What do employees want? It’s an important question for companies around the world as they gear up for the labor shortage that experts and the U.S. Bureau of Labor Statistics say is almost upon us. Within a few years, U.S. companies will be down six million workers, and between 2015 and 2025 there will be between 10 million and 16 million fewer workers than there are jobs.¹

Other countries are struggling with the same issue. Australia already has a shortage of workers. The government, which expects it will only get worse, is telling businesses to expect to rely on workers who are older or have a disability and parents of young children.² And it’s not just companies that are competing for skilled workers, it’s also countries. India, for example, is recruiting workers with European language skills for offshore services that involve the collection of information.³

For companies to remain competitive, it’s critical they attract and keep the best employees. To do that, they must offer what employees want. The list of possible answers to the question of what they want is as complex and diverse as workers are: a challenging job, the opportunity for advancement, job security, more money, more time off.

What’s more, the answer is likely to change over the course of a worker’s career. Right out of college, a worker may want a challenging position where he can prove himself. Later, he may want the chance to work with and learn from la crème de la crème in his profession. With workers wanting different things from their jobs—and different things at different times—companies wonder where they can get the biggest bang for their buck when it comes to attracting and retaining employees.

The Universal Appeal

The answer may lie in providing ways of helping workers achieve work-life balance, which the majority of workers, regardless of gender, job type, nationality, or age, say that they want.⁴

About two-thirds of Canadians said that it was at least “somewhat” difficult to balance their work and family life; 28 percent said it was difficult or very difficult.⁵ It’s the same story in the United Kingdom, where almost half of workers found it difficult to balance their work and home lives sometimes and more than a quarter found that to be
the case all the time. According to a government survey, 69 percent of respondents agreed that work-life balance was an important factor when assessing a potential new job.

As for workers in the United States (who log more hours than their counterparts in any other wealthy, industrialized nation), when asked if the demands of their jobs "seriously interfered" with their private lives, 34 percent of respondents said yes in a 2005 survey by ISR, an international employee research and consulting firm. That figure is up from just 10 percent in 2002. In another study, this one by Spherion Corporation, 86 percent of U.S. workers said that ensuring work fulfillment and balance is a top career priority.

Those figures square with reports from representatives of Herman Miller's customers who have visited the company to learn more about its values, processes, and solutions. During their visits, many attended a Kaleidoscope Experience workshop in which they were asked to prioritize a list of 10 propositions related to the question, "How will work change?"

According to Mary Walton of Herman Miller's Future Insight Group, "The participants rated work-life balance as the most important of the propositions in the future. It also was rated lowest for the amount of attention being paid to it through the workplace." Over a span of two years of sessions totaling approximately 250 participants, this topic always received the most discussion.

Work-life balance is a concern not just for women, but also for men who are tired of missing out on the rest of life. In a Radcliffe Public Policy Center report on work, "having a work schedule that allows for time with family" was the characteristic ranked most often as "very important" by men and women ages 21 to 39 (79 and 83 percent, respectively). Most workers (81 percent) work for employers that don't have programs that help them balance work and life.

Some find ways to get it anyway, engaging in what's known in Great Britain as "stealth parenting," i.e., finding ways to take care of family obligations during the day without the boss knowing. That's because, "Most institutions... including corporations, are still largely structured as if work and family are separate... Many employers still expect or assume that both female and male employees, regardless of their priorities or personal situations, will make work their top concern—over and above family, community, religion, and other aspects of private life." The problem isn't that parents (or people who have other interests and commitments) work; rather, it's the unrealistic expectations companies have that workers will be available 24/7.

If workers have any say in it—and the demographics show that they will—companies still holding these unrealistic expectations will have to rethink their assumptions about availability and their "face time from 8 to 5" structures. The generation of workers now entering the job market isn't willing to sacrifice their lives for work. Having gone through recessions, layoffs, and the September 11 attacks, many middle-aged workers have reached the conclusion that work is not a synonym for life. In fact, almost three-quarters of workers are willing to put their careers on a back burner in favor of family.

It's not that people today want work-life balance more than the workers of yesterday. It's that society has changed. With the increasing number of single-parent and dual-working parent households, "there's an understanding now that families simply can't handle the workload and being a parent without some assistance," says Jessica Foster, an assistant professor at Purdue University who wrote her thesis on the effect of work-life balance on attraction and retention. "It's a societal problem now. Organizations can't get around this issue by finding individuals who don't deal with the realities of life outside of work because there are fewer and fewer of those people."

**Flexibility and the Bottom Line**

Foster's work-life balance research, for which she defined "life" broadly, found that it was a consideration for all workers—not just those with young families. If work-life balance holds such universal appeal, what keeps companies from developing and supporting programs and policies that make it easier for workers to mitigate the tension between work and home? Why not offer flextime, telecommuting, compressed workweek, and work-life benefits, e.g., a concierge service, when virtually all workers could benefit from it?

The answer lies in old mental models ("It's not our problem") and mistrust ("If I can't see Jane, how will I know she's working?"). In Australia, 56 percent of managers and 53 percent of employees admit that management is less trusting of flexible workers than those who work in the office. Beyond that, companies considering flexible
working arrangements weigh the impact on coverage, the ability of the employee to complete their work, and the impact on customers.\textsuperscript{18} In addition, many companies perceive things like flextime as nothing more than “perks” to reward some workers.

An Alfred P. Sloan Foundation-sponsored study of 29 American firms, however, found that generating goodwill is the least of the benefits received.\textsuperscript{19} The research showed that, rather than having a negative effect on coverage, productivity, and customer service, worker flexibility had a positive impact. For example, Watson Wyatt's Human Capital Index found that a flexible workplace is associated with a 9 percent increase in market value. Eli Lilly learned that employees who had been given the most flexibility and control over their working hours experienced the most job satisfaction. They were, not surprisingly, also the least likely to leave the company.

According to the Spherion study, which surveyed 3,728 working adults in the U.S., 96 percent said that an employer is more attractive when it helps employees meet family obligations through options such as flextime, job sharing, or telecommuting. Perhaps more important, the survey found that workers who take advantage of the work-life balance options their employers offer are 20 percent more likely to stay with their employer for the next five years.\textsuperscript{20}

The strong relationship between flexibility and commitment is one of the most compelling reasons to offer it to employees. Another is that flexible work practices reduce worker stress, which is the leading cause of unscheduled absence and leads to higher turnover. At one financial services company, employees who have control over their work schedules have burnout index scores less than half that of those employees who don't. Another company, AstraZeneca, used cost modeling to analyze absenteeism, presenteeism (which refers to employees who are at work but disengaged), and disability costs; it "estimated a multi-million dollar cost saving from flexibility’s impact on stress."\textsuperscript{21}

The participating companies all found that, to some extent or another, offering flexibility to workers (exempt and nonexempt alike) helped the companies’ bottom lines: "Whether measured by cycle time, revenue by person, client service, productivity, sales, retention rates, employee engagement, job satisfaction or reduced stress levels, flexibility has proven to have positive impact."\textsuperscript{22}

\textbf{The Culture Factor}

While it probably wouldn't dispute the findings these companies recorded, the Centre for Economic Performance in the U.K. would likely want to qualify them. The Centre did a study of its own and found "there is no systematic relationship between productivity and work-life balance [initiatives] once good management is accounted for."\textsuperscript{23}

The corollary to that finding might well be that without good management work-life programs aren't likely to be successful or raise productivity. If having work-life programs and policies were enough, there wouldn't be an issue. According to the Families and Work Institute, 92 percent of employers with more than 100 employees have at least eight work-life initiatives.\textsuperscript{24}

As far back as 2001, Hewitt Associates found that 73 percent of major U.S. employers offered flexible work arrangements.\textsuperscript{25} In spite of policies, however, people still feel unable to achieve a comfortable balance between work and life. That's because an organization's culture might not support the very programs that it has implemented.

A World at Work survey found that although 96 percent of responding companies allowed flexible scheduling (52 percent had formal policies, 44 percent had informal arrangements), about one-third of participants said their work culture doesn't encourage employees to use them.\textsuperscript{26} For a company that really wants its workers to achieve a better work-life balance, a culture that’s supportive of work-life balance is at least as important as formal initiatives.

Workers look to managers for cues about what is and is not acceptable; managers who openly take time for family or community responsibilities demonstrate that it's okay and that they won't be penalized. Herman Miller is developing a work-life balance initiative, but in the meantime employees still can easily see that their company supports having a life outside of work. At work, Herman Miller gives its knowledge workers, for example, the technology and the freedom to work where and when it makes sense for them. The model comes from the top: President Brian Walker sometimes takes bike rides during business hours because the exercise and fresh air clear his head.
Without a culture that supports work-life balance, formalized work-life programs aren’t likely to succeed. Organizations that do have programs but make clear in other ways that the ideal worker is “someone who doesn’t know enough to go home at night” and where the highest compliment paid to a woman is that “you’d never even know she had a child” defeat their stated purpose.

In fact, given the choice between a company that offered formal work-life balance programs but an unsupportive corporate culture and a company without those programs but a culture that was supportive of work-life balance, Professor Foster thinks most people would choose the latter. “If you have an organization-wide culture that supports work-life balance,” she says, “the culture is likely strong enough to either change individuals [so they conform to the culture] or lead to them exiting the company.”

According to a study by the Families and Work Institute, the strongest predictor of corporate family friendliness is change, such as downsizing, because the company sees work-life balance initiatives as a way to retain workers. Another explanation, however, might be that during times of organizational change, corporate culture becomes more malleable.

**Legislating Balance**

Organizational culture trumps not only organizational policies, but also laws. In the U.S., the Family Leave and Medical Act (FMLA) allows fathers to take 12 weeks of paternity leave, but only 15 percent of eligible men request it, many because they are afraid it will hurt them in some way at work. (Ernst & Young is an exception, providing a constructive example of the power of culture: Almost 100 percent of men eligible for paternity leave take it.)

Laws can lead the horse to water, metaphorically speaking, but it can’t make him drink. Since 2003, workers in the U.K. have been entitled to 26-week paid maternity leave, but it hasn’t resulted in a wholesale change of attitude within organizations: “Two thirds of managers [in one survey] still take the view that their staff’s work-life balance is nothing to do with them. There is an increase of just 3 percent in the proportion of staff who think their manager understands their work-life balance needs” since the law went into effect.

Sometimes it’s difficult to reconcile a company’s perception of its support of work-life balance with the reality. The results of the World at Work survey “… indicate that [responding companies] believe their workplaces are fairly sympathetic to dependent care needs and flexible work.”

For example, 84 percent of respondents reject that their organization has an “unwritten rule” forbidding employees to deal with personal issues at work. Somewhat inconsistently, 39 percent also indicate that employees are reluctant to ask for flexible work arrangements. What accounts for this perceived hesitation? One in three participants believes employees don’t exercise flexible scheduling because the culture ultimately does not support it.

**Smaller Companies, Greater Understanding**

Larger companies are often thought to provide better benefits overall, but when it comes to work-life balance, smaller companies have been more adept, so far. More small companies (50 to 99 employees) offered everything from flextime and compressed work week to sabbaticals and phase in/out options (e.g., from maternity leave or to retirement) than large companies did. The only one of 17 questions where large companies did better than smaller ones was in allowing workers to take time off for important family needs without loss of pay (63 versus 58 percent).

The explanation, say researchers, is that employees in small organizations are more likely to have “greater access to a culture of flexibility”—i.e., support from immediate supervisors and a workplace culture that provides support for succeeding at work and at home. Small employers provide more flexibility presumably because, unlike large companies with multiple layers of management, they can easily see that it works for both the company and the worker. “It is within this area, the culture of flexibility, where the rubber meets the road, so to speak, because it is where flexibility is granted in ways that work for both the company and the worker—or not.”

In Canada, too, small employers seem to be more receptive to work-life balance issues. Ninety-four percent said creating employee balance was their responsibility. By contrast, in Canadian companies with more than 100 employees, 67 percent said that it is not their responsibility (even though productivity losses due to stress cost them about $3 billion a year).
The Win-Win of Work-Life Balance

When it comes to work-life balance, many employers are getting it—or at least part of it. Of the 92 percent of employers that told the Families and Work Institute survey they have at least eight work-life initiatives, 47 percent said they offered those initiatives as a way of recruiting and retaining employees. Another 25 percent said they did it to improve productivity and commitment.

More important, 39 percent also say they want to support employees and their families. Even during times of economic downturns, the companies surveyed maintained or increased their support to employees in this area, except for reducing direct-cost benefits, e.g., contributions to healthcare. The report concludes, “It is clear that many employers perceive these initiatives as win-wins—that is, as beneficial for both the employer and the employee.”

The remaining work is, perhaps, the most difficult—convincing employees that they won’t be penalized in some way for using existing policies. At companies that don’t have a culture that’s supportive of work-life balance, workers will continue to find ways around the system, all too aware that upper management may harbor the philosophy of Jack Welch, former CEO of General Electric, who said, “Work-life balance looks nice in a recruiting brochure, but in reality, employees who fuss about it are likely to be pegged as slackers.”

The good news is that those companies won’t have to worry about the “slackers”—a.k.a. skilled workers who have a life outside of work—for long. As soon as there’s an opportunity at company that understands work takes place in the context of life and not vice versa, those people will choose to be gone.

5 Ibid., p. 11.