

Benchmarking Survey:
**A Snapshot of Human Resource
Managers' Perspectives on Implementing
Reduced-Load Work for Professionals**

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We are deeply indebted to the 54 organizations listed below that shared their time and insights with us. We hope that their organizations and others will benefit from their experiences with managing new ways of working.

List of Participating Organizations

Abbott Laboratories	Merck
Agilent	Microsoft
Bank of America	Motorola
Bank of Montreal Financial Group	Nestle Waters North America
Baxter	Nortel
Bristol-Myers Squibb	Paragon Strategic Solutions
Carswell	Pearson Education
Chevron-Texaco	Penn State University
Corning	Procter & Gamble
Daimler-Chrysler	Raytheon
Deloitte & Touche	RBC Financial Group
Early Intervention Branch	SC Johnson
Eastman Kodak	Shell Trading Gas & Power
Eli Lilly	Spectrum Health
Ernst & Young	Starbucks Coffee
Federal-Mogul	Michigan Department of Civil Service
Ford Motor Company	Texas Instruments
General Motors	Dow Chemical
General Mills	Total Health
Harvard Business School	Unilever
Honeywell	University of Iowa
Hydro One	University of Michigan
IBM	University of Minnesota
Kaiser Permanente	University of New Mexico
KPMG	Valassis
Kraft Foods	Verizon Wireless
Marriott International	WellPoint Health Networks

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INTRODUCTION AND EXECUTIVE SUMMARY

Over recent decades the professional workforce and family structures have dramatically changed. The dual earner family is now the most common North American family today, and in the U.S. only 17% of the workforce is now single earner breadwinner. In 2002, in the U.S. women held 39% of professional and managerial jobs, compared to 24% in 1977 (National Survey of the Changing Work Force (NSCW), 2002). Over the past 25 years, NSCW also reports that total work hours of all dual-earner couples with children under 18 years at home increased an average of an additional ten hours per week- from 81 to 91 hours. While these rising demands at work and at home are important for all employee groups, professional and managers face unique challenges in managing work and family. Organizational pressures to increase professional and managerial workloads and work hours are growing. Professionals are typically expected to work long hours as a sign of career commitment and of course are generally not paid for hours put in beyond a forty-hour workweek. Many are in dual career households, where it's hard to be a parent, an elder caregiver, or "have a life" when work involves such long hours.

In response to these changing demographic trends, many leading employers have been experimenting for a number of years with offering reduced-load work for professionals. New career and work structures such as reduced-load work arrangements are occurring as a means of adapting human resource systems to the changing labor market and attracting and retaining valuable employees. Reduced-load work (RL) is defined as working less than full-time hours and being paid commensurately. For example, an individual might work 32 hours a week instead of the traditional 40. Or an individual might lower their overall load by working a different schedule during different seasons of the year, for example working full-time during the peak tax season and then 80% the rest of the year, or working only 50% in the summer in order to spend time with children on vacation but working full-time the other 9 months of the year.

Given the specific skills and job and family demands of the individual, these arrangements are customized to meet the needs of the particular work unit and employee involved. The purpose of this report is to provide a snapshot of organizational implementation of reduced-load work based on the results of a web-based survey of employers who are leaders in adopting reduced load and flexible work policies. This report is not meant to be representative of all employers. It is based on cross-sectional survey data as reported by 54 company representatives who were willing to take the time to complete the online survey. It provides information on current work-life policies in general and more specifically on practices related to reduced-load work arrangements for professionals in organizations in a variety of industries.

HIGHLIGHTS OF FINDINGS

- Employers that are more highly oriented towards supporting the implementation of new ways of working- namely reduced-load work for professionals and managers- were significantly more likely to be rated more strategic in their approach to human resource management.

- Employers who allocated resources and attention to track the effectiveness of reduced-load work policies were significantly more likely to have an overall coherent work-life policy and a supportive work-life culture.
- In some companies, the human resource management system has not yet been fully adapted to support implementation of reduced load work. For example, even though an employee has taken a pay cut and is working fewer hours or load, only 58% of employers stated they adjusted their performance appraisal process to fairly evaluate employees at their reduced-load hours.
- In general, employers that counted employees through Full Time Equivalent generally saw this approach as more supportive of the implementation of reduced-load work than only using headcount of actual staff as a means of costing and counting staff.
- **Women** were significantly more likely than men to have perceived likelihood of formal access to reduced-load work than men.
- **Two-thirds** of respondents indicated that their organization had an individual or group with at least one full time person dedicated to work-life issues. One third of the respondents had no individual or group solely responsible for work-life issues, but these issues were subsumed in positions located in such departments as compensation and benefits or diversity.
- Over half (55%) of employers agreed or strongly agreed that it was ***possible to be hired from the external market as a reduced-load employee***. Seventy percent agreed that a ***high performing RL worker had an equal chance for advancement*** compared to an employee working full time.
- Fifty-eight percent of organizations tracked how many employees were working reduced-load. Twenty-nine percent of organizations ***tracked the promotion rates*** of reduced-load workers.

PART I: ABOUT THE EMPLOYERS AND SURVEY RESPONDENTS

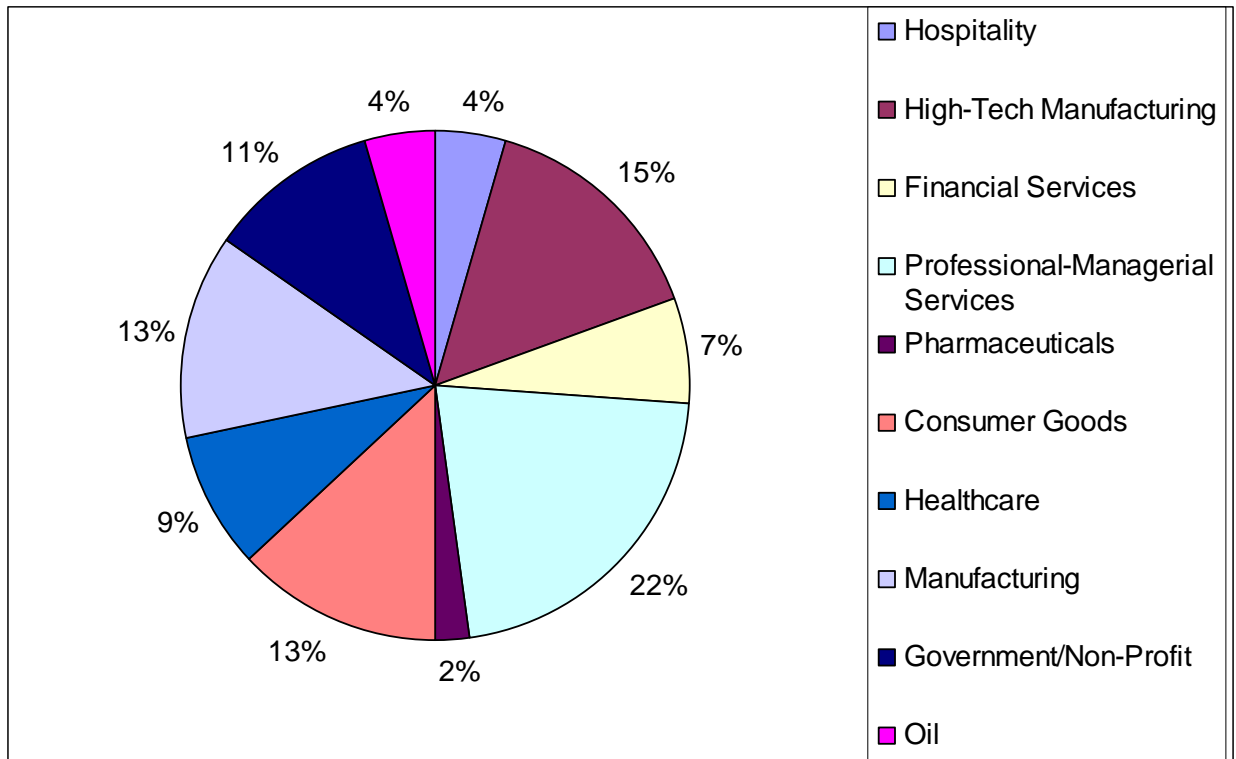
All of the 54 employers that participated in this survey had adopted some reduced-load policies or practices for professionals and managers. More information on the study methodology and the development of the measures used in this report can be found in the Appendices at the end of this report. The average percentage of women employed by the firms was 47% with a wide range from 15% in health care to 85% in durable manufacturing. The average percentage of professionals employed in the workforce was 53%, but also

Snapshot – Employer Summary Profile

Number of Employers:	54
Canadian:	15%
Public Sector:	11%
% with over 10,000 employees:	75%
Full-time workers:	89%
Part-time workers:	9%
Contract workers:	6%
Professionals:	53%
Female workers:	47%

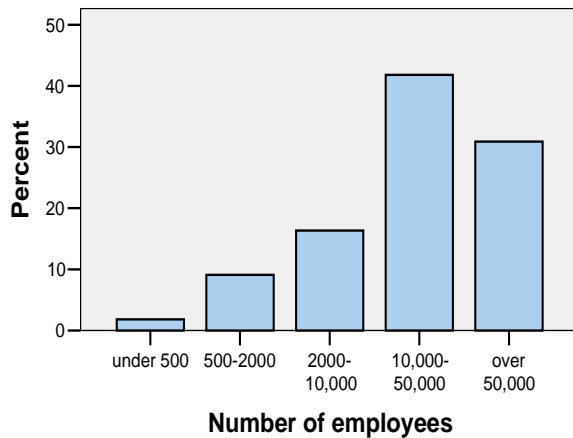
varied considerably by industry and firm. For example, one professional services firm reported that 100% of its workforce was professional. Employers in a wide cross-section of industries participated in the study.

Industry Distribution



Reduced-Load Work is working less than full-time hours or load in a traditional full-time position for a commensurate reduction in pay.

Number of full-time employees



Most of the participating companies were relatively large employers, as nearly three-fourths had over 10,000 employees.

Business Environment, Headcount, and Work Hours

Over the past several years, many organizations have undergone mergers & acquisitions, have spun off departments or divisions, or felt the effects of significant downsizing as a result of world events and the slowing of the U.S. economy. The effects of 9-11, rising energy costs, and global competition have been daunting for many employers. To gauge the impact of changes in the business environment on the workforce, we asked employers if they had experienced any major workforce reduction in the past five years. Over half (59%) of the sample said they had.

Virtually all respondents (98%) indicated that professionals were expected to work longer than a 40 hour work week. Half (49%) indicated that most professionals in their organization worked between 41-45 hours per week., followed by 38% responding 46-50 hours as the norm, then 7% reporting 51-60 hours, followed by 2% stating 61 hours or more per week.

Respondents were asked how their organization counted their workers. Half the firms used headcount as their sole method of counting workers, followed by 38% using full-time equivalent. One fifth of respondents (19%) used both methods. Respondents were asked open-ended questions on whether their approach to counting workers affected their implementation of reduced-load work or other alternative work arrangements, if at all. Both positive and negative comments are noted below.

Positive Effects of Methods of Counting Employees on Alternative Work Schedules

- Using FTE allows employees to job share
- FTE allows us to ensure we have enough people to serve our clients
- Less than full-time employees are counted as ½ headcount which helps managers since even an employee working 32 hours is only counted as 20
- Managers have the flexibility to manage their total pool of dollars for salaries in the way they see fit

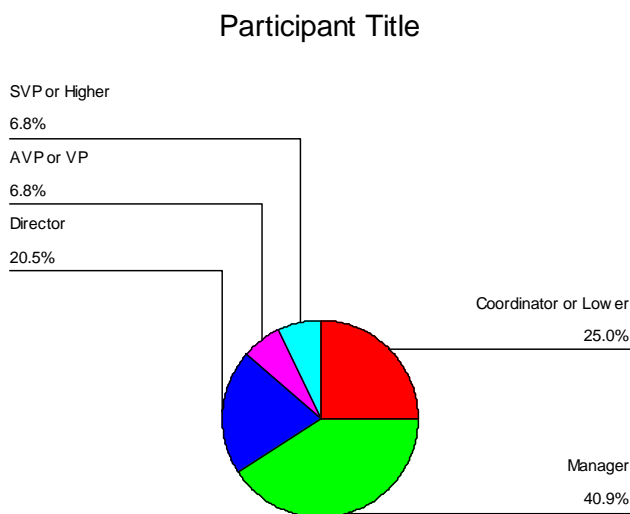
Negative Effects of Counting Employees on Alternative Work Schedules

- Budgets using Headcount...makes a manager more reluctant to grant a reduction in hours
- If a manager approves a reduction in hours, (s/he) may not get the position approved as full time next year

- With Headcount, reduced-load employees are counted the same, which increases the work of others
- FTE hurts our ability to use Alternative Work Arrangements since there is a cap on the number of employees who can use this benefit.

About the Survey Respondents and Work-Life Departments

For each company, we contacted the individual who directly oversaw the work-life program or practices or supervised these individuals and asked them to complete a web-based survey on a secure internet website. They were able to research questions and re-enter the website as needed. Seventy-five percent of our respondents were at the managerial level or higher. The respondents had a variety of titles ranging from Manager of Diversity, Corporate Work-Life Manager, Employee Services Consultant, and Senior Vice President of HR. Virtually all of the respondents had a college degree and over half had an advanced graduate degree. Most of the individuals assigned to lead the work life area were women. They were also generally seasoned employees with an average tenure of 13 years.



Snapshot – Job Titles of the Participants

Manager, Work-Life Solutions
 Director, Community Relations & Work-Life
 Manager, Diversity & Workplace Equity
 Employee Services Consultant
 Senior Manager, Flexibility & Choice
 Manager, Policy Development & Employee
 Relations
 Senior Vice President of Corporate Services
 Human Resource Consultant
 Global Leader, Talent Diversity
 Health Promotion & Work-Life Manager
 Family Services Coordinator
 Director of Volunteers and Work-Family
 Division
 Corporate Work-Life Manager

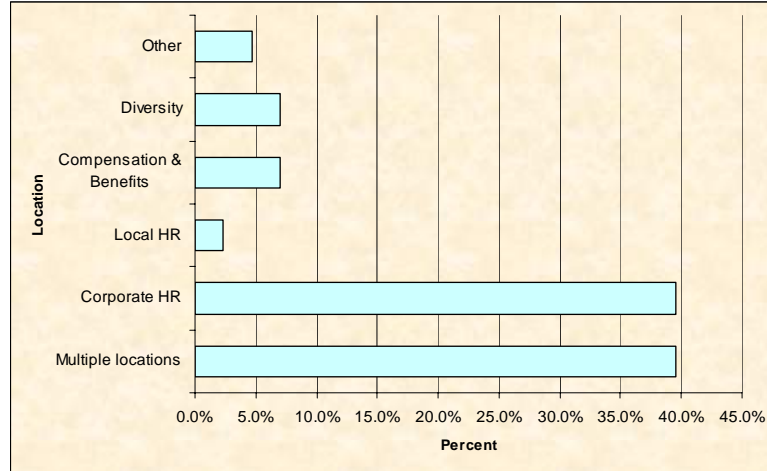
Employers were asked if they had an individual or group dedicated to work-life or work-family benefits and the responses clustered into three main groups as shown below.

Snapshot – Management of Work Life Policy

- ❖ 1/3 of organizations had no individual or group dedicated to work-life
- ❖ 1/3 of organizations had only one individual or group
- ❖ 1/3 of organizations had two or more individuals or groups

Table: Where is the work-life individual or group located within the organization?

The location of the work-life individual or group varied by organization. 40% of the organizations answered that they had it in multiple locations. For organizations with a single location, 65% stated it resided within corporate HR.



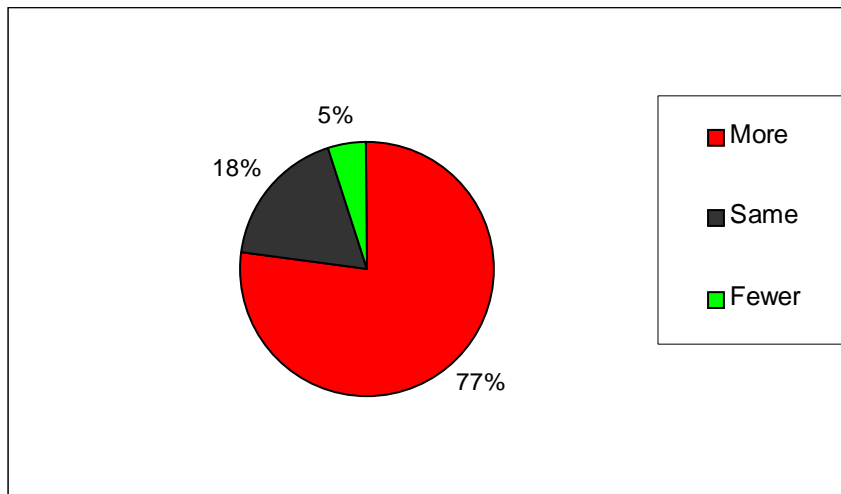
Several organizations also mentioned that their work-life individual or group was located within Diversity or Compensation & Benefits. Of organizations that stated they shared their work-life individuals or groups, nearly all stated that they lay within corporate HR. A number of firms also outsourced portions of their work-life responsibilities as part of their employee assistance plan. One particularly interesting comment made by one responding organization was that all 275 of their HR employees were involved with work-life policy!

PART II: ADAPTATION TO NEW WAYS OF WORKING

Employers were asked what percentage of their workforce and of their managers and professionals were currently working reduced load. All but three organizations indicated that less than 5% of their managers and professionals were working reduced-load. Although the percent of total professional workforce working RL is relatively small, the numbers are increasing over time.

We asked employers to complete the question, “Compared with five years ago, there are (more, fewer or the same number of) professionals and managers working reduced-load in the organization. Seventy-seven percent of our sample stated that compared to five years ago, there are more professionals and managers working reduced-load in their firm.

Table: Compared with five years ago, there are ____ professionals and managers working reduced-load in this organization.



Perceived Likelihood of Access to Reduced-load Work by Job Type, Location, and Employee Demographic Group

Access to reduced-load work pertains to the formal policy availability to different groups. Most organizations made it clear that if a policy was in place, then it was formally and equally available for all employee groups, regardless of their situation or reasons for wanting to use the benefit. Of course, there are informal norms and differences in divisions and departments that influence actual utilization or implementation which generally would support greater or less likelihood of implementation of formal policy within departments. For each question that measured the likelihood of access to reduced-load work, we asked respondents whether one employee group was more, less, or equally likely to have access as compared to another group.

Most organizations (40%) reported that salaried employees were equally as likely to have access to reduced-load work options as compared to hourly employees. Thirty-three percent of the

organizations reported that salaried employees were more likely to have access to reduced-load work arrangements, and 27% of the organizations reported that salaried employees were less likely to have access to reduced-load work. Most organizations (59%) reported that persons working at headquarters were equally as likely to have access to reduced-load work as were persons working in the field. Twenty-five percent of participants indicated that persons working at headquarters were more likely to have access to reduced-load, whereas 16% of participants indicated that persons working at headquarters were less likely to have access to reduced load than persons working in the field.

There were little differences in perceived likelihood of access to reduced load by industry or organizational size. In a majority of firms perceived likelihood of access to reduced-load work was seen as about equal across employee groups, with some slight variation. Among responding firms, 61% reported that women were equally likely as men to have access to reduced-load work options. Employees with children were equally as likely (76%) as those without to have access to reduced-load work. Married people were also equally as likely (86%) to have access as compared to employees who were not married. Finally, employees with elder care responsibilities were equally as likely (86%) as those without such responsibilities to have access to reduced-load.

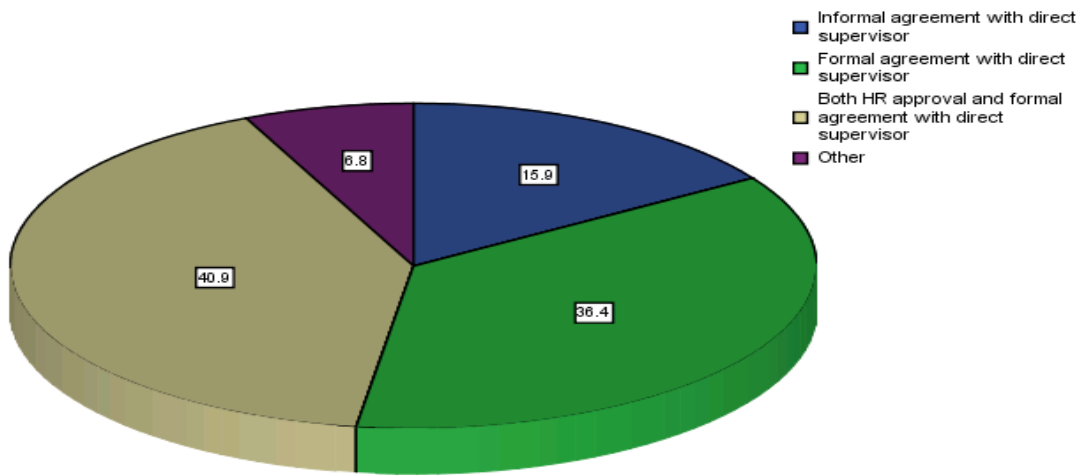
Reduced-Load Work Approval Process

Employers were asked about their approval process for employees requesting reduced-load work. Although most organizations stated that they had formal policies allowing employees to work reduced-load, the actual approval process often varied. We asked the employers whether their approval process more closely resembled:

- a) Informal agreement with direct supervisor
- b) Formal agreement with direct supervisor
- c) HR department approval
- d) Both HR approval and a formal agreement with the direct supervisor

The table below shows the approval process as reported by the entire sample. The results indicate that employers are relatively split between having a formal agreement with the direct supervisor or HR approval in addition to the formal agreement with the supervisor. None of the employers in the sample stated that their HR department only was responsible, indicating that reduced-load work is not a right of employment but something that must be negotiated with the individual department or supervisor.

Table: Which of the following best describes the approval process that determines whether an employee can work on a reduced-load basis?



Organizational Approaches to a Changing Workforce

In determining how to manage their workforce, employers make many choices. Are they proactive and willing to undertake the risk of working through the process of implementing a new work practice? Or do they take a more wait-and-see approach to see what others in their industry are doing? Benchmarking surveys such as this give employers a snapshot of what others are doing, and allows them to compare themselves to their industry and to other leading employers. In 2000, Lee, MacDermid, and Buck studied variations in organizational responses to the changing workforce, with a focus on reduced-load work arrangements among professionals and managers. They discovered that organizational approaches to reduced-load work generally fell into three different paradigms. They define these approaches as:

Accommodation – Employers adopting this approach see very few jobs as doable on a reduced-load basis. Success of the arrangements is seen as depending on unusual circumstances, such as particularly talented individuals or progressive bosses. Employees often have to jump through hoops to create an arrangement that works for both the employee and the employer.

Elaboration – Employers adopting this approach adopt more formal policies that specifically support alternative work arrangements and have a well-articulated view that there are concrete benefits to the organization. Reduced-load work is often seen as a solution to high turnover among experienced and highly competent individuals and as a method to attract and retain. However, employers in this group still tend to view full-time workers as preferable.

Transformation – In this paradigm, reduced-load work arrangements are seen as a normal part of attracting and retaining a diverse workforce, with or without formal policies in place. Employers here tend to be proactive in their approaches to managing their workforce, and managers are empowered to work with employees.

These paradigms are useful for companies to use to think about their overall management philosophy or approach to implementing new ways of working such as reduced load work

arrangements. In the earlier study, these approaches were developed based on interviews and coding of data. In this study, original survey questions were developed based on these three paradigms, which allows for survey replication. The 15 questions asked that were used to develop the scales are listed in the Appendix. Organizations were sorted into paradigms based on their results and we only included organizations in this analysis that had completed all items used in the organizational change approach scale. The three paradigm scales indicated that the current sample fell into two main groups. We had one group of firms that tended to score high on both the elaboration and transformation scales, which were significantly correlated (n= 31). We had another group of firms that tended to be more accommodation oriented (n =10). Both elaboration and transformation scales were negatively correlated with accommodation indicating that organizations that scored high on these scales also scored low on accommodation. For this reason, we chose to examine organizations based on two groupings: accommodation and elaboration/transformation. This shift from three to two groupings of organizational responses to a changing workforce may be a reflection of employers shifting out of the elaboration paradigm toward transformation as they become more experienced with reduced-load work. An additional explanation for these results is that our survey respondents were all HR managers who often tend to be more supportive of work life practices and culturally more focused on concern for employee needs. In the earlier study, managers, HR individuals and employees were interviewed.

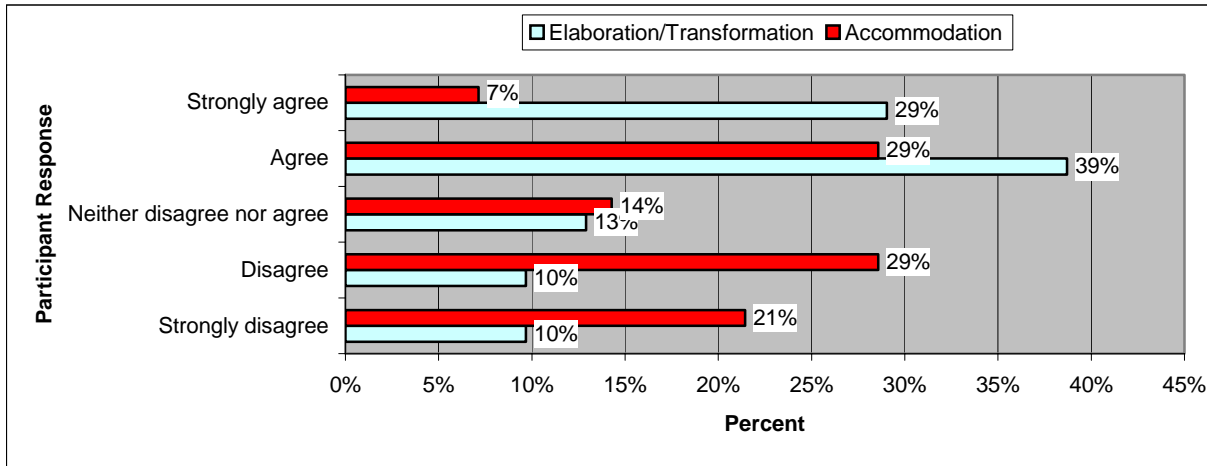
Measuring Effectiveness of Practices

Organizational paradigms are one example of an employer's overall stance towards implementing work-life initiatives. The graphs below report differences in employer responses to 6 questions on different ways of benchmarking and measuring the effectiveness of RL practices. In order to improve any policy, it is important to track its effectiveness such as:

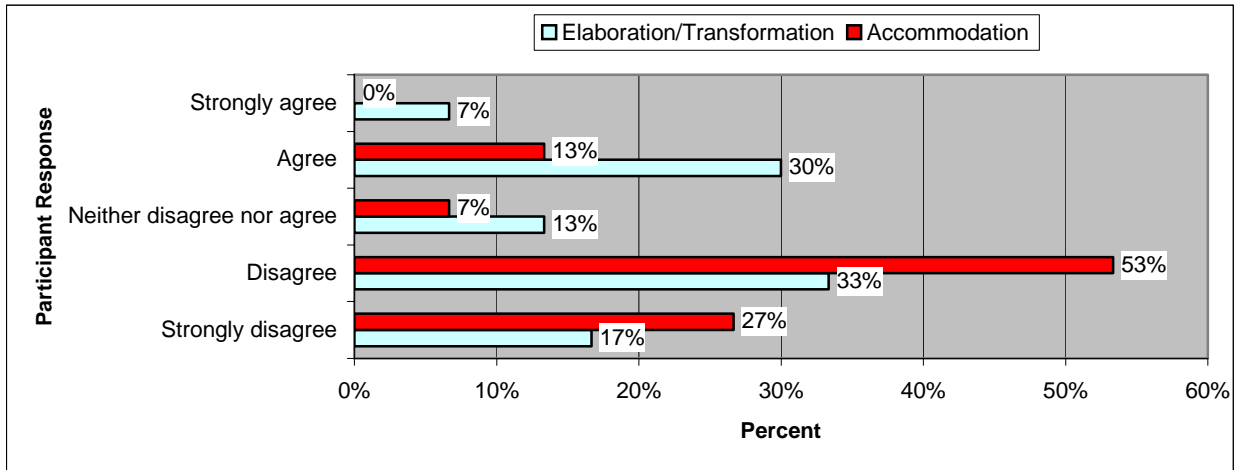
- tracking whether the RL policy is being used.
- tracking whether RL is seen as affecting retention.
- tracking the attitudes of employees working RL.
- making sure managers are accountable for implementing RL in their unit.
- periodically evaluating the effectiveness of RL.
- benchmarking RL policies with other firms.

The summary charts below suggest that employers grouped in the category of elaboration/transformation tend to be significantly more proactive in their approaches toward implementing reduced-load arrangements.

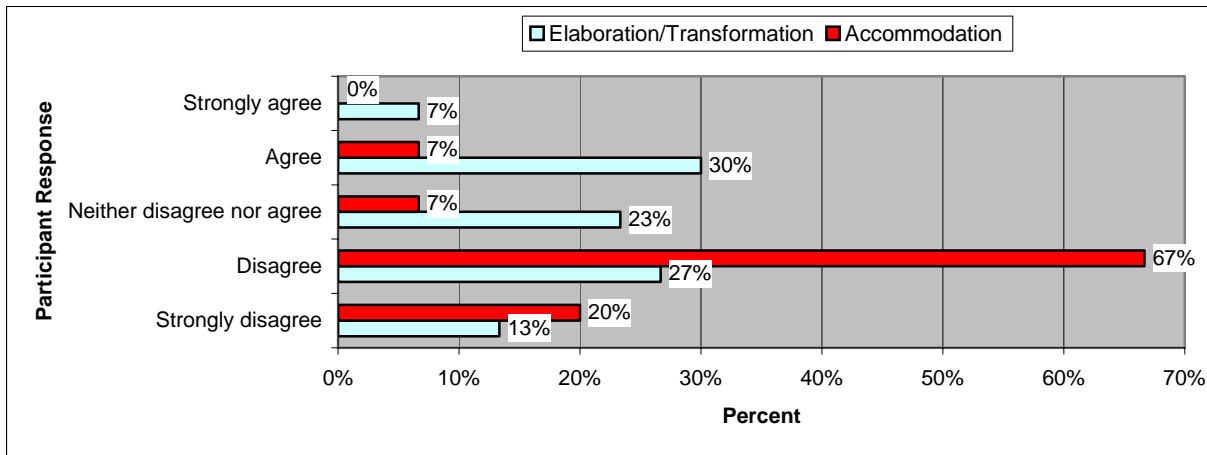
We know how many people are working on reduced-load at any given time.



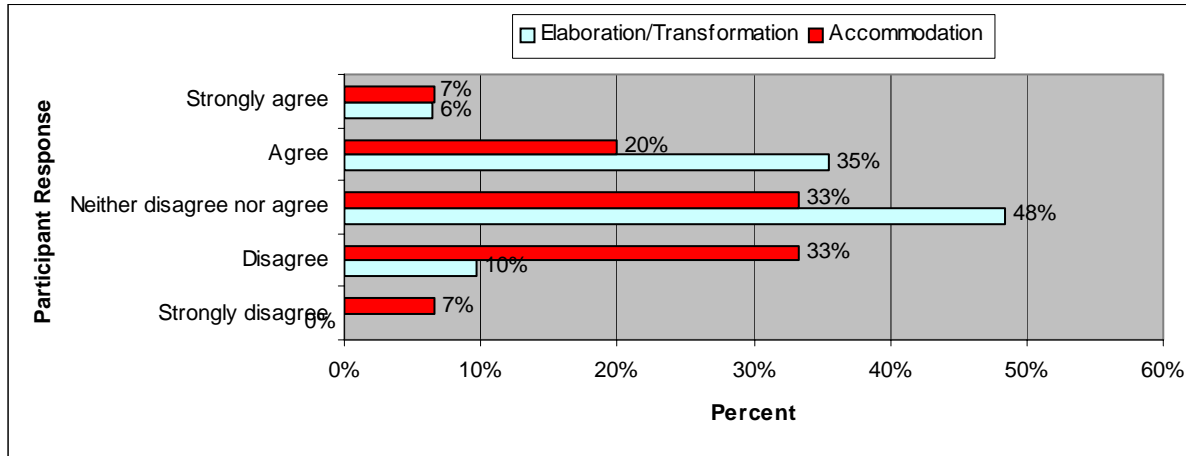
This organization tracks retention of reduced-load employees.



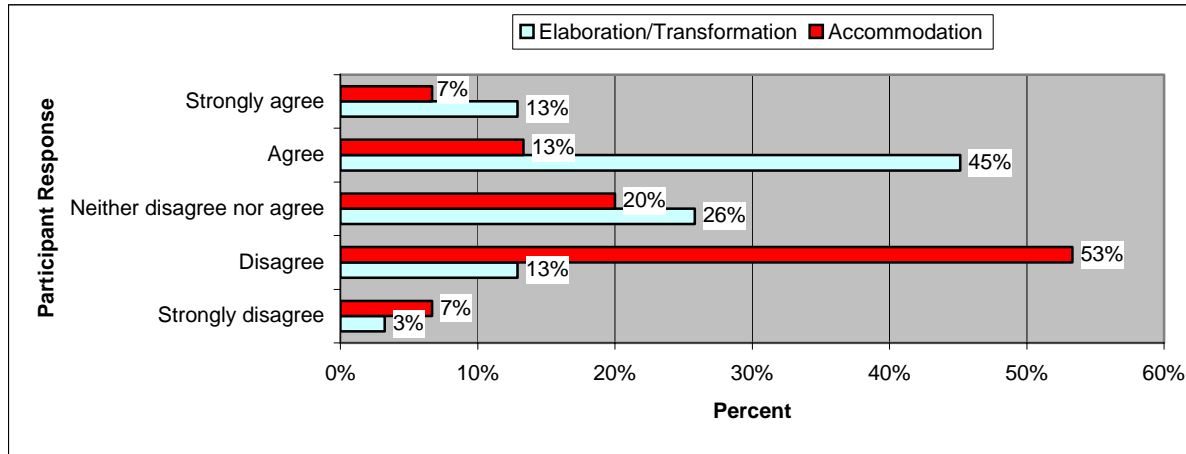
This organization systematically gathers information to tap the attitudes of employees working on reduced-load.



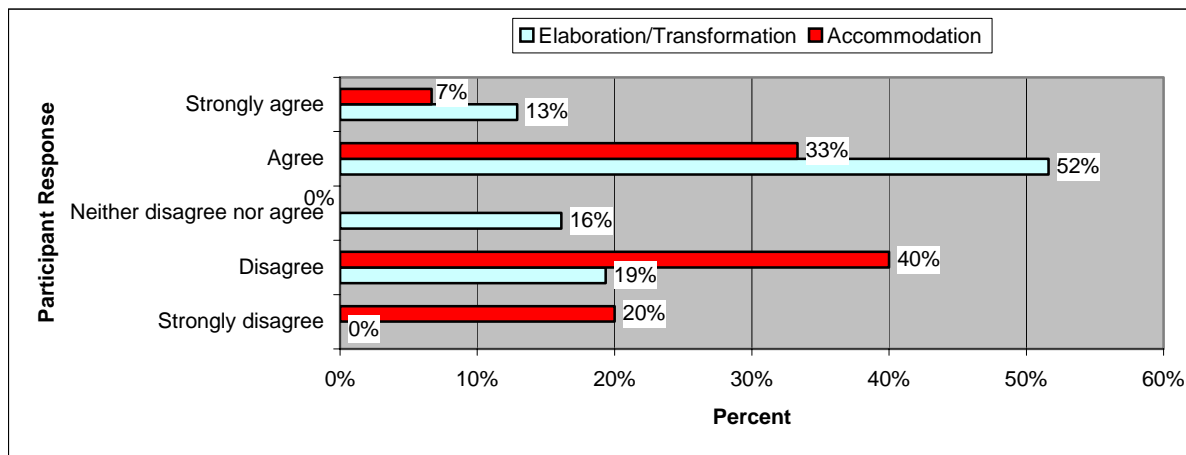
In this organization managers are held accountable for making sure alternative work arrangements in their unit are successful.



This organization periodically evaluates the effectiveness of our reduced-load policies.



This organization benchmarks its reduced-load practices and policies compared to other companies.



Analyses suggest that employers in the elaboration/transformation paradigm tend to be more likely to measure RL practices. For example, they are more likely than accommodation firms to agree that they know the number of individuals working RL, track retention of RL employees and their attitudes, make sure managers are accountable for implementing RL, and are more likely to measure the effectiveness of policies and benchmark with other firms.

Table

Totals of agree and strongly agree in each of the RL arrangement scale questions by paradigm

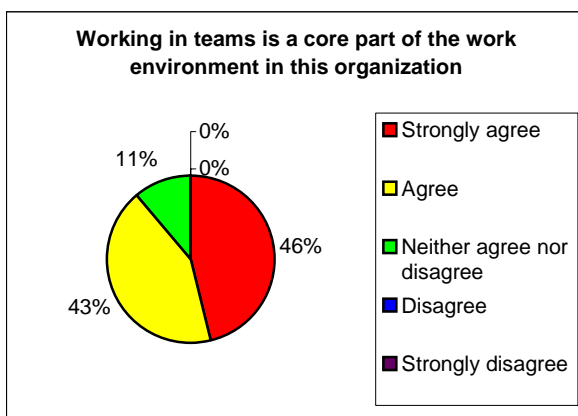
Question	Accommodation	Elaboration/ Transformation
Tracking employees on reduced load	37%	68%
Tracking retention of reduced-load employees	13%	37%
Collect information to tap the attitudes of RL employees	7%	37%
Holding managers accountable for the AWA in their unit	27%	41%
Evaluating the effectiveness of RL policies	20%	58%
Benchmarking RL practices and policies	40%	65%

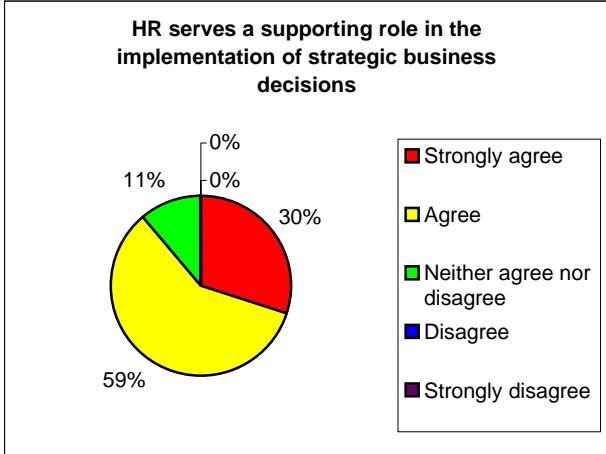
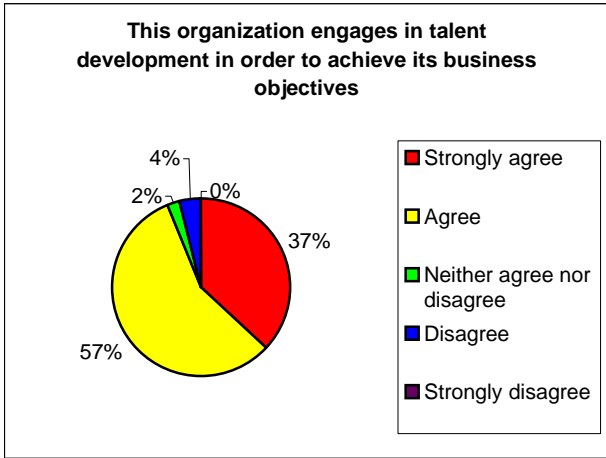
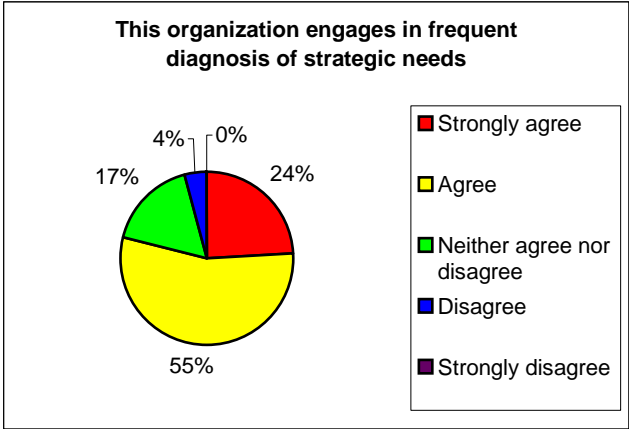
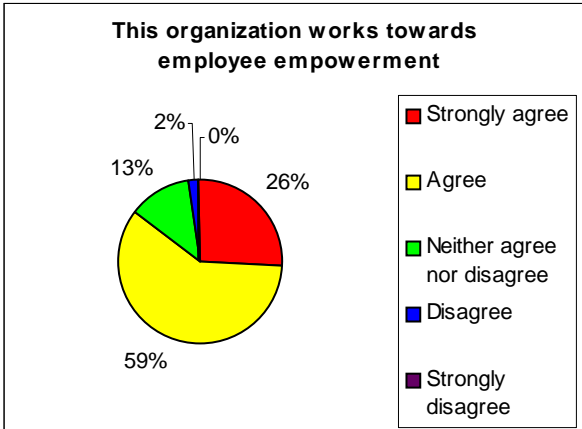
PART III: REDUCED-LOAD WORK IN RELATION TO HUMAN RESOURCE AND WORK-LIFE STRATEGY

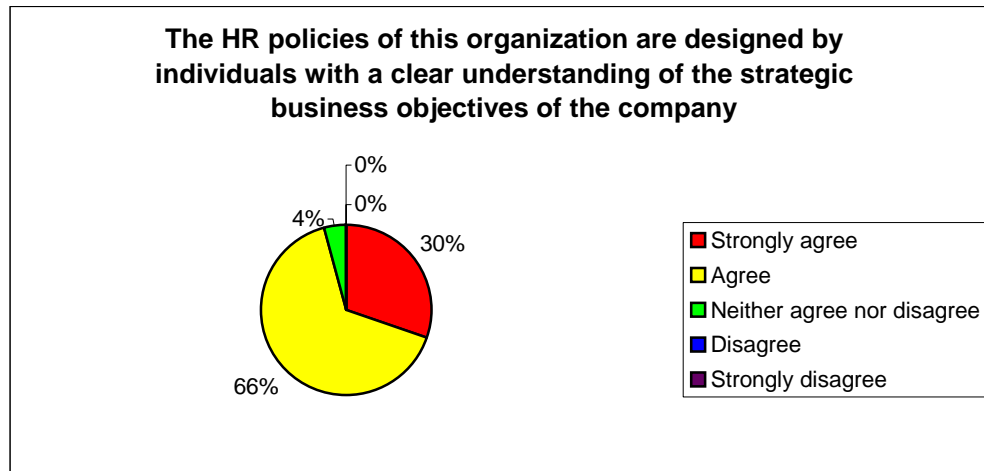
To what extent are employers aligning reduced-load work with their human resource and work life strategies? Is the organization’s culture supportive of employees working reduced hours or do managers quietly pressure individuals to remain full time? Employers were asked about their strategic human resource strategy, their work-life strategy, and the extent to which their organizational culture supported employees who work reduced-load.

Strategic Human Resource Management

Employers were asked seven different questions about their strategic human resource management practices. The questions used in the study were developed from a scaled originally created and validated by Huselid, Jackson, and Schuler (1997), but were modified for this study.







An overall score was created for each employer with the seven items. Higher scores indicate an employer with a high strategic human resource management focus. An organization's paradigm also significantly predicted its score on the strategic human resource management scale. Employers that were in the elaboration/transformation paradigm had an average score of 3.4 on the SHRM scale, whereas those employers in the accommodation paradigm averaged 2.54. A t-test was performed on the two groups and yielded a significant difference at the $p > .001$ level. This suggests that being more highly oriented towards supporting the implementation of new ways of working is correlated with being more strategic in organizational approach to human resource management.

Work-Life Strategy

An organization's work-life strategy encompasses its policies and practices to help employees balance the competing demands of their work-life obligations. This may be done by creating leading policies and practices that are sensitive to employee's outside obligations, by creating an overall environment where employee's well-being is a top priority for management, and by promoting awareness and understanding among employees of the organization's flexible work options. The work-life strategy scale consists of the following four items:

1. *This organization is one of the best employers for people concerned about balancing work and life because of the great policies and programs it offers.*
2. *This organization is one of the best employers for people concerned about balancing work and life, because of the top management philosophy.*
3. *The human resource strategy developed by this organization includes consideration of employees' work and life demands.*
4. *The business strategy of this organization explicitly incorporates strategy based on the value of employees.*

The mean score on the work-life strategy scale was 3.70, and both the mode and median scores were 3.75, indicating that the companies in our sample generally had a strategic, progressive approach to managing work-life policies and programs. Indeed, 88% of the sample scored above a 3.0, which is the mid-point of the scale. Some alternative explanations for this sample distribution are 1) a social desirability bias of respondents as many were human resource and work life professionals, 2) our sample tended to be more progressive and strategically oriented companies.

Reduced-Load Cultural Integration

We developed a reduced-load culture and integration scale to assess the extent to which employers have adopted a culture that is supportive of employees who work reduced-load.

- 1. Reduced-load policies are linked to our overall organization strategy and business objectives*
- 2. Reduced-load policies are somewhat integrated with other related HR policies*
- 3. We have reviewed our promotion and career systems to ensure that those working on a reduced-load basis are not penalized.*
- 4. The reduced-load policies in this organization reflect a culture that is supportive of employees effectively fulfilling their work and life commitments.*
- 5. The way in which reduced-load options are actually implemented in this organization suggests an organization culture that is less “work-life balance friendly” than the policies imply. (REVERSE CODED)*
- 6. Although there are reduced-load arrangements in the organization, the overall organizational culture is not supportive of the individuals working on a reduced load basis. (REVERSE CODED)*
- 7. The organizational culture here makes it easy for individuals to attempt reduced-load arrangements.*

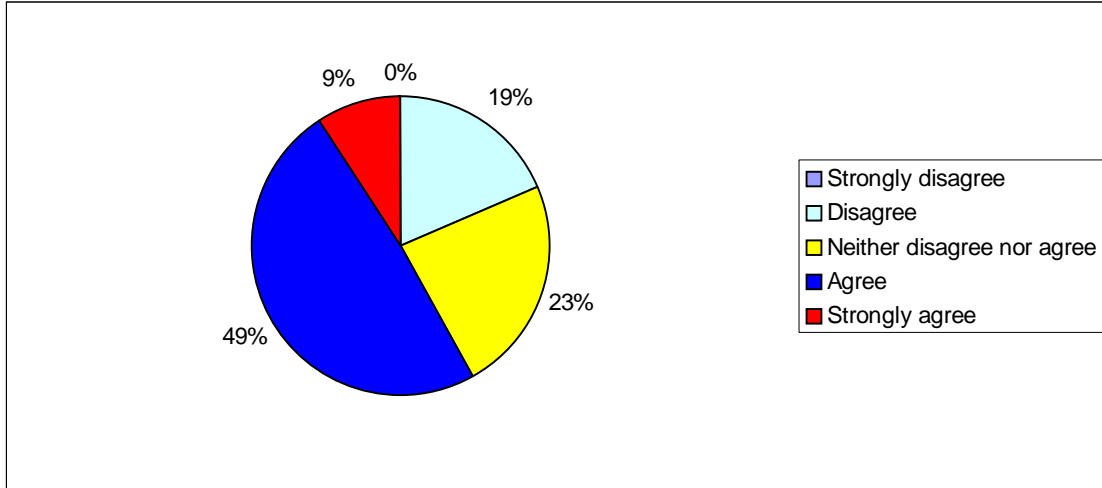
The mean score on the reduced-load culture and integration scale in our sample was 3.11, and the mode and median scores were both 3.14, indicating that the companies in our study generally took has moderately supportive work life cultures regarding reduced-load work arrangements. Sixty-six percent of the sample scored above 3.0 on the scale.

Adapting Human Resource Policies and Practices

Another aspect of cultural integration and support pertains to the human resource policies and systems and the degree to which they are adapted to support RL work. In this section, we examine linkages of human resource policies such as performance review, training and development, hiring, retention, and promotions, to reduced-load work.

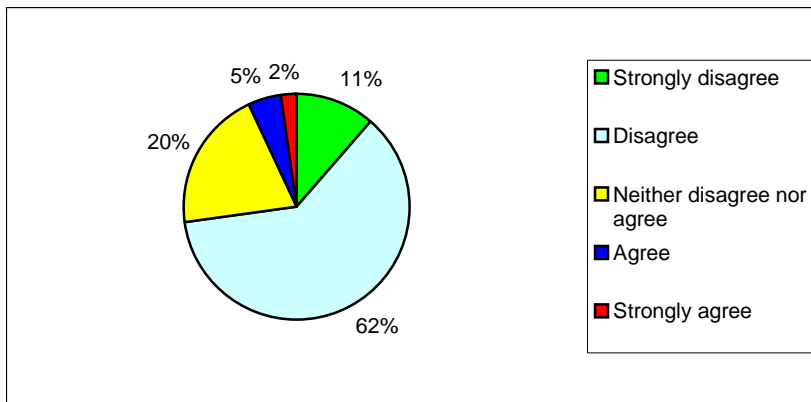
Appraisal and Development

When employees work fewer hours or load, and takes a pay cut, they, in fairness, should not be expected to complete the same amount of work as they did when they were full time. How does the performance review process adjust to the lesser amount of work the employee is now about to complete? Our respondents indicated only moderate support for the adjusting expectations of reduced-load employees. Only 58% of employers agreed or strongly agreed with the statement: “The performance review process for those working RL adjusts the criteria for evaluation in a fair manner, given the lesser hours of the individual”.



Employers were also asked whether “Training opportunities are less for those working on a reduced-load basis, compared to other employees.” If reduced-load employees are working fewer days per week, is this causing them to miss out on special training and development opportunities? Or does working reduced-load impact employees’ chances to get nominated for training? Only 7% of employers noted that training opportunities were lower for those working on reduced-load, with nearly three-fourths of employers disagreeing.

Table: Training opportunities are less for those working on a reduced-load basis, compared to other employees.



Regarding career development and special development opportunities, 44% of employers agreed or strongly agreed with the statement that career development opportunities were less available for reduced-load workers. Thirty percent of employers believed working on a reduced-load basis hindered one's access to special developmental assignments.

Table: Career development opportunities are better for those employees not working on a reduced-load basis.

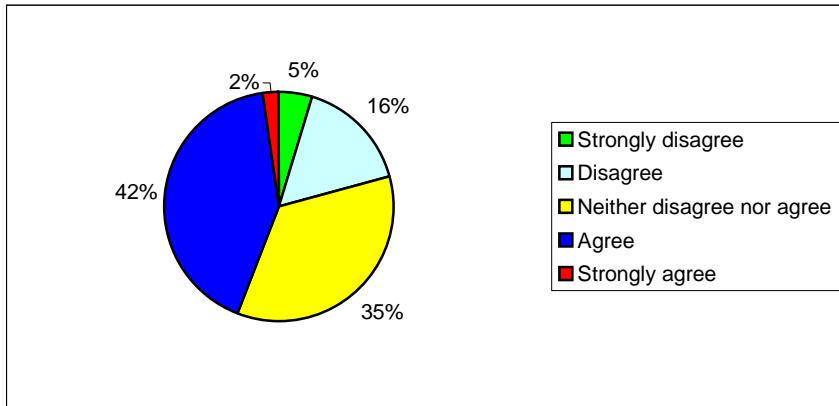
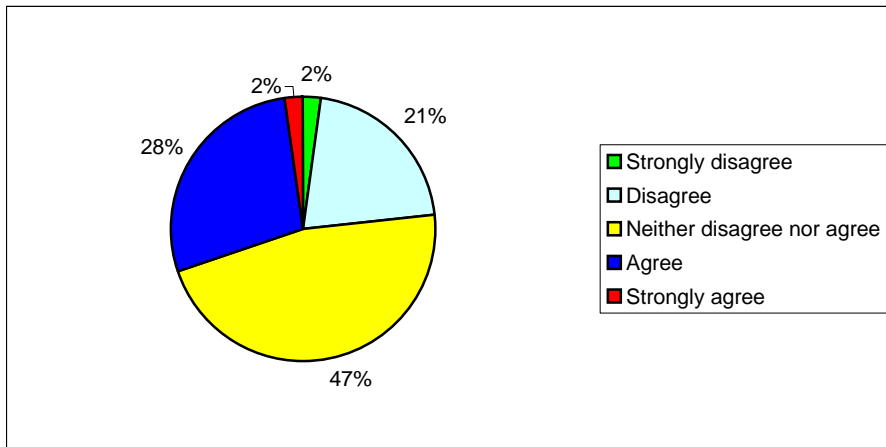


Table: Reduced-load work arrangements result in one being less likely to be chosen for special developmental assignments.



Hiring, Promotion and Retention

Employers were asked if reduced-load employees were being given opportunities to be externally hired, and once hired were promotion opportunities still available to them? Over half

(55%) of employers agreed or strongly agreed that it was possible to be hired from the external market on a reduced-load basis. Seventy percent agreed that a high performing employee working on reduced-load had an equal chance for advancement as an employee working full time. Only sixteen percent agreed with the statement that an employee would have to work full time in order to get promoted.

Table: There are some opportunities to be hired into the organization from the outside in a reduced-load arrangement.

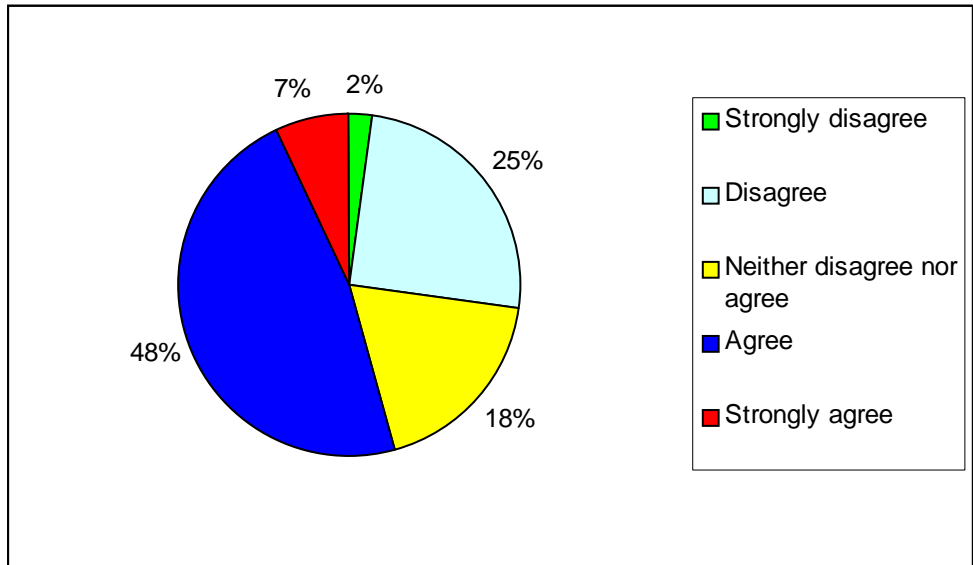


Table: Assuming good performance, advancement opportunities for those working on reduced-load are as good as opportunities for those working full-time.

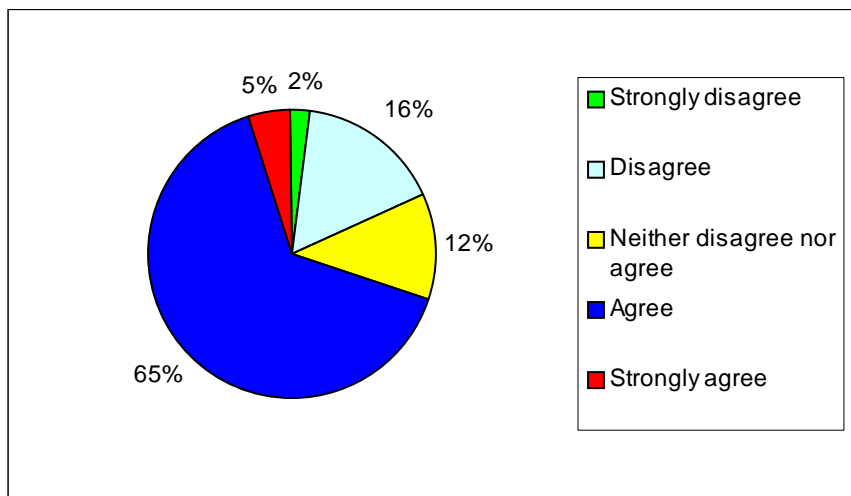
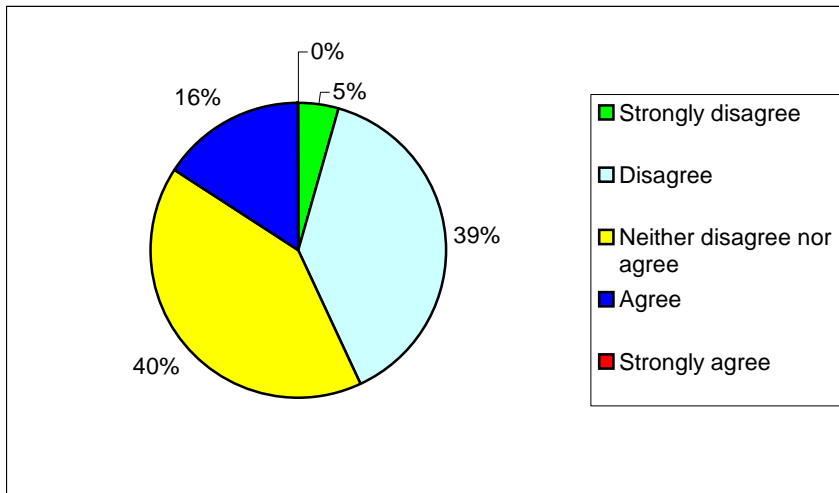
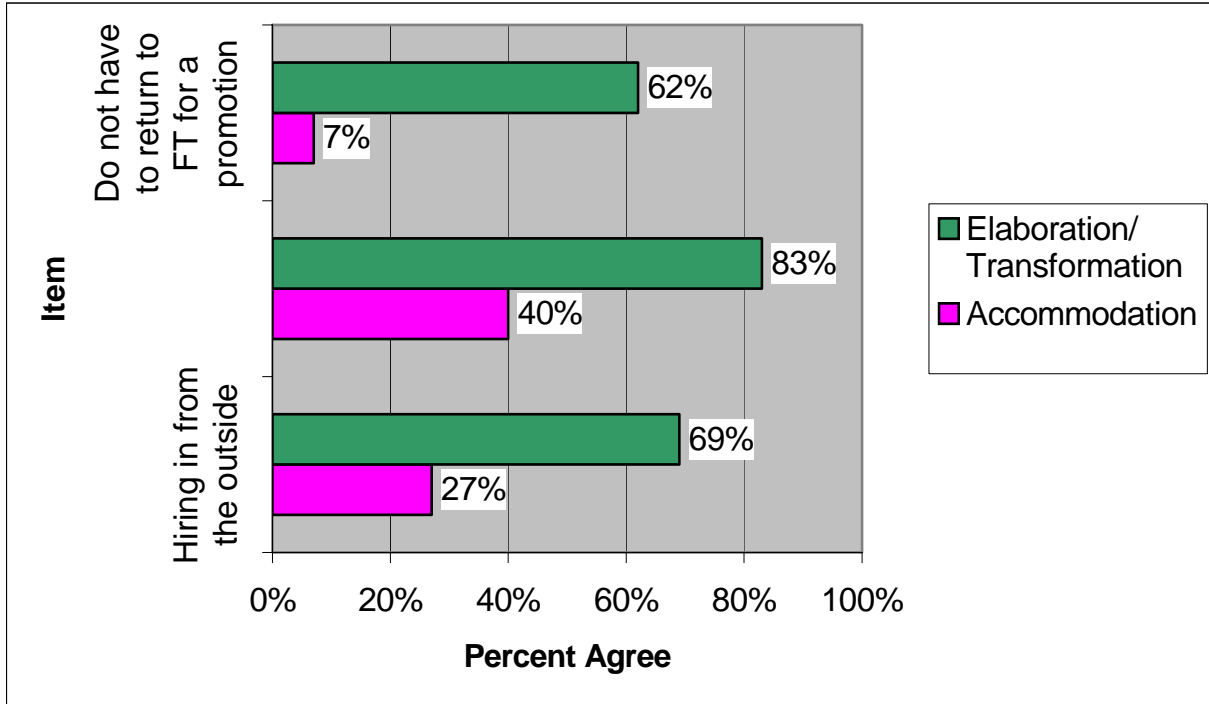


Table: Individuals working a reduced-load generally have to return to a full workload in order to receive a promotion.



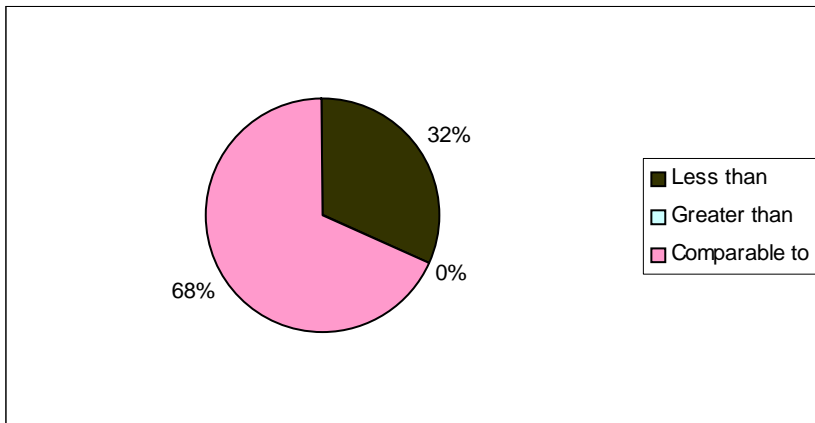
When we sort the employers' responses to these questions on adapting human resources systems to support reduced-load by organizational paradigm, the results show that employers that scored high on elaboration/ transformation paradigms were much more likely to hire and promote reduced-load workers than those employers in accommodation.

Table: Hiring and promotion of reduced-load workers by organizational paradigm



Employers were asked about the promotion and retention rates of their reduced-load workers compared to full-time workers. The information in the analyses below is limited to those employers who stated that they tracked these figures. One third of employers stated that promotion opportunities were less for RL than full time workers.

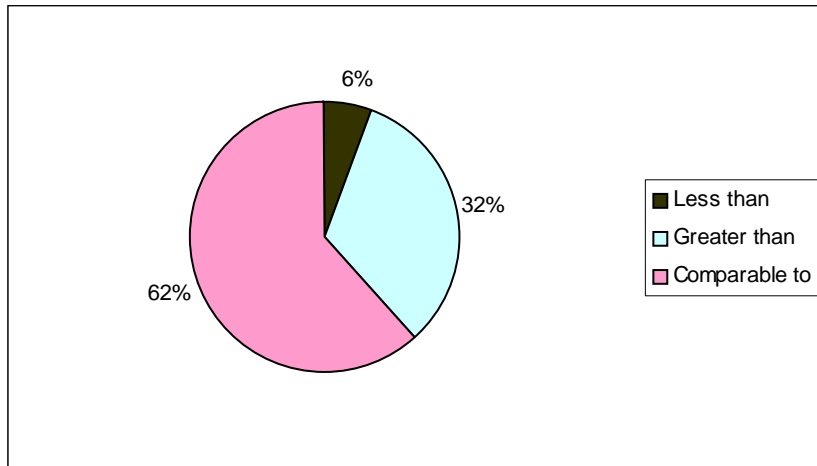
Table: Our promotion rates for those in reduced-load positions is _____ the promotion rates of regular full-time employees.



Organizations that do not track the turnover of their reduced-load employees separately from full-time employees may be losing out on the ability to analyze turnover. In our sample, reduced-load employees were much more likely to remain with their organizations. In only 6% of those organizations that tracked this information were reduced-load employees found to be

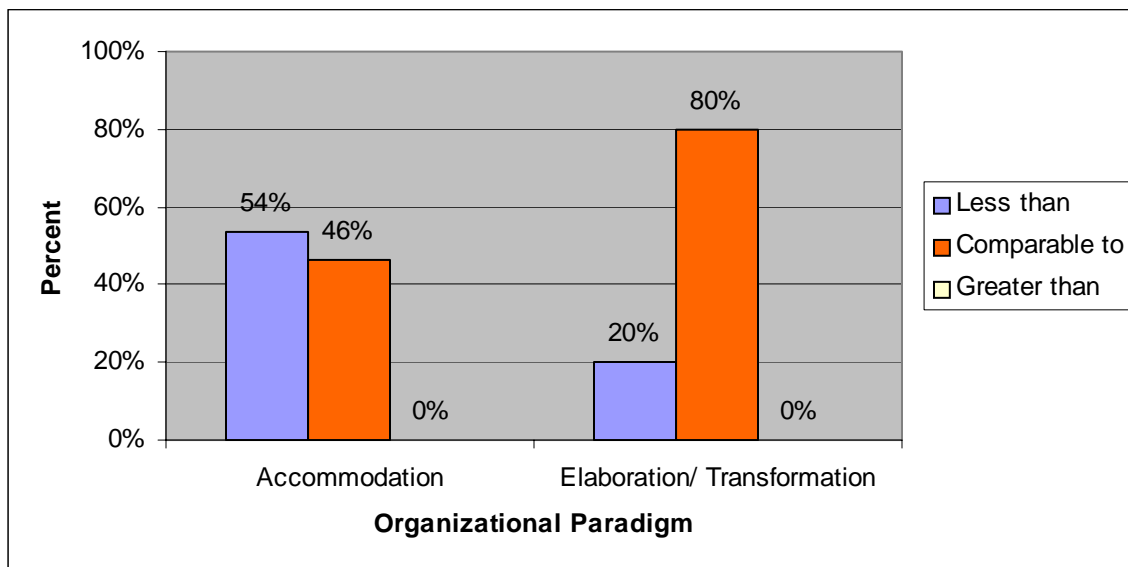
leaving more than full-time employees. Reduced-load employees may appreciate the opportunities to work this schedule and reward their employers with increased loyalty.

Table: Our retention of those in reduced-load positions is ____ the retention of regular full-time employees.



Employers rated as elaboration/transformation were much more likely to have comparable promotion rates between reduced-load workers and full-time workers than those rated as accommodation.

Table: Promotion rates for reduced-load employees vs. full-time employees by organizational paradigm.



PART V: CLOSING REFLECTIONS

This report suggests that reduced-load work for managers and professionals is becoming more prevalent and accepted by many leading employers. As the workforce ages and more and more employees have dependents and other life commitments to which they are equally committed outside the workplace, it is critical that employers embrace new ways of working. ***Increasingly a one-size fits all approach to employment is going to be ineffective from both the employer and employee perspective.*** Given that companies can no longer offer job security and are cutting back on pensions and benefits at the same time that workloads are rising, reduced-load work is another tool to engage the labor force. Employers that are able to manage employees effectively and fairly in different ways are more likely to be able to capitalize on the potential of their workforce.

Our report has shown that employers that are more likely to support implementation of reduced-load work for professionals are also more likely to rate significantly higher on the adoption of strategic human resource management practices. They are also more likely to have a supportive work-life culture and an overall work-life strategy, and are more likely to adopt a transformational/elaboration approach to meet a changing workforce.

More research is needed on effective implementation of alternative work arrangements. Adopting them is only the first stage. Learning how to integrate them into human resource management systems and employment practices from performance appraisal to career and training and development systems is a challenge many firms are facing. Cultural support by the organization is vital as well. As one manager commented,

“I believe one of our biggest challenges is successfully bridging the gap between policies that are “state of the art” and actual use and implementation of these policies in the face of real business challenges.”

Most employers agreed that reduced-load professionals were less likely to turnover. This suggests positive experiences with these arrangements may increase employee commitment to the organization and lead individuals to remain with the firm longer. On the other hand, the effects on productivity and retention of reduced-load employees who perceive unfair treatment are likely significant and costly. When employees perceive that they are being treated unfairly, they are much more likely to withhold effort or leave the organization. Our data suggests that employers that ensure that HR practices and measurement systems are adapted to support implementation of RL work are likely to have RL talent that is promoted- which is one indicator of job success. Firms might track some of the indicators suggested in this report. For example, they could assess the degree to which reduced-load employees are given equal access to training and development opportunities; promotion opportunities; and a performance management system that adjusts to the amount of work the employees have contracted to perform. They could also assess retention rates and performance ratings.

Also, employers must be attuned to managing social dynamics in the workforce so that there is perceived equal likelihood of access to policies across as employee demographic groups. In

many firms, the policies may be formally available but not as well-publicized in practice or supported equally in departments. If employers want to be able to recruit from the widest labor market pool for talent, and they are in an industry that is lagging the overall human resource market, they may gain a competitive advantage in their industry if they are the leader in implementing reduced-load work arrangements. To support implementation, it may be important to work to share success stories, get feedback from managers on their experiences, and encourage different work units to try reduced-load and job-share work arrangements. The following strategy was suggested by a manager:

“Focus group meetings were conducted with some supervisors of reduced-load salaried employees that determined that the overwhelming majority were supportive and believed their employees exhibited extra effort to make the arrangement work effectively so as not to jeopardize their or other employees opportunities.”

Organizations also need to review and update headcount and workforce management systems and look at the pros and cons of current systems in regards to meeting client needs. Many firms believed using FTE alone or in combination with traditional counting of bodies for labor costing was beneficial not only for adopting reduced-load work arrangements, but also for the customer. As one manager stated on their survey:

“Headcount is tracked more accurately with FTEs; Management can ensure we have enough people to serve clients since there are no assumptions made about full-time/less than full-time. Workloads are more clear. FTEs also enable the firm to adjust billable hour expectations appropriately.”

In closing, the following comment perhaps best sums up the current state of policy regarding employer openness to implementing reduced-load work and other alternative work arrangements:

“Managers in the firm are generally respectful of employees' choices regarding their work schedules. As long as employees produce quality work and fulfill expectations of their colleagues and clients; they are valued.”

Appendices

Appendix 1: Methodological notes and how the data were collected

Survey data for this study was gathered between September 2003 and February 2005 at Michigan State University. Employers were recruited from the following sources. They had either participated in a previous Alfred P. Sloan Foundation Study on reduced-load work, were listed on the “2004 Working Mother” list or commended by the National Association for Female Executives (NAFE), were members of the Boston College Work Family Roundtable, The Michigan State University School of Labor & Industrial Relations Human Resources Advisory

Board, or the College and University and Work and Family Association groups. Employers were recruited by email, by phone, and by post, often using multiple methods. The individual completing the survey was responsible for implementing and/or overseeing their organization's work-life program.

The majority of individuals completed the survey online via a secure internet web site. Individuals who needed to research information to answer some questions were able to reenter the website to finish. Some participants chose to complete the survey telephonically, via fax, or through email. Respondents were assured that their results would be kept confidential. The survey consisted of 96 questions and took approximately 30 to 40 minutes to complete.

A total of 108 organizations were contacted for participation in the study of which 56 (52%) attempted the survey. Some firms were not included in the final analyses if they had large amounts of missing data. All organizations with missing data were contacted several times by phone and email to complete the survey. The information included in this report is based on the 54 companies who completed at least 90% of the survey. All participants were assured that the answers they provided would not be directly linked back to their organizations.

Data from the survey were coded and imported into the SPSS statistical package for analysis. Open-ended questions were content analyzed and frequencies were recorded. Where appropriate, items were consolidated into a scale to measure a broader construct and a coefficient alpha reliability of internal consistency was computed.

Several limitations in the study should also be noted. First, the data was collected from only one source at each organization and may reflect a subjective view on some questions. We attempted to minimize this by ensuring that the individual had direct knowledge of their organization's work-life (or equivalent) policies and procedures. Next, our small sample size and our sampling method limit the generalizability of our findings. While we attempted to get a cross-section of industries, organizations were generally chosen that were believed to be progressive in their work-life policies. Thus, this is not a random sample.

Appendix 2: Scales used in Data Analysis

This section includes survey items used in scales formed from survey questions. Scales are generally a more reliable way to measure assessments than responses to individual items since it reflect several data points on employers views correlated into one measure. If you use these scales in any surveys, please cite the authors of this report.

Organizational Paradigms Scales

Elaboration Scale

Cronbach's Alpha: .71

1. There are some established policies that support reduced load work.
2. There is a general belief in this organization that there are benefits to the firm for supporting reduced-load work arrangements.
3. Offering reduced-load work options is one way that the organization tries to attract and retain talent.

4. Work in this organization is usually structured quite traditionally, but the organization is developing new routines in response to employees' increased interest in reduced-load work.

Transformation Scale

Cronbach's Alpha: .81

1. This organization is redefining what work means and how it should be done in order to meet the demands of a changing workforce.
2. This organization develops its employees through training, challenging work assignments, and career development regardless of whether they are working on a reduced-load or regular full-time.
3. Reduced-load work is just one way in which the organization demonstrates its desire to retain and promote its best employees.
4. Reduced-load work arrangements are seen as a normal part of the work environment.
5. This organization is very committed to employees having a life outside of work.
6. Reduced-load work is just one of the ways that this organization tries to adapt to a changing labor pool.

Accommodation Scale

Cronbach's Alpha: .68

1. Only a few jobs in this organization are considered doable on a reduced-load basis.
2. The main reason reduced-load work is generally offered is to keep a valuable employee from quitting.
3. Reduced-load work is something that this organization does not want to become too popular.
4. If an individual wants to work reduced load, he or she has to be responsible for making it happen.
5. Reduced-load workers are generally seen as not having the same opportunities for promotion as other workers.

Strategic Human Resource Management Scale

Cronbach's Alpha: .80

1. Working in teams is a core part of the work environment in this organization.
2. This organization engages in quality improvement practices.
3. This organization works towards employee empowerment.
4. This organization engages in frequent diagnosis of strategic needs.
5. This organization engages in talent development in order to achieve its business objectives.
6. The HR policies of this organization are designed by individuals with a clear understanding of the strategic business objectives of the company.
7. HR serves a supporting role in the implementation of strategic business decisions.

This scale was based on the strategic human resource management scale originally developed by Huselid, Jackson, and Schuler (1997) in their *Academy of Management Journal* paper entitled "Technical and Strategic Human Resource Management Effectiveness as Determinants of Firm Performance."

Work-Life Strategy Scale

Cronbach's Alpha: .84

1. This organization is one of the best employers for people concerned about balancing work and life because of the great policies and programs it offers.
2. This organization is one of the best employers for people concerned about balancing work and life, because of the top management philosophy.
3. The human resource strategy developed by this organization includes consideration of employees' work and life demands.
4. The business strategy of this organization explicitly incorporates strategy based on the value of employees.

Reduced Load Culture and Integration Scale

Cronbach's Alpha: .84

8. Reduced-load policies are linked to our overall organization strategy and business objectives.
9. Reduced-load policies are somewhat integrated with other related HR policies.
10. We have reviewed our promotion and career systems to ensure that those working on a reduced-load basis are not penalized.
11. The reduced-load policies in this organization reflect a culture that is supportive of employees effectively fulfilling their work and life commitments.
12. The way in which reduced-load options are actually implemented in this organization suggests an organization culture that is less "work-life balance friendly" than the policies imply. (REVERSE CODED)
13. Although there are reduced-load arrangements in the organization, the overall organizational culture is not supportive of the individuals working on a reduced load basis. (REVERSE CODED)
14. The organizational culture here makes it easy for individuals to attempt reduced-load arrangements.

Reduced-Load Implications Scale

Cronbach's Alpha: .83

1. The performance review process for those working reduced load adjusts the criteria for evaluation in a fair manner, given the less hours of the individual.
2. Training opportunities are less for those working on a reduced-load basis, compared to other employees. (REVERSE CODED)
3. Career development opportunities are better for those employees not working on a reduced load basis. (REVERSE CODED)
4. There are some opportunities to be hired into the organization from the outside in a reduced load arrangement.
5. Reduced work arrangements result in one being less likely to be chosen for special developmental assignments. (REVERSE CODED)
6. Assuming good performance, advancement opportunities for those working on reduced load are as good as opportunities for those working full-time. (REVERSE CODED)
7. Individuals working a reduced load generally have to return to a full work load in order to receive a promotion. (REVERSE CODED)

Reduced-Load Arrangements Scale

Cronbach's Alpha: .82

1. We know how many people are working on reduced load at any given time.
2. This organization tracks retention of reduced load employees.
3. This organization systematically gathers information to tap the attitudes of employees working on reduced load.
4. In this organization, managers are held accountable for making sure alternative work arrangements in their unit are successful.
5. This organization periodically evaluates the effectiveness of our reduced load policies.
6. This organization benchmarks its reduced load practices and policies compared to other companies.

Reduced-Load Access Index

KR-20: .70

1. Salaried employees are equally likely as hourly employees to have access to reduced load.
2. Managers are equally likely as professionals to have access to reduced load.
3. People with children are equally likely as people without children to have access to reduced load.
4. Married people are equally likely than unmarried people to have access to reduced load.
5. People with elder-care responsibilities are equally likely as people without elder-care responsibilities to have access to reduced load.

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