firms in other industries to make family support a priority in charitable giving, to give volunteer grants, where funds are donated to nonprofit agencies in which employees volunteer, and to match employees' gifts to charities. Financial service firms also provide more matching gifts than companies in other industries.

Efforts to Help Low-Wage Workers

After years of corporate experimentation, it became clear that many of the work/life initiatives offered by well-meaning companies were not reaching employees who needed the most support—those with limited incomes. A group of companies was assembled by the Families and Work Institute in 1996 to examine the special needs of low-wage populations and recommend solutions in response. They concluded that financial subsidies and linkages with community-based programs may provide the best avenues for addressing their dependent care needs.

Paid Time Off programs can also benefit low-wage populations by eliminating punitive occurrence policies, particularly onerous for single parents who have no choice but to stay home when child care breaks down or children are ill. Certainly, the government's efforts to enlist companies to employ former welfare recipients underscores the kinds of basic supports these employees need: housing, clothing, transportation, and child care. Some companies are concerned that employees who have managed to hang on without any public assistance are not eligible for these supports, even though their need for them is as great as those coming off welfare.

Companies in this study have focused only slightly on this population. Less than a quarter of respondents have made efforts (to a great or some extent) to address the needs of low-wage workers (23%). At the same time, over a third feel (to a great or some extent) there is a need to specially target low-wage populations in order that company efforts benefit them (38%). Companies in the health care industry are more likely to have targeted their work/life efforts for low-wage workers than firms in other industries.



Impact of Work/Life Initiatives

Backlash

Despite the media coverage of backlash against work/life initiatives, the companies participating in this survey do not see backlash to be a significant problem. The majority (59%) report no backlash at all, while a third report backlash to a limited extent. Only 8% report backlash to some or a great extent.

To the extent that it exists, the source of backlash is most likely related to employees without dependents who feel they deserve equal benefits (56%), or employees who cannot use the company's work/life supports because they are not available where they work (48%). About a third of respondents sense that employees without dependents who do extra work because of those with dependents may be a source of some backlash.

All in all, this survey is consistent with other research suggesting limited backlash to companies' work/life initiatives from those who do not currently benefit from them.

Measuring the Impact of Work/Life Initiatives

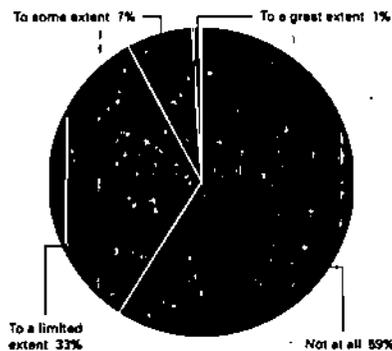
The majority of companies reports that some of the objectives of their work/life initiatives have been met (60%). Only 5% say that all objectives were met, and 1% say their objectives were exceeded. About 3% say their objectives were not met.

These views are largely based on conjecture, since three-quarters of surveyed companies have not conducted any form of evaluation to confirm whether objectives have or have not been met.

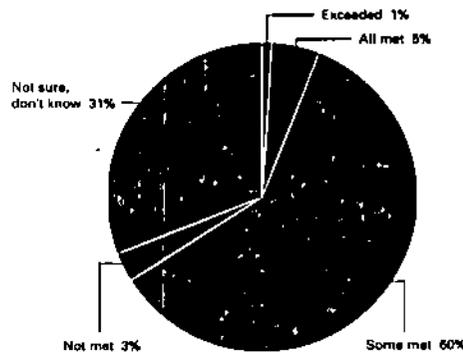
Among the quarter of companies that have evaluated their work/life efforts, most rely on employee polls and reviews of utilization rates. Only about a quarter of those which evaluated their efforts conducted a formal study (27%), and a fifth conducted a cost/benefit analysis (21%).

This is one of the great ironies in the work/life arena: Most companies considering work/life initiatives want data to substantiate the potential return on investment, however most companies having implemented work/life initiatives do not spend the time or re-

Have experienced backlash against work/life initiatives



Achievement of work/life objectives



sources to evaluate them. Many companies are reluctant to spend additional funds and are satisfied knowing that employees use the programs and are generally pleased with them. Not only does this limit our understanding of the impact of work/life initiatives, but it also reduces the ability to identify and concentrate on those initiatives yielding the greatest impact on work effectiveness and personal well being.

The Bottom Line

Among the nine categories of programs and policies whose value was compared, companies indicate that health care supports hold the greatest value to employees (63%). The next most valuable work/life supports relate to issues of time off and flexibility. Only a fifth of companies selected child care services as the work/life initiative of greatest value to employees and only 3% indicated such value from elder care supports. However, the portion of the workforce that would benefit from each group of initiatives is likely to have influenced selections. While all employees can potentially benefit from health supports and flexibility, and only

those with children or elders to support can benefit from dependent care initiatives, it is not then surprising that health care and flexibility would be indicated as having the greatest value to employees. However, given the limited extent to which these initiatives have been evaluated, true value among subgroups of the workforce may differ from the opinions expressed in this study.

Conclusions

This profile of U.S. employers is somewhat sobering in the face of "100 Best Lists", and cover stories and conferences on best practice. Once past the exemplary firm, it is important to be reminded that many more companies have embraced work/life to a very limited extent or not at all. The inevitable bias to any study of this kind is that those who have not developed work/life solutions are not well represented in this study.

Among companies that have addressed the work/life concerns of employees, the range of initiatives they offer includes some policies and programs that were a part of benefits initiatives long before work/life concerns came into vogue. They were included in this study because they clearly help reduce the strain or expense of family and personal life. This survey finds that these more traditional initiatives continue to be more far more prevalent than any of the newer initiatives that are more specifically work/life focused, e.g. dependent care. Among all the initiatives provided by at least half of the companies surveyed, none of the newer work/life initiatives make the list.

Not surprisingly, the options which companies are likely to be considering for the fu-

Work/life initiatives of greatest value to employees*

Health	63%
Time off/leaves	58
Flexible work arrangements	42
Training	30
Information and counseling	25
Child care	20
Financial support	7
Convenience services	4
Elder care	3

*Community investment and strategic alignment not included

Initiatives offered at by at least 50% of companies

401(k) retirement	92%
Tuition reimbursement	85
Unpaid leave, non-FMLA	85
Casual dress	84
Part-time work	83
FSA, dependent care	82
Employee assistance program	77
FSA, health care	74
Personal days	70
Job skills training	70
Unpaid family leave beyond FMLA	63
Payroll savings	56
Paid sick days for others	54
Unpaid personal days	53
Cultural diversity training	52
Leadership training included in work/life	52
Stress management counseling	51
Pre-retirement counseling	50

ture are, in fact, more directly related to work/life concerns. Of the 105 initiatives, only 9 are under consideration by 10% or more of the companies surveyed, with another seven added if we include initiatives that 9% or more of companies offer. Only one option is under consideration by more than 12% of companies: long term care insurance to address the needs of older workers or family members (20%).

While this sample of companies has expressed some commitment to work/life concerns through a variety of traditional and non-traditional initiatives, they seem to fall short of embracing work/life as an effective strategy for business effectiveness and competitiveness. This is most apparent in examining the implementation strategies for many initiatives that render these efforts less effective than they might otherwise be. For

Initiatives companies are considering for the future

Long Term Care insurance	20%
Paid Time Off bank	12
Financial planning	12
Telecommuting	11
Back-up child care	11
Near-site center	10
Pre-retirement counseling	10
Legal insurance	10
On-site child care center	9
Consortium child care center	9
Child care resource and referral	9
Get well child care	9
Work/life seminars	9
Work/life newsletters	9
Flexible work guidelines	9
Medical coverage for same sex partners	8

instance, a policy on flexible work arrangements needs to be accompanied by guidelines and only a quarter of companies has guidelines for these arrangements. Furthermore, very few hold managers accountable for addressing issues of flexibility by incorporating this concept into performance criteria. Similarly, while many have manager training, fewer than one in ten mandate it. In another example, the increased opportunities for employee volunteerism are thwarted by the lack of midday flexibility.

How a company implements its policies and the environment in which they are implemented have significant bearing on whether the policies will be used and to what effect. Furthermore, since smaller firms are better able to create a supportive culture than they are to introduce a variety of costly programs, it is particularly important that companies continue to focus on strategic alignment of work/life initiatives.

Bright Horizons Family Solutions—Mercer Work/Life Initiatives Index

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Pre-retirement counseling	1	Telecommuting	2
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Legal assistance	2	Time off	27
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Free or subsidized meals	1	Designated fund for family support programs	3
Take-home dinners	3	Volunteer grants	2
Discounts for major purchases or services	1	Gives community service awards	1
Transportation subsidies	1	Gives matching gifts to employees' charities	1
Financial assistance	11	ABC sponsor	3
Financial planning services	2	Family a priority in giving	3
Payroll savings plan	2	Public-private partnership	3
College scholarships for employees' dependents	3		
401K retirement or savings plan	2		
Tuition reimbursement for continuing education	2		

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