

The Human Resources Program-Evaluation Handbook

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CHAPTER 22

Work/Life Balance Policies and Programs

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Why Evaluate Work/Life Policies and Programs?

The realities of a global economy, innovative business management, new work-facilitating technologies, and the advent of e-commerce have all combined to increase the challenge for individuals to simultaneously navigate the demands of paid work and personal/family life. Global competition coupled with skilled labor shortages, along with the intensity with which employees experience work/life difficulty, has given work/life programs a high priority in strategic business initiatives. Companies have instituted a variety of policies and programs to address these challenges. These programs are no longer primarily perceived as accommodations for the idiosyncratic needs of a relatively small group of employees, such as working mothers; rather, they are seen as part of a broad-based business imperative to meet the needs of all employees.

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An increase in work time, along with the rise in the proportion of dual-earner couples, creates a "time famine" in today's American families (Hochschild, 1997). For example, employees in the United States work the equivalent of three extra 40-hour weeks annually compared to a few years ago (Bond, Galinsky, & Swanberg, 1998). However, legislative bodies in European nations have championed the right of workers to have fulfilling personal and family lives by reducing work hours to 15%–30% fewer hours annually compared to those in the United States (International Labour Organization, 1999).

Work/life programs have been established in response to the need for greater flexibility to effectively manage work and personal/family life responsibilities. These programs are seen as integral to the ability of companies to attract and retain the best talent (Galinsky & Johnson, 1998). Retention is a particular focus because of the tight labor market and the expense of worker turnover, which can include costs of separation (e.g., exit interviews, accrued vacation, and continued benefits), position vacancy (e.g., temporary workers, overtime), recruiting, selection, and hiring (e.g., relocation or search fees), and new hire costs (e.g., orientation and training). In addition, there are indirect costs such as lost productivity of incumbents and other employees. These direct and indirect costs can total to between 41% and 241% of annual salary depending on the type of job (Corporate Leadership Council, 1998).

Despite the growing inclusion of work/life programs into corporate business strategy (see the appendix at the end of the chapter for a list of potential programs), there has been relatively little systematic evaluation of the effectiveness of these programs (Fried, 1999; Russell, 1997; Wilkie, 2001). Without establishing the business value of these programs through a cost-benefit analysis, senior managers are less likely to approve financial support. And although some work/life programs may be instituted without proof of their effectiveness, the long-term buy-in of senior through first-line management must be obtained to create the organizational culture required for these programs to be successful. Therefore, evaluation of work/life programs can ensure financial and cultural support for programs that have a positive effect on the business. After a brief historical overview, this chapter details the process for evaluating work/life policies and programs.

Historical Overview

Work/Family Focus on Child Care (1970s–1980s)

In the United States, the proportion of mothers with children under six years of age who work outside the home has increased from 15% in 1950, to 30% in 1970, to 62% in 1999 (U.S. Census Bureau, Table No. 659, 2000). In Canada, the labor force participation rate for women increased from 30% in 1960 to 59% in 1999. In 2000, 83% of all women in Norway between 25 and 55 years of age were employed (Haugland, 2001). Many early programs in the 1970s and 1980s in the United States focused on mothers with young children in the workforce such as childcare referral

services, flexible starting and stopping times, and leaves for childbirth (Galinsky & Johnson, 1998).

Broad Work/Life Focus (1980s–1990s)

The concept of balancing "work and family" moved to "work/life balance" in the 1980s and 1990s with the recognition of the benefits of accommodating all employees' lives outside of work. A common innovation of the 1980s was the implementation of flextime (a degree of flexibility for most employees in starting, stopping, and break times) (Galinsky & Johnson, 1998).

There was also a move toward greater flexibility in leave-of-absence programs, including working part-time hours for family, education, or other approved personal needs. In the late 1980s and during the 1990s, flexi-place was introduced; it gave employees flexibility about where work is done through telecommuting or work-at-home programs (Hill, Miller, Weiner, & Colihan, 1998). These programs can result in substantial savings for companies. For example, after reducing real estate holdings and moving to a broader telecommuting model, IBM estimates it saves \$75 million annually on real estate. The return on the investment was realized in the first year when expenses (telecommuting equipment) and savings (real estate) broke even (Apgar, 1998). Similarly, AT&T estimates a savings of \$500 million since 1991 (Van Horn & Storen, 2000). In addition to significant financial savings for the company, increased flexibility in where the work gets done can include outcomes such as improved employee performance and commitment.

Work/Life Business Imperative (Late 1990s to the Present)

In recent years work/life balance has moved center stage as a critical business strategy, integral to attracting and retaining the best employees from an ever-decreasing labor pool and to facilitate maximum contribution on the job.

Demographic factors point to more pervasive dependent care needs for employees. As before, many employees have to arrange for the care of young children in order to come to work; indeed more than half of all employees in the United States have children under 18 (Bond et al., 1998). In addition, almost one-third of the employee population has some kind of elder care responsibility (Bond et al., 1998; Hill, Campbell, & Koblenz, 1997). For example, Clark and Weber (1997) reported that the number of elderly aged 65+ in the United States had increased to 13% of the total population in 1990 and is projected to increase to 23% by 2040. In addition, increasing numbers of employees have both childcare and elder care responsibilities, part of the "sandwich" generation. Geographic distance from relatives in need of assistance further complicates these responsibilities.

Women are more likely to have greater contributions to household income. As women around the globe make more money, their contribution to the family income becomes more important. In 1998 the average working wife in the United States

added more than \$26,500 per year to the household income compared to less than \$8,000 per year in 1980 (in 1998 dollars) (U.S. Census Bureau, Table No. 748, 2000). In Sweden, the average wage for a woman is more than 90% of the wage for a male (Women & Men in Sweden: Facts and Figures, 2000).

Men are more likely to have childcare and housework responsibilities. Recent research has indicated that men are more likely to have work/life difficulties than in the past. Between 1977 and 1997, the number of housework hours reported by fathers in the United States increased from 14 to 21 hours per week and the number of childcare hours increased from 19 to 24 hours per week (Bond et al., 1998). The average work week for American men has also increased to 51 hours. In one study, 70% of fathers felt they spent too little time with their children (Bond et al., 1998). In another study, men were as likely as women to report work/life challenges (Hill, 1999). In Norway, men are more involved in childcare, with four weeks of paid leave reserved for men (Haugland, 2001).

Declining birthrate has led to labor shortages. Rapid technological advancements coupled with fewer labor market entrants have led to a critical labor shortage. Between 1960 and 1975, the birthrate in the United States declined. That resulted in more than one million fewer labor market entrants per year in this country in the late 1990s than in the mid-1980s (U.S. Census Bureau, Table No. 77, 2000). Norway is the only European country where the birthrate approaches replacement level (Haugland, 2001).

Workload is increasing in the United States. Technological sophistication has also contributed to increasing the work week in the United States. Between 1992 and 1997, the average U.S. work week increased from 43 to 47 hours, with men's hours increasing from 47 to 50 (Bond et al., 1998). In fact, the United States recently passed Japan as the developed country with the highest average number of annual hours worked while overall the work hours in Japan and Europe have been decreasing (International Labor Organization, 1999).

Legislation. Legislation also focuses attention on the issue. Norway's Marriage Act (1991) provides 42 weeks leave with full pay or 52 weeks with 80% pay for new parents; and four weeks are reserved for fathers (Sohlberg, 1999). The 1993 Family Medical Leave Act requires U.S. employers with 50 or more employees within a 75-mile radius to provide up to 12 weeks of unpaid leave per year for bona fide family reasons. After the leave, employers are required to place the employees in their previous or a comparable position.

Evaluating Work/Life Policies and Programs

In order to enhance the competitive advantage of a company, a focus on work/life that is aligned with the business strategy and driven by line management is indeed

a business imperative. Therefore, in contrast to earlier times, these programs are now under greater scrutiny and need a sound evaluation methodology to demonstrate that they accomplish their objectives.

Evaluating work/life policies and programs is a relatively new discipline. In the past, evaluation typically has been unsystematic and based primarily on anecdotal evidence (Pruchno, Litchfield, & Fried, 2000). In today's environment, systematic evaluation of how well work/life initiatives are functioning and meeting their objectives is essential to the survival of the programs (Fried, 1999).

In this section, we examine the five steps necessary for systematic evaluation of work/life policies and programs in a corporate setting. These five steps are: identify objectives for the work/life initiative, determine the methods for gathering data, gather and analyze the data, link the data analysis to the bottom line, and recommend actions.

Step 1: Identify Objectives

When evaluating work/life policies and programs, objectives are identified on three levels: programmatic, organizational, and individual. Below are several work/life examples for each type of objective.

Programmatic objectives. These objectives examine the objectives for the programs themselves.

- P1. *Offer the best (or superior, or competitive, or average) work/life programs in the industry*—Decide whether the company needs to be THE leader, one of the leaders, or average in work/life policies and programs, and then act accordingly. This decision should be based on sound business strategy using a cost-benefit analysis approach.
- P2. *Promote work/life awareness*—Foster employee awareness so employees are fully aware of the programs available to them.
- P3. *Ensure work/life usage*—Determine whether employees for whom work/life programs are targeted actually use those programs.
- P4. *Improve continuously*—Determine whether users perceive the programs as helpful.

Organizational objectives. These objectives examine the link between the work/life programs and organizational outcomes.

- O1. *Improve recruiting*—Enhance the company's ability to attract and hire the best talent.
- O2. *Increase retention of the best talent*—Decrease attrition of key contributors.
- O3. *Motivate employees to contribute their best*—Facilitate the desire of employees to give extra effort and to focus their thoughts and energy on tasks beneficial to the organization.

- O4. *Raise productivity*—Enable company employees to do more in less time and/or have fewer employees who are late or absent from work.
- O5. *Move to a results-based culture*—Empower the organization to value a results-based culture in which work/life programs can be used without formal or informal penalty.

Individual objectives. These objectives examine the link between the work/life programs and individual outcomes.

- I1. *Fulfillment on and off the job*—Empower company employees to find fulfillment both at work and in their personal/family lives.
- I2. *Manageable workload*—Maintain workload levels so company employees feel that the amount of work they are expected to do is manageable.
- I3. *Balance work and personal life*—See that the relative balance between work and personal/family life is such that work does not unduly interfere with personal life and personal life does not unduly interfere with a productive work life.
- I4. *Seek synergy*—Foster the view that aspects of work can enhance personal/family life as well as that personal/family life can enhance work.

The purpose of implementing work/life policies and programs is to positively affect both organizational and individual outcomes. Identifying when the objectives are attained and when they are not is the heart of work/life evaluation.

Step 2: Determine Methods

The tools used in work/life evaluation are a set of analytical instruments often used in other business and social science research. There are quantitative methods that numerically document the results of work/life programs as they link to program objectives and business outcomes. There are also qualitative methods that evaluate perceptions of employees. We describe how these methods might be used to evaluate work/life policies and programs according to specific programmatic, organizational, and individual objectives. The contribution of work/life programs must also be evaluated in the context of other potential influences on outcomes. Causal linkages between work/life programs and outcomes are not usually direct; rather, they are typically moderated by job characteristics or by increasing the level of employee commitment (Fried, 1999; Russell, 1997). In addition, business outcomes such as attrition, absenteeism, or lateness can all be affected by the business environment such as new company leadership, better financial results, or an announcement of layoffs. Work/life program evaluation can demonstrate beneficial relationships of work/life programs to the business and to individuals and must be conducted while ensuring the context is considered.

Quantitative methods: Human resources (HR) databases. Data for evaluation of work/life policies and programs may exist in the company HR database. For example, the database often contains the number of participants using work/life programs such as leaves of absence, job sharing, and permanent part-time work. The database might also contain information needed to determine the demographic groups (e.g., gender, job type, and business unit) using these programs. Analyses may indicate where further communications may be needed on availability and support of using programs, or areas in the company in which the leaders are less likely to support work/life program usage than others.

In cases where the data are not available, a business case could be developed for inclusion of new items. For example, some employees work in a traditional office, others are mobile, and still others work from home. Adding a workplace indicator to the HR database would enable linkages to be made between work situation and performance, absenteeism, or lateness. If differences by work situation do exist, additional analysis or research could then be done to evaluate the facilitators or obstacles to achieving high performance.

One of the underlying reasons that work/life is becoming a strategic business issue involves the assumption that work/life programs and policies will contribute to attracting and retaining the best talent as discussed above. Attrition rates can be compared before and after implementation of programs. In addition, including a separation code for “work/life balance reasons” can identify the degree to which attrition is linked to work/life issues. After the implementation of programs, the frequency of that code as a primary reason for leaving can be tracked.

Quantitative methods: Surveys. Employee surveys are a common and effective quantitative method for gathering information to evaluate work/life programs. Asking some questions that can be compared with other organizations will indicate whether the results are best practice or average. The Mayflower Group (www.mayflowergroup.org) and the IT Survey Group (www.itsg.org) are examples of nonprofit consortiums in which normative databases of employee attitudes are available to members for benchmarking purposes, along with opportunities for formal and informal networking on a variety of HR topics. Another source of benchmarking data is the National Survey of the Changing Workforce (Bond et al., 1998) conducted every five years by the Families and Work Institute. It uses a nationally representative sample of workers in the United States (www.familiesandwork.org). Informal contacts at other companies or conferences such as the Association of Work Life Professionals (www.awlp.org) can also be very helpful.

In addition, there are numerous other helpful Web sites such as the Work-Family Researchers Electronic Network at http://www.bc.edu/bc_org/avp/wfnetwork/, the Center for Work and Family at www.centerforworkandfamily.com, the Gil Gordon site for information about telecommuting at www.gilgordon.com, and the U.S. Department of Labor site for U.S. policy and statistics at www.dol.gov.

Knowing how employee attitudes are changing over time is also critical in evaluating work/life policies and programs. For example, it may be that 40% of an employee population reports difficulty in work/life balance. That's bad news if last

year's figure was 25%, but good news if it represents an improvement since last year's 50%.

In evaluating whether a program is effective, it is important to know how many employees actually belong to the group at whom the program is targeted (e.g., parents with young children). A work and life issues survey provides a great opportunity to obtain those data if they are not available in the HR database.

Whether an employee's partner is employed, the degree of that employment commitment, and whether the partner can provide dependent care during working hours is also valuable information to gather. For example, a targeted Work and Life Issues Survey at IBM found that, not surprisingly, work/life difficulty was more pronounced when employees belonged to dual-career couples and both partners had professional jobs (Hill et al., 1997).

Qualitative methods. Surveys and focus groups offer two valuable methods for gathering qualitative information. Surveys often generate open-ended write-in comments, a valuable source of qualitative comments. Sophisticated automated techniques for text mining can reduce the labor intensity of the content coding process (Bachiochi & Weiner, 2002). Including verbatim comments is a powerful way to amplify or clarify quantitative findings.

Focus groups provide an excellent opportunity to obtain rich data from a smaller number of employees. They are especially valuable in the evaluation of a pilot work/life program to identify the benefits and risks of the program and to ensure that a broader array of potential issues is uncovered for a follow-up survey.

Other options include conducting a "telefocus" group in which participants speak together on a conference call. In our experience the ideal number is up to three participants, plus one facilitator and one note-taker. Using online anonymous tools to facilitate discussion can also yield valuable qualitative data for evaluation. Bachiochi and Weiner (2002) provide more detailed guidance about conducting qualitative research, including more recent electronic solutions to use with employees in remote work locations.

Step 3: Gather and Analyze the Data

The purpose of evaluating each objective is to provide feedback about which portions of the work/life programs and policies should be enhanced, maintained, diminished, or eliminated. Evaluation also provides valuable information about new programs that might be implemented. The letter and number combination preceding each objective corresponds to those indicated in Step 1.

- P1. *Offer the best (or superior, or competitive, or average) work/life programs in the industry.* One evaluation exercise is to benchmark work/life programs and identify gaps in work/life offerings based on their objectives. To aid in this task, we have included a list of potential programs in the appendix. A first step for U.S. companies could be to compare the programs offered with those offered by other U.S. companies. Of course the size of a company will influence the types of programs it can provide. Less traditional

and more integrative programs (flextime, casual dress, etc.) may be more feasible for smaller companies and more desirable for newer entrants to the workforce.

- P2. *Promote work/life awareness.* Level of awareness can be garnered in focus groups and by asking survey questions. One useful question is to ask "How did you first become aware of the [company's] _____?" and providing alternatives such as *company publication, Web site, coworker, manager, other (please explain), or I was not aware.*
- P3. *Ensure work/life usage.* Sometimes, HR databases can provide usage rates (e.g., percentages and demographics of those using leaves of absence, part-time employment, or telecommuting). In addition, a question on a general survey could be used to measure usage. "[Company] offers a number of programs (e.g., flexible work hours, part-time employment, leaves of absence, and work-at-home) to help employees manage the demands of their work and personal/family lives. Which statement best describes your use of these programs?"
- I am aware of work/life programs and have used them.
 - I am aware of work/life programs but have NOT used them.
 - I am NOT aware of [company's] work/life programs.
- P4. *Improve continuously.* Evaluating the helpfulness of programs might be assessed with using a 5-point scale varying from *extremely helpful* to *not at all helpful* and having two additional responses: *I am aware of the program, but have not used it* and *I have not heard of the program.* The question might be phrased, "Listed below are a number of [company's] programs. For each program YOU HAVE PERSONALLY USED, please indicate how helpful each has been in assisting you to better manage your work and personal/family life." The list would then include a separate item for each program (flextime, job sharing, part-time employment, etc.).
- O1. *Improve recruiting.* Interviews with those who have declined the company's job offers can be used to determine the importance of work/life programs compared to other factors such as compensation, the job/skills match, or career opportunities. The degree to which work/life programs are promoted during recruiting, the perception of the programs themselves, and the perceived cultural support for using these programs could all be evaluated.

Another possibility is to compare recruit quality (e.g., grade point average or academic standing) before and after implementing a new recruiting campaign and compare with a control group. A company in a competitive campus hiring environment might emphasize its work/life environment and promote that as a compelling reason to choose the company. To evaluate this work/life initiative, baseline measures of recruiting quality and acceptance rates could be obtained for several campuses. The new campaign could be implemented on some of the campuses while similar campuses would continue to use recruiting methods without an emphasis on work/life programs. A reasonable decision then could be made about whether to

expand the pilot. Fulfilling expectations of new recruits is essential to effective retention, so although recruiting success may improve with the new campaign, retention success may falter if the actual work/life environment does not meet the promises made during the campaign.

- O2. *Increase retention of the best talent.* If there is a work/life attrition code, the corporate work/life database can be an excellent source for work/life evaluation. Again, baseline measurements could be taken before undertaking a work/life initiative and compared periodically after the program is in place.

Another important step is to calculate the business benefit of such improvement in dollar figures. Galinsky and Johnson (1998) described one such example. Before implementing a new parental leave program, Aetna measured the attrition rate for new mothers after childbirth. They found that 23% of new mothers left the business, and those who left had higher performance ratings than those who returned to work. Aetna enacted three work/life programs: six months of parental leave, part-time work to transition to full time, and work/life training for supervisors. The turnover rate of new mothers was cut in half after implementation, to about 10% per year.

By calculating the cost of recruiting and training new hires versus the cost of implementing the programs, Aetna calculated a net return on investment of about \$1 million a year. And, as cited above, the Corporate Leadership Council (1998) has estimated that turnover costs up to 241% of annual salary. For example, to replace an information technology professional with a \$70,000 annual salary, the company will spend \$123,300 on direct and indirect costs. If only 10 fewer professionals at this level left, the company could save over \$1.2 million yearly.

Another way to anticipate problems is to use a survey to assess the employee's intention to leave the company as well as the reasons for potentially leaving. Intention to leave has been shown to be strongly correlated with actual turnover (Corporate Leadership Council, 1999). Not only can the absolute number of employees considering leaving be assessed and tracked (and compared to benchmarks if available), but correlations among survey question responses can show the strongest potential causes of dissatisfaction.

Other factors can be identified through qualitative research done in advance of the survey or other research available on the topic. The item wording may also be changed to assess negative "push" factors (dissatisfaction with factors at the current company) or positive factors either making it difficult to leave the current company or hard to resist an offer from a different company. If demographic questions are also asked in the survey such as latest performance appraisal rating or type of work, then analysis of responses for subgroups of employees the company most wants to retain is possible. In this case, retention factors for critical employees (e.g., high performers, technical professionals, and sales people) may be identified leading to appropriate targeted actions at the subgroup level. Caution is needed when analyzing demographics to ensure that the anonymity of individual respondents is not violated through the cross-tabulation of their responses.

A work and life issues survey at one large company revealed that inability to manage work and personal/family life was the primary or secondary reason top performers, engineers, consultants, and female executives would leave the business. This finding made a compelling case for a greater focus on work/life action (Galinsky & Johnson, 1998).

- O3. *Motivate employees to contribute their best.* Focus groups can provide insight about the extra effort employees are willing to give on tasks beneficial to the company. Performance effort should be measured by the end result rather than hours worked or face time (Russell, 1997). This type of information could be gathered with a standard 5-point agreement scale and a two-item question:

"To help [company] succeed, I am willing to put in a great deal of effort beyond my job requirements.

- a. I am able to focus my energy on tasks that are beneficial to [company].
- b. I am motivated to do my job to the best of my ability at [company]."

- O4. *Raise productivity.* Although it is challenging, directly linking work/life programs to productivity improvements is the ultimate goal of work/life evaluation. Proxy variables for productivity improvements could be absenteeism or lateness figures before and after communication about and implementation of the programs. Translating those figures into monetary savings can also be done. For example, if employees used flexibility programs instead of sick time for personal needs, a company can realize significant savings. A sick-day cost for an employee making \$35,000 is \$150 (using 260 work days as an average) (Russell, 1997).

One powerful example of linking a program to productivity was seen in IBM during implementation of a mobile workforce in the mid-1990s. IBM was dramatically reducing traditional office space for sales and services personnel and gave these employees the portable means to do their jobs (e.g., laptops, cell phones, and pagers). During the phased implementation, with a schedule built around lease expiration dates of office real estate, IBM conducted a survey among employees in offices that had implemented mobility and compared them to those still in a traditional office. Each group had the same jobs, targets, and sales environment. By taking advantage of this naturally occurring quasi-experiment, IBM was able to document a significant productivity increase using self-report survey data (Hill et al., 1998).

Instances of methodology with such a good control group will be limited, but there are several ways to evaluate the influence of work/life programs. One example is to use a survey for an evaluation of the effects of a telecommuting program on different aspects of the work environment and performance (scale: *very positive, positive, no effect, negative, very negative*):

- a. Effective communications in your work group
 - b. Your career advancement in the company
 - c. Your commitment/loyalty to the company
 - d. Your morale
 - e. Your motivation
 - f. Your overall job satisfaction
 - g. Your productivity
 - h. The productivity of your work group
- O5. *Move to a results-based culture.* The success of work/life programs depends on a supportive culture. Focus groups are a good way to assess whether the culture of the company supports the use of available programs. However, there are two caveats. First, focus groups are limited in their representativeness especially in large organizations. Second, if groups are selected from a subset of organizations within the company, the cultural assessment may reflect only management specific to that subset. A representative survey would be more effective at obtaining a broad measure of culture and assessing the first-level management supportiveness essential for the programs to succeed. For example, survey respondents might be asked how much they agree with two questions: "The environment in (company name) enables me to use the company's work/life options to successfully manage the demands of my work and personal/family life" and "My manager is helpful to me in family or personal emergencies." By comparing responses by business unit or different demographic subgroups, valuable evaluative information can be obtained and actions can be taken to address any cultural barriers.
11. *Fulfillment on and off the job.* This issue is something readily assessed in focus groups but more precisely measured using survey items. Because of the hesitation to report feeling less than successful in either one's work or personal life, a 7-point scale from *extremely successful* to *extremely unsuccessful* is preferred over a 5-point scale that may result in range restriction of responses. The multi-item question is this:

All in all, how successful do you feel in each of the following:

- a. Your work life
 - b. Your personal and/or family life
 - c. Managing the demands of your work and personal/family life
12. *Manageable workload.* Workload is a key factor in an employee's ability to manage work and personal/family life responsibilities. One approach to evaluation is to ask about the number of hours worked. In some countries, there are legal restrictions regarding asking about hours worked, so be sure to check with legal counsel. In addition, it is most important to understand whether the perception of the hours worked is acceptable. The two issues can be explored by the following questions and answer alternatives:

"Do you have a workload problem?" (answered *yes* or *no*) and "The amount of work I am expected to do on my job is . . ." (answered with a 5-point scale: *far too much* to *far too little* with *about right* as the midpoint).

13. *Balance work and personal life.* In evaluating the relative balance between work and personal/family life, the perception of employees as reported in work/life surveys is perhaps the best measure. Understanding the effects of spillover from work to family as well as from family to work is important. Many studies (Russell, 1997; Bond et al., 1998) report that the work-to-family spillover is more detrimental than the reverse. One broad measure is, "How easy or difficult is it for you to successfully manage the demands of your work and your personal/family life?" using the anchors *very easy*, *easy*, *neither easy nor difficult*, *difficult*, *very difficult*.

Questions can also be worded to address the spillover effect either assessing negative spillover from the job to family/personal life or vice versa using a frequency scale such as *never*, *rarely*, *sometimes*, *often*, *very often*. The questions might be either "Because of my job, it has been difficult for me to have enough time for my family or important people in my life" or "Because of my family or personal life, it has been difficult for me to do as good a job at work as I could."

"Point in time" survey questions can also be used to evaluate trends over time. Here is an example: "Compared to two years ago, is it easier or more difficult for you to manage the demands of your work and your personal/family life?" (answered with a 5-point scale: *much easier* to *much more difficult* and a neutral midpoint).

14. *Seek synergy.* A new work/life paradigm (Friedman, Christensen, & DeGroot, 1998) recognizes that work can enhance personal/family life and that personal/family life can enhance life at work. A paradigm shift may be needed in the concept of "balance"—from a point that if one aspect of life takes priority at a moment in time then by definition the scale is unbalanced to a point that work and personal life are seen as complementary rather than competing priorities, with success in one often leading to success in the other (Friedman et al., 1998). The authors pointed to "three mutually reinforcing principles" (p. 120) for managers: (a) clearly communicate the important business priorities and clarify each employee's personal priorities; (b) support the personal/family life of the employee—recognizing that life outside of work contributes to making that person whole—and ensure that there are boundaries where necessary; and (c) continuously explore new ways to get the work done—to enhance performance and ensure time for employees' personal lives, which can contribute to that performance. In the new paradigm, the goal is not balance but rather a synergy between the demands and rewards in all aspects of one's life, coalescing for greater total satisfaction and success.

Step 4: Link Analysis to Bottom-Line Measures

The next step of work/life program evaluation is to make financial calculations to build a business case for determining which work/life programs should be adopted, modified, or eliminated. To evaluate work/life initiatives in financial terms, it is best to use standard accounting procedures such as return on investment (ROI) or break-even analysis.

ROI. ROI is the bottom line measurement used most frequently to establish the value of work/life programs (Cohen & Trompeter, 1999). ROI evaluates which of several competing investment possibilities will yield the greatest financial benefit to the company. ROI can be thought of as a logical step following four levels of evaluation: reactions, learning, behavioral transfer, and organizational outcomes of training (Phillips, 1997). ROI percentage is calculated by dividing the net program benefits by the program costs multiplied by 100 (Phillips, 1997). For example, say that the objective of a new work/life initiative is to reduce the turnover of female professionals. The program implemented may include telecommuting, a paid-parental leave program, and concierge services for a total cost of \$1.4 million. Further, assume that an evaluation has shown that the program cut the attrition of female professionals by 20 women. Assuming an average turnover cost of twice annual salary and an average salary of \$60k, the total cost savings is \$120k per person, or \$2.4 million. The net savings is \$1 million or total cost savings (\$2.4 million in savings) – investment cost (\$1.4 million in costs). Therefore, the net ROI is 71% or “net benefits” (\$1 million) / “investment cost” (\$1.4 million).

Break-even analysis. Break-even analysis calculates how many employees need to participate in a program to justify the cost. The formula for calculating the break-even point is costs / contribution (savings or income) per person. For example, if the cost of a telecommuting program is \$500,000 and the net value of increased productivity and loyalty resulting from the program is \$25,000 per employee, then the break-even point is 20 employees (\$500,000 / \$25,000). In other words, the break-even point would be when 20 employees had decided to use the telecommuting program. Every additional telecommuter would contribute to a positive ROI.

Step 5: Make Recommendations Based on the Work/Life Evaluation

After completing Steps 1–4, recommendations for change in work/life programs and their implementation will be based on data related to organizational and individual outcomes. New programs may be needed, or old programs modified or eliminated. It is also wise to include a plan for the next evaluation in the recommendations. Making recommendations will not result in change unless monitored actively. Therefore, periodic monitoring to ascertain how well the recommendations are being implemented can lead to adjustments that will make the decisions more effective.

We have now explained all five recommended steps in the evaluation of work/life policies and programs. Here is a fictional case study to bring it all together:

NBI Case Study

NBI enterprises, an employer of 2,500 in the United States and Australia, strives to be a leader in its industry. NBI's vice president of Workforce Management, Ms. Jean Bergstrom, wants NBI to be a leader in work/life policies and practices to enable the company to attract and retain the best talent while contributing to the bottom line. Ms. Bergstrom believes instituting these programs is socially responsible. In addition, she feels work/life policies and programs make career advancement, especially into executive ranks, less difficult on employees' personal/family lives.

Before Implementing Work/Life Initiative

Step 1: Identify objectives of work/life initiative. Ms. Bergstrom got top-level support for the following five objectives:

1. Make NBI one of the leaders in work/life policies and programs
2. Increase retention of key employees, especially professional women
3. Improve productivity
4. Decrease stress experienced by employees as they navigate work and personal/family life
5. Offer programs that employees want and will use

Step 2: Determine methods. The degree to which these methods were met was assessed using a variety of methods.

1. Benchmark the work/life practices of peer companies.
2. Obtain before and after measures of attrition rates and performance appraisal ratings from company HR database.
3. Obtain before and after measures of productivity (e.g., percentage of targets met by division) from the company business results.
4. Add questions to the annual employee survey asking employees' intention to leave the company, perception of productivity, perceptions about degree of current stress, and perceptions about how the level of stress has changed in the last year. In addition, add questions about awareness, use, and evaluation of NBI work/life programs and policies.

- Using all data, calculate a bottom line return on investment (ROI) analysis.

Implement the Work/Life Initiative

After conducting a benchmark survey of work/life practices, it was determined that for NBI to be one of the work/life leaders many new programs and policies were needed. These new programs and policies included job sharing, telecommuting, 12 months' paid parental leave after birth or adoption (at 50% salary), and a concierge service (subsidized, easy access services such as dry cleaning, grocery shopping, car repair, etc.). Measures were gathered before implementation of the work/life initiatives from the HR database as well as by adding work/life questions to the company's annual employee survey: attrition rate was 10% for the 1,500 male professionals and 18% for the 1,000 professional women.

After Implementing Work/Life Initiative

Step 3: Gather and analyze work/life data. One year after implementing the work/life initiative, more data were gathered. The annual attrition rate had dropped: for professional women, from 18% to 12%; for men, from 10% to 9%. Survey results showed a decrease in employees reporting they intended to leave NBI, an increase in self-reported productivity, and a decrease in self-reported stress levels. Employees also reported high levels of awareness and satisfaction with the leave program, job sharing, and telecommuting. However, relatively few knew about the concierge services. In addition, very few (about 100 of those eligible) were using telecommuting and write-in comments indicated that the reason could be the perception that face-time was still important to career progression.

Step 4: Bottom line return on investment analysis. It was found that investments (costs) in the work/life initiative totalled \$4.05 million:

- Job sharing: additional benefits, change to the payroll program, etc.—\$400k
- Telecommuting: additional hardware, software, telecommunications costs—100 @ \$6k per employee = \$600k
- Paid leave: additional salaries—\$2.8 million
- Concierge services: vendor contract—\$2,500 @ \$20 year per employee = \$50k
- Miscellaneous costs (including evaluation costs): \$200k

Assumption: Average cost to recruit and train a new professional employee is \$140k (2x salary = \$140k)
Quantitative program benefits (retention savings) documented.

- Attrition of professional women before w/l initiative:
18% rate x 1,000 employees = 180
Attrition of professional women after w/l initiative: 12% rate x 1,000 employees = 120
Net difference: 60 positions x \$140k to replace = \$8.4 million
- Attrition of professional men before w/l initiative: 10% rate x 1,500 employees = 150
Attrition of professional men after w/l initiative: 9% rate x 1,500 employees = 135
Net difference of 15 positions x \$140k to replace = \$2.1 million

Program benefits (retention savings): \$8.4 million (professional women) + \$2.1 million (professional men) = \$10.5M

Net program benefits (program benefits – program costs)/program costs = % ROI: Attrition savings (\$10.5M) – program costs (\$4.05M)/program costs (\$4.05M) = ROI (1.59) x 100 = 159%

Step 5: Make recommendations based on evaluation. In this case, the clear quantitative benefits of the work/life initiatives to the bottom line were much greater than the costs. Specifically, an ROI of 159% was documented. In addition, NBI employees reported two highly desirable outcomes: increased productivity and decreased stress. Based on the evaluation, Ms. Bergstrom recommended the following to NBI senior management:

- Move forward with more work/life initiatives. Seek to become THE industry leader in the work/life area.
- Publicize the concierge and telecommuting programs through a variety of internal communications channels.
- Initiate actions for moving from a "face-time" to a "results-oriented" culture.
- Monitor progress of recommended actions closely.
- Repeat evaluation steps in one year and make adjustments as indicated.

Summary

Work/life policies and programs are no longer perceived as primarily accommodative; rather, they are integral to the business strategy in meeting objectives for recruiting, retention, and productivity. In this chapter, we have examined five steps necessary for systematic evaluation of work/life policies and programs in a corporate setting. First, clearly identifying objectives is fundamental to evaluation. Second, choosing a sound methodology is critical, and several quantitative and qualitative methods were presented for gathering data against which the objectives are measured. Third, selecting methods for data collection and interpretation were described. The fourth step, simultaneously the most difficult and most important step, is linking the data analysis to the bottom line by using an accounting measure accepted by the business. Finally, using the data analysis to take appropriate actions for the business is the ultimate goal.

By conducting systematic evaluation of work/life programs and policies, an organization can determine whether desired outcomes of improved recruiting, greater retention, and enhanced productivity will be achieved, thus meeting the needs of business to make a profit and the needs of employees to have a satisfying work and personal/family life.

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Suggested Readings in Work/Life Balance Policies and Programs

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Appendix: List of Work/Life Programs

	<i>Percentage of U.S. Companies Offering:</i>
Flexible Work Arrangements:	
Traditional Flextime (change starting and quitting times periodically)	68%
Daily Flextime (change starting and quitting times on a daily basis)	24%
Gradual Return to Work After Childbirth or Adoption	81%
Flexibility in Moving from Full- to Part-Time Work	57%
Job Sharing	38%
Occasional Work-at-Home	55%
Regular Work-at Home	33%
Time Off to Attend School and Childcare Functions	88%
Leaves	
Maternity Leave for Childbirth and Early Infant Care (minimum of 12 weeks of unpaid, job-guaranteed time off required by the FMLA)	91%
Pay During Maternity Leave (wage replacement for at least part of leave beyond vacation days, accrued sick days, or other paid personal time off)	53%
Paternity Leave for Fathers (minimum of 12 weeks of unpaid, job-guaranteed time off required by the Family Medical Leave Act)	90%
Pay During Paternity Leave (wage replacement for at least part of leave beyond accrued vacation days, sick days, or other paid personal time off)	13%
Leave for Adoption and Foster Care Placement (minimum of 12 weeks of unpaid, job-guaranteed time off required by the FMLA)	90%
Pay During Adoption and Foster Care Leave (wage replacement for at least part of leave)	13%
Leave to Care for Seriously Ill Children (minimum of 12 weeks of unpaid, job-guaranteed time off required by the FMLA)	93%
Time for Mildly Ill Children (paid time off without losing vacation days)	49%
Childcare Assistance	
Childcare Resource and Referral	36%
On- or Near-Site Childcare	9%

Vouchers or Direct Subsidies for Childcare	5%
Dependent Care Assistance Plans (flexible spending accounts, employees can set aside wages on a pretax basis to reimburse up to \$5,000 a year in childcare or other qualified dependent-care expenses)	50%
Reimbursement of Childcare Costs for Working Late	4%
Reimbursement of Childcare Costs for Travel	6%
Childcare for School-Age Children on Vacation	6%
Backup of Emergency Care (when regular childcare arrangements fall apart)	4%
Sick Childcare (care for mildly ill children of employees)	5%

Elder Care Assistance

Elder Care Resource and Referral Services	23%
Long-Term Care Insurance for Family Members	9%

Programs for the Teenage Children of Employees

After School Programs	1%
Seminars/Workshops	2%
Summer Programs	<1%
Employee Assistance Programs	5%
Referral Information Services	1%
Scholarship Programs/Educational Assistance	1%
Counseling	3%

Helping Employees Resolve Family Problems

Employee Assistance Programs (help employees deal with problems that may affect their work or personal life)	56%
Work/Life Seminars (workshops or seminars on parenting, child development, care of the elderly, or work/family problems)	25%

Company Efforts to Develop Supportive Supervisors

Work/Life Training (train supervisors to respond to employees' work-family needs)	43%
Expanding Performance Evaluations to Include Management of Work/Life Issues	44%
Training to Manage Diversity	62%
Career Counseling of Management/Leadership Training Program for Women	22%

Health of Employees and their Families

Personal Health Insurance for Full-Time Workers	97%
Personal Health Insurance for Part-Time Workers	33%
Health Insurance With Family Coverage	95%
Paid Health Insurance for Family Coverage	87%
Health Care Coverage for Unmarried Partners	14%
Wellness Programs for Employees and Their Families	51%
Lactation Space and Storage at Work	37%

Benefits to Enhance Economic Security

Temporary Disability Insurance (typically partial replacement of pay until long-term Social Security Disability Insurance commences)	70%
Company-Paid Temporary Disability Insurance	85%
Pension With Guaranteed Benefits	48%
401(k) or 403 (b) Retirement Plan	90%
Company Contributions to Retirement Plan	91%
Scholarships or Other Educational Assistance for Children of Employees	24%

SOURCE: Galinsky, E. & Bond, J. T. (1998). *The 1998 business work-life study: A sourcebook*. New York: Families and Work Institute. <http://www.familiesandwork.org>.

PART VIII

Issues Spanning Human Resources Programs