

E X E C U T I V E B R I E F I N G S E R I E S

In this Issue:

The rising cost of health care benefits and the business need to increase employee productivity has sparked employers' growing concern about the health and wellness of employees. More employers are adopting health management and consumer-directed health care benefit programs to help control costs, and some are encouraging employee involvement in health care decision-making. In addition, work stress and overwork contribute to unhealthy behaviors such as smoking, obesity and substance abuse, while healthier employees can reduce costs by needing fewer medical interventions. Healthy employees are sick or absent less often, are more productive, and have greater employment longevity. (Families and Work Institute, *When Work Works, 2004*; US DHHS, NIOSH, *The Changing Organization of Work and the Safety and Health of Working People, 2002*)

Wellness and Health Trends:

- **Rising health care benefit costs** are the most critical economic trend for HR practitioners. (SHRM, *2004-2005 Workplace Forecast: A Strategic Outlook*)
- **Increasing stress levels** are consistently linked with higher health care benefit costs and lower job satisfaction. (Families and Work Institute, *Overwork in America, 2004*).
- **Emphasizing employee productivity** is a method to offset the costs of health care benefits according to HR professionals. (SHRM, *Weekly Online Survey: Health Care and How Organizations Plan to Adjust to Increased Costs, 2005*)
- **Providing workplace supports** is a strategy for: managing stress and increasing health and wellness, engagement, job satisfaction, commitment and performance. The focus can be changing work culture and work redesign as well as offering health education programs and other interventions. (Snow, 2004; Anderson, Coffey and Byerly, 2002; Allen, 2001; Thompson, Beauvais and Lyness, 1999; Kossek and Ozeki, 1998; Meyer and Allen, 1997)

It is important to understand that each element of health and wellness has different organizational outcomes. For example, while physical or mental morbidity may contribute to increased health care costs and time off, low well-being can contribute to inefficiency and compromised individual performance. Work/Life professionals need to build programs that target the ele-

EXPANSION OF DIVERSITY

“Managing diversity means creating an environment that enables all participants to pursue organizational goals. With this approach, companies can move beyond race and gender issues and look at how all differences—age, tenure, lifestyle, managerial level, development and sexual orientation—affect working relationships.”

– Roosevelt Thomas, from Personnel Journal, April 1993 Vol. 72, No. 4, by Shari Caudron, “Valuing Differences Isn’t the Same as Managing Diversity.”

“What prompted us to investigate multigenerational programs is simply that we looked at our demographics and noticed how generationally diverse the company is. We want to improve workforce effectiveness by raising managers’ awareness, and to educate them to become better coaches and mentors of diverse age employees.”

– Annette Byrd, GlaxoSmithKline, US Manager, Work-Life Solutions

BUSINESS STRATEGIES			
Expanding Diversity			
Strategy	Goal	Company Practice	Partners/Links
Create inclusive work environment; focus on all facets of “diversity”	Inclusion of all constituencies.	Goldman Sachs: Training, mentoring, accountability; employee networks.	Internal: Wellness; Diversity; Work/Life; Recruiting; Supplier Diversity; Foundation
Establish internal/ external diversity leadership position; build diverse leadership infrastructure	Alignment across regional boundaries for diversity/ inclusion, driven by corporate vision and business objectives.	Marriott: “Committee for Excellence” is driven by members of the Board of Directors and senior leadership and is executed through regional diversity councils.	Internal: Workforce Effectiveness; Diversity; Work/Life; Regional Businesses
Action Steps: Partner to develop Diversity and other strategies that attract, retain and develop talent; train managers and employees.			

WORKING WITH AN AGING WORKFORCE

“About one-third of men and almost one-fourth of women [in the 65-to-69 age group] were working in 2004. Already there has been a dramatic change since the mid-1980’s in the labor force participation of older workers.”

– Joseph F. Quinn, Labor Economist and Dean at Boston College

“Folks who may have been marginalized in your organization, or at least think they have, will have options other than retirement. What are you planning to do to hold on to them and their knowledge?”

– Tom Casey
 Mellon Financial, Boston
 The Truth About the Coming Labor Shortage, HR Magazine, March, 2005

Employers will be impacted by a labor force shortage not only when large numbers of baby boomers retire (76 million individuals born between 1946 and 1964), but as the generations following them are smaller. The challenge is how to respond to the older worker’s variety of needs and interests and how to offer career growth, advancement and transition at different life stages so that they stay engaged at work.

Additional impacts on employers include: care giving responsibilities for older relatives, spouses and partners, and children; as well as, health care benefits and other workforce costs of an older workforce, especially with people working into their retirement years.

Aging Workforce Trends:

- **Retention of older workers is a “sleeper” issue:** Though employers acknowledge this trend, many companies are not actively responding. Employers who do not make an effort to attract and retain older workers are likely to have difficulty finding and keeping enough qualified workers.
- **Employee benefit responsibilities:** There is a paradigm shift towards an “ownership society,” highlighted by the expectation that individuals will take more responsibility for their retirement and health care expenses. And, while baby boomers remain optimistic about retiring, they are developing more conservative financial expectations. (AARP, *Baby Boomers Envision Retirement II*, 2004)
- **Non-traditional “retirements”:** Financial concerns are vital, but only one factor in the decision to continue working. Other factors include the desire to: stay mentally and physically active, remain productive or useful, and to retain health care benefits. (AARP, *Boomers Envision Retirement II*, 2004)
- **Employer/employee perceptions of older workers:** The older worker is often seen as a liability, who is less productive and more costly than a younger worker. (AARP, *American Business and Older Employees*, 2000) Yet, work is

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AGING WORKFORCE

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very important to older workers and research indicates that they are more “work-centric” rather than “dual-centric” (oriented to both work and family), or “family-centric.” (Families and Work Institute, *Generation and Gender in the Workplace*, 2004)

Ways that Work/Life Can Collaborate on the Aging Workforce Issue:

- Provide strategies to recruit and retain older workers in order to curtail the “brain drain” and ensure that the pipeline is secure.
- Offer employer-sponsored financial education to encourage saving and benefit participation, especially for low-income employees.
- Create multigenerational team experiences to build a more supportive workplace.
- Devise career transition options and flexible work arrangements to retain employees.

BUSINESS STRATEGIES			
Aging Workforce			
Strategy	Goal	Company Practice	Partners/Links
Multi-generational management; targeted issue communications	Foster intergenerational communication, teamwork, and understanding	Marriott: Generational Diversity workshop for managers; newsletter for 50+.	Internal: Workforce Effectiveness; Diversity; Work/Life; Regional Businesses
Multi-generational management; employee engagement	Attract and retain resilient multigenerational workforce; manager education; enhance work effectiveness	GlaxoSmithKline: workshops; expanded elder R&R, assessments, discounts and reimbursements; elder support group.	Internal: Human Resources; Employee Health; Work/Life External: Mature Worker Researcher; EAP
Action Steps: Fill the pipeline by engaging older workers: provide training, financial planning; offer flexible career options.			

FLEXIBLE WORK CULTURE

What Makes an Effective Workplace?

An effective workplace has a flexible work culture with “family-friendly” policies and practices, supervisor support and an alignment between work and family needs. However, if an employee views the policies as unfair because they are not available to everyone, then the organization may be viewed as unsupportive. (Allen, 2001; Kossek, 2004; Thompson et al., 1999)

Six Factors for Workplace Effectiveness:

- Job autonomy
- Flexible work options
- Supervisor support
- Coworker and team support

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