An Organization's Responsibility to its Employees

Susan R. Madsen, *Utah Valley University*
Ninth World Business Congress

Managing in a Turbulent International Business Environment

December 14-17, 2000
San Jose, Costa Rica

Edited by:

Gary N. McLean, Ph.D.
University of Minnesota, USA

Erdener Kaynak, Ph.D.; D.Sc.
Pennsylvania State University at Harrisburg, USA

Oscar A. Aliaga, Atty.; M.A.
University of Minnesota, USA
An Organization's Responsibility to Provide Work-Family Programs

Susan R. Madsen, University of Minnesota, USA

Defining and deciding the responsibility of business organizations to provide and assist employees with work-family programs and initiatives is a current critical issue that has ignited controversy during the past decade. The author argues that work-family programs should be a part of every organization and should be linked to benefits to the employer. She argues that training and educating business leaders about work-family options and benefits is a better solution than continual legislation. Discussions include organizational responsibility, the increased need for these programs, work-family programs and services, benefits and suggestions for the employer, and finding a solution through shared responsibility.

A current critical issue that has ignited controversy during the past decade is defining and deciding on the responsibility of business organizations to provide and assist employees with work-family programs. The debate surrounding the passage of the U.S. Family and Medical Leave Act (FMLA) in 1993 and the current legislation proposing to mandate employers to provide twelve weeks of paid leave for pregnant mothers are just a few components of this issue. Traditionally, workplace work-family programs and initiatives have not been prevalent, but, because of the continual changes in the family structure and needs, these programs are becoming an essential part of changing, effective, organizations throughout the world. Some work-family proponents argue that all organizations have the responsibility to provide these programs regardless of the cost or impact they may have on the organization. Others give the public the impression that the majority of organizational leaders are opposed to work-family programs and, therefore, governments should legislate all organizations to implement them through laws and policies.

I will argue that all organizations can and should provide some form(s) of work-family programs and/or initiatives, but that these should support and benefit the organization's missions and goals. I will argue that it is crucial for work-family consultants/specialists to show a link between these programs and benefits to the employer. I will argue that, if more employers were trained and educated about these programs and their benefits to the organization, more would be willing to implement effective work-family programs for their employees. I will also argue that attempting to force organizations to implement these programs through additional legislation and laws may not be the best course of action for many employers and employees. I will present these arguments by discussing organizational responsibility, the increased need for work-family programs, work-family programs and services, work-family program benefits for the employer, suggestions for employers, and finding the solution through shared responsibility.

Organizational Responsibility

Every organization has certain responsibilities to its employees. An organization needs to abide by the basic employment policies and laws that have been put in place for the protection of both organizations and employees. The organization also has responsibilities to its employees that may go beyond these laws or policies. These are considered ethical, socially responsible, moral, and worthwhile. Even these responsibilities, however, can often be linked to some kind of benefit to the employer. Because a for-profit business organization exists to make a profit, it is important that efforts be designed to assist in accomplishing its mission and goals. The problem comes when the organization's leadership wants to provide only programs and services that have a direct, visible, short-term relationship to financial gains. This is not always wise nor beneficial for the organization. It is the social and moral responsibility of all employers to become educated about services and programs that can improve the effectiveness and morale of their employees and decrease the unnecessary stress, medical costs, employee turnover, and absenteeism that may be present (Bond, Galinsky & Swanberg, 1997). It is not only the social responsibility of all employers, but also their professional business responsibility, to take the time to analyze the short and long-term positive effects these programs and services can have on the bottom line.

Many people do not feel loyal to the organizations where they work and do not feel their organizations are either moral or ethical (Dutton, 1997). This lack of loyalty often results in negative outcomes for employees, families, and organizations. Hemphill (1997) explained that corporate social responsibility includes an "implicit, informal social contract between the corporation and its employees" (p. 53).
He suggested that this informal social contract is breaking apart because of the stress of economic transformation and that a new revised social contract needs both "specific legislative remedies and innovative corporate investment in employee well-being" (p. 53). All organizations should have the responsibility of treating their employees with respect. Powell (1998) concluded that many organizations are actually abusive to their employees. These organizations expect employees to put work first at all times and to have a family life only when granted permission to take some time off from work. He stated that, "given the prevalence of abusive organizations, we also need programs to help battered employees" (p 96).

Kurland (1998) explained that modern technology was supposed to have enabled us to enjoy more leisure time, but, instead, it has assisted employees in working longer hours in the offices, homes, cars, airplanes, hotel rooms, and even other countries. Because many organizations tend to drain employees' energy and personal/family time, do they not also have the responsibility to be a positive resource to their employees?

Because of past and current work-family legislation, some employees are beginning to realize the employees without family worries may get more done, with fewer hassles (Jenks & Zevnik, 1993). For example, if certain U.S. family legislation is passed, many employers, in spite of the law, may think seriously before hiring a woman of childbearing age who could take a family or medical leave within the year and cost the employer thousands of dollars for her wages and salary, as well as the cost of the temporary employee to replace her. Clearly, this is a cost that must be considered.

Even with the on-going debate concerning what an organization's responsibility to its employees is, prominent and successful corporate leaders have spoken clearly about this issue. In 1994, the chairman and CEO of IBM, Louis Gerstner, explained that

"We're in a period of frenetic change, with enormous pressures on people. A lot of our people are dealing with the problems of elderly and sometimes ill parents, they're dealing with the everyday demands of managing two-income families. In our work environment, with the pressure we're putting on people, we've got to be even better at helping them deal with those issues. We need the very best people as the foundation on which we build everything else, and we've got to be smart enough to figure out ways to address their requirements and their needs. (Commission on Family and Medical Leave, 1996, p. 3).

By not encouraging and fostering a balanced work-family life for employees, organizations are contributing to pressures and tensions in employees' personal lives. Thompson, Beauvais, and Lyness (1999) reported that these tensions may affect an employee's ability to concentrate and be creative and productive while at work. Not only can work-family programs or resources improve the quality of work and home life for employees, but they also benefit the organization's financial bottom-line. It is the responsibility of leaders at least to consider such initiatives.

**Increased Need for Programs**

There is little doubt that employees are confronting new and unparalleled challenges in meeting the demands of work and family (Jacobs & Gerson, 1998). Prior to the Second World War, most families had a wife/mother at home full time. From 1950 to 1991, the number of married women in the U.S. with paying jobs more than tripled. In 1995, wives account for nearly three-fifths of all employed women. Bravo (1995) reported that

In 1950, only 12 percent of women with children under the age of six were in the paid labor force. In 1990, that figure had skyrocketed to 57 percent—due in part to the increasing need of families for the wives' income and to the growing number of families dependent of women's income alone. (p. 12)

In Finland, the female participation rate in the workforce is even higher. In fact, in 1993 nearly 73% of women with preschool children were employed, most of whom were full-time (Kinnunen & Mauno, 1998). In addition to the increase in employed mothers throughout many parts of the world, other workforce changes include the transformation of family and household structure, the increase of stress and working hours (Jacobs & Gerson, 1998), the changing roles of men and women, and the adjustment of job requirements (e.g., increased travel). In addition, it is estimated that one out of five U.S. Americans will be over 65 years of age by the year 2030 (Commission, 1996), which will add more challenges for employers and employees.

Along with the changes in the workforce, many countries (e.g., Belgium, Canada, Denmark, France, Germany, India, Japan, Kenya, Netherlands, Sweden, U.K., U.S.A.) already have current regulated policies related to numerous work-family needs and challenges (e.g., maternity and paternity leave, parental leave, sick child) (Bravo, 1995; Kinnunen & Mauno, 1998). These policies reflect increasing and continuous work-family changes and challenges (e.g., child care, elder care) throughout the world.

One major outcome of the inability to balance the demands of work and family is work-family conflict (WFC) (Kinnunen & Mauno, 1998). Studies have reported substantial WFC among employees in the United States (e.g., Carlson, Kacmar, & Williams, 2000; Duxbury, Higgins, & Lee, 1994), Finland (Kinnunen & Mauno, 1998), Hong Kong (Aryee, Luk, Leung, & Lo, 1999), Australia (Abbot, De Cieri, & Iverson, 1998), and Singapore (Aryee, 1992). Conflict between work and family life often manifests itself in excessive work time demands, incompatible schedules, and fatigue, irritability, and stress (Eagle, Miles, Icenogle, 1997).
These outcomes can then lead to marital and family problems, illness and other health concerns, absenteeism, high turnover intentions, and instability. When a single parent or when both parents are employed full-time, something has to give when there are problems, sickness, or concerns in the family. If the workplace is not flexible, it can cause great stress and conflict for the employee. In addition, these concerns are also present for non-emergency situations, such as attending parent-teacher conferences, attending plays or programs during school hours, volunteering to chaperone a field trip, performing community service, or even doing something special on a child's birthday. Similar struggles can also occur with an ailing parent who has special needs and concerns. Many leaders feel that, if employees participate in these types of activities, they are not giving 100% of their efforts to their employers. In today's society, there is a strong family and societal need for employees to participate in these activities. If designed appropriately, however, this participation should not preclude an employee from continuing to accomplish desired objectives and results in the workplace (Bond et al., 1997). Edwards (2000) explained that

Many organizations are expanding operations globally and therefore, require key employees to travel or work abroad. These assignments can strain family relationships and compel employees to withdraw or resign which, in turn, hinders global operations. Analogously, many families required income from both parents to cover expenses, and these dual-earner families place pressure on organizations to implement family-friendly policies. (p. 178)

Because of expanding and continuous research in this area, full justification of the need for work-family programs is detailed and complex. Although there are other reasons for this increased need, the ones I have noted remain at the forefront of this debate. There is a need for work-family programs and this need will continue to grow as the workforce demographics and job requirements develop and change.

**Work-Family Programs and Services**

Work-family programs and services are designed to assist, support, and/or encourage employees in effectively balancing their family and work responsibilities. These programs may offer physical, emotional, mental, financial, or even social support to employees. Examples of these programs include some that are regulated policies and laws, and many that are not (see Table 1) (Friedman & Johnson, 1997).

<table>
<thead>
<tr>
<th>Table 1. Work-Family Programs and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption Benefits</td>
</tr>
<tr>
<td>Cafeteria Benefits</td>
</tr>
<tr>
<td>Career Development Opportunities</td>
</tr>
<tr>
<td>Child Care Centers</td>
</tr>
<tr>
<td>Child Care Resource and Referral</td>
</tr>
<tr>
<td>Community Partnership Programs</td>
</tr>
<tr>
<td>Compressed Work Week</td>
</tr>
<tr>
<td>Concierge</td>
</tr>
<tr>
<td>Corporate Foundation Giving</td>
</tr>
<tr>
<td>Dependent Care Assistance Plans</td>
</tr>
<tr>
<td>Discounts for Child Care</td>
</tr>
<tr>
<td>Elder Care Consultation and Referral</td>
</tr>
<tr>
<td>Employee Assistance Programs</td>
</tr>
<tr>
<td>Family, Child Care Leaves for Mothers</td>
</tr>
<tr>
<td>Family Counseling in Relocation</td>
</tr>
<tr>
<td>Family Illness Days</td>
</tr>
<tr>
<td>Flexible Hours</td>
</tr>
<tr>
<td>Health/Wellness/Child Care Fairs</td>
</tr>
<tr>
<td>Job-Sharing Arrangements</td>
</tr>
<tr>
<td>Lactation Programs</td>
</tr>
<tr>
<td>Long-Term Care Insurance</td>
</tr>
<tr>
<td>Part-time Schedules</td>
</tr>
<tr>
<td>Personal Days</td>
</tr>
<tr>
<td>Personal Leaves of Absence</td>
</tr>
<tr>
<td>Scholarship Programs</td>
</tr>
<tr>
<td>Sick Child Care</td>
</tr>
<tr>
<td>Spouse Employment Assistance</td>
</tr>
<tr>
<td>Telecommuting</td>
</tr>
<tr>
<td>Vouchers for Child Care</td>
</tr>
<tr>
<td>Wellness/Health Programs</td>
</tr>
<tr>
<td>Work-Family Coordinators</td>
</tr>
<tr>
<td>Work-Family Handbooks</td>
</tr>
<tr>
<td>Work-Family Management Training</td>
</tr>
<tr>
<td>Work-Family Seminars</td>
</tr>
<tr>
<td>Work-Family Support Groups</td>
</tr>
</tbody>
</table>

Some of these programs and services do take a financial investment and commitment while others can be implemented without any cost to the employer. Some can be developed and implemented on a wide-scale basis with substantial marketing and promotion. Others can be handled personally as each situation is considered, taking into account the individual employee, his/her needs, and the current job requirements. Individual manager flexibility in unplanned situations may be able to benefit the organization and the employee as well. For instance, an employee who works in an office full-time may have a child home from school for three days with an illness. If possible, allowing this employee to do some of his/her work at home during these days may be beneficial for both parties. U.S. West, AT&T, Pacific Bell, Johnson and Johnson, and Colgate Palmolive all have similar flexible work schedules (Wagner
& Holenbeck, 1995). At Colgate Palmolive, all employees are required to be at the office from 10:00 a.m. to 2:00 p.m., but each can decide which eight-hour shift to work anywhere between 6:00 a.m. and 6:00 p.m. These are only a few of the family-work programs that can be considered in becoming a more family-friendly organization.

Kirchmeyer (1995) assessed organizational responses that assist employees in managing the work-family boundary. The three types of researched responses included "separation" (i.e., employers act as if workers' nonwork worlds do not exist), "integration" (i.e., employers treat work and nonwork as related worlds and act to reduce the gap between them), and "respect" (i.e., the employer provides workers with the personal resources to fulfill such responsibilities themselves). She found that respect responses were the most preferred and beneficial to employees in the long-term. Employees favored receiving support and resources from their employers but wanted not only to control the decisions, but also to fulfill the responsibilities on their own. This type of assistance (e.g., resources, referrals, workshops), is actually more economical for an organization than the integrated approach (e.g., on-site child care).

There are many types of programs or initiatives an organization can consider implementing. It is important, however, that employee needs be thoroughly assessed so that appropriate and effective decisions can be made. Programs and services that should be considered are those that meet the needs of the employees, are linked to the organization's goals and strategies, have the support of top management, and, given the existing organizational culture, have a high probability of success.

Benefits for the Employer

In promoting work-family programs and services to organizational leadership, it is essential that the benefits to the employer be clearly presented. We can not expect a top manager, whose job it is to see that the organization is successful and profitable, to be supportive of programs that do not initially appear to benefit or support the organization's mission and goals. Research (e.g., Bond et al, 1997) shows that there are links between these programs and the organization's bottom-line. Even though organizations should implement some programs for the sole reason that it is ethically or socially responsible, this reason may not be sufficient. Many studies report documented evidence of employer benefits. One study (Dutton, 1997) reported that a 30% decrease in absenteeism was shown when "flexible work schedules, mutually agreed upon 'quiet times' when all interruptions are banned, and a wide range of work/family initiatives, such as child and elder care referrals, adoption subsidies and counseling, and education information" (p. 18) were implemented. She also reported that there was an increased worker loyalty, enhanced productivity, and, sometimes, reduced sick leave and healthcare costs "when pressure is taken off workers' personal lives and with policies that allow greater employee autonomy are implemented" (p. 18). Levi Strauss & Company started a lactation program and found that the program reduced medical expenses for infant illness and breast cancer treatment by encouraging women to breast feed from two to nine months longer than they would without the program (Anonymous, 1997).

Xerox and others believe that, by relieving some of the employee's stresses, they are helping employees become more focused on their work. These companies also hope that the improved workplace environment will attract and retain the highest caliber people (Dutton, 1997). Herman and Gionia (1998) explained that top employees now and in the future will be seeking balance, growth, and fulfillment in both their work and home environments. They advised that the "corporation of the future must respond to these needs and desires; otherwise, they will find themselves hampered by a lack of qualified people to accomplish the organization's work" (p. 36). Lau and May (1998) reported that employee satisfaction is essential to implementing high-performance or high-commitment work systems and that these systems often contribute to an organization's financial performance.

Shanley, Carbb and Kamiya (1998) agreed that family-friendly policies give an organization an advantage in the competition for talent. They also stated that "open communication and flexible work hours cut down on lengthy leaves of absence, as well as contractor hiring and training costs... employer flexibility enhances employee loyalty and attracts new recruits" (p. 44). A survey showed that 79% of company managers who have work and life policies found that they had a positive impact. The survey found that employees who utilized work-life programs and policies were twenty percent more likely to put forth extra work and effort to meet business needs than those who did not. Shanley et al. (1998) also reported that a growing number of employers are realizing that, when they help workers balance pressures within and without the workplace, they can improve productivity, keep good employees, and attract the best new talent. They also reported that organizations that remained set in the old approach actually thwarted employee creativity and hampered productivity.

Results show, according to Scandura and Lankau (1997), that women who perceived that their companies offered flexible work hours reported higher levels of job satisfaction and organization commitment than women who did not. Dutton (1997) explained that the loyalty of employees to their company, and of a company to its employees, builds trust. This trust goes hand in hand with profitability. She also added that "there are many elements involved in creating a more worker-friendly environment, but the most important ones don't cost a thing" (p. 20).
It is clear that for an organization to provide a global, sustainable, competitive advantage, its workforce must be productive (Lau & May, 1998). The impressive "1997 National Study of the Changing Workforce: Synthesis of Findings" (Bond et al., 1997) reported that, "when workers feel burned-out by their jobs, when they have insufficient time and energy for themselves and their families, when work puts them in a bad mood--these feelings spill back into the workplace, limiting job performance" (p. 1). This same research synthesis explained that,

To improve and sustain productivity over the long run, employers must not only create supportive workplace environments, but also work with employees to keep job demands in check so they do not endanger personal and family well-being. Promoting work-life balance appears to be good both for employees and the bottom line. (p. 2)

The most powerful predictors of productivity (i.e., job satisfaction, commitment to their employers, and retention), are the supportiveness of the environment and the quality of workers' jobs. These appear to be far more important predictors than pay and benefits.

These are just a few of the numerous benefits researchers have found that can positively influence the overall performance of individual employees and the organization as a whole. The bottom line is that becoming a family-friendly workplace can benefit the employer.

Suggestions for Employers

An increasing number of companies throughout the world are recognizing the competitive advantage afforded by work-family initiatives and are implementing appropriate strategies (Vincola, 1998). In many of these organizations, however, the programs are not properly embedded in the business strategy and corporate culture. Because of this, many organizations are not deriving the strategic benefits of such programs. Corporate culture can either advance or thwart work-family program's development and effectiveness. Employees, however, are not satisfied if programs are offered but the organization's culture is not supportive. Thompson et al. (1999) studied work-family culture and its relationship to work-family benefit utilization, organizational attachment, and work-family conflict. They found that perceptions of work-family culture were related to the actual use of work-family benefits and that benefit availability and a supportive work-family culture were related to increased organizational commitment and decreased work-family conflict and intentions to leave the organization.

Often employers need to recognize the strategic value of addressing work-family issues before they can be convinced that this can be beneficial for the organization. It is important that employers and employees understand how such programs can be mutually beneficial. By doing this, business can be more sensitive to employees' work-family needs, and solutions can be aligned with business goals. These strategies can be flexible to meet changing organizational and employee needs. By doing this, an employer's commitment to addressing work-family issues is viewed as a long-term value in the organization and the employees (Bankert & Lobel, 1997; Friedman & Johnson, 1997).

Trying to force employers to do more in the form of legislation may be occasionally necessary--but it is not the long-term answer. Employers who are forced to adhere to laws or regulated policies may resent them and consciously or unconsciously make employees feel guilty when taking advantage of the programs. Admittedly, some employees do take advantage of policies when they are not necessary. It is understandable that many corporate leaders may be leery to implement family-work programs and services. Because of this, emphasis should be placed on the education and training of organizational leaders about work-family programs and their benefits to the organization.

Kugelmass (1995) suggested that managerial resistance is the most problematic barrier to flexible work. Managers are provided little or no training about work and family options, researched benefits, results of pilot studies, and flexible work management strategies. It is understandable why so many managers are opposed to these programs. Implementation of these programs signifies change. Employers and employees alike are often fearful of change. Educational and training opportunities can assist managers in acquiring the confidence, knowledge, and skills needed to adjust, implement, and manage such programs. Only then, can the company's family-friendly culture begin to form so that long-term positive change can take hold (Friedman & Johnson, 1997).

Some managers are beginning to open lines of communication with their employees, offering case-by-case flexibility that still meets bottom-line goals (Shanley et al., 1998). We need to balance continually balance work coverage needs and flexibility provided. It is obligatory for managers and employers to develop solutions. One option might preclude virtual working that can be done at home on a situational basis, with a manager's approval. In addition, more employers are offering employees help with critical life issues--finding good local childcare or services for elderly parents. This appears to increase employee loyalty while decreasing absenteeism and stress. Stress is known to decrease work effectiveness and increase in health problems. Some managers are now being encouraged to have personal development plans with employees to include their knowledge, skills, schedules, and employment needs, as well as their family and life needs. Managers need to recognize, as Herman and Gioia (1998) stated, "that the top employees of the coming century will be flexible, creative, and motivated toward making a positive difference in the world. They will
Shared Responsibility is the Solution

According to Bankert and Lobel (1997), one important principle in the management of work and personal life effectiveness is a shared responsibility. The goal behind this principle is to emphasize the need for employee ownership of personal life balance and the management of work. Managers and employees can be empowered to develop solutions that address both business and personal objectives. Managers and employees can then be held accountable for their behavior in relation to the success or failure of these objectives. This empowerment and accountability are obviously management challenges that extend far beyond the issue of work and family: "Companies appear to be making greater progress in the area of empowerment, providing managers and employees with considerable autonomy in developing reasonable solutions" (p. 189).

In RJN Nabisco's "Management Statement on Worklife" (Bankert & Lobel, 1997), one of the four guidelines listed reads:

Balancing work with family and personal obligations is a shared responsibility involving the company, its managers and employees. Successfully balancing family and personal needs of the business requires a cooperative effort between the employee and his or her manager. Fundamentally, the company's role is to provide the tools and support that will help employees find solutions to their own problems—not to solve their problems for them. (p. 188)

In addition to family and corporate responsibility, there is a necessity for limited government legislation on behalf of employees throughout the world. Many policies in various countries have been successful in assisting families in better balancing their lives. It is difficult, however, to make a generalization as to how much responsibility governments should have in assisting in work-family challenges. Because of the vast differences in families, cultures, companies, and communities, this shared responsibility may need to extend beyond work and family to the government and community. Extensive legislation, however, is not the solution to long-term culture change in most organizations.

Conclusion

The optimal work environment can support individual work and personal life effectiveness. The employer's informal culture can support a healthy work-life balance. The employer can provide meaningful work-life programs and policies and ongoing education of its employees. The employer can strive for ongoing improvement through continuous evaluation and assessment. The employer can develop community relationships to strengthen external work and life resources. The employer can work with the public sector to strengthen policy that benefits both employers and individuals (Bankert & Lobel; 1997; Christensen, 1997; Friedman & Johnson, 1997). These are wonderful efforts and should be pursued and implemented by employers if there is a link between these benefits for the employees and the benefits for the organization. A corporate for-profit organization needs to make a profit to stay in existence. This is the reason for its existence. Instead of initiating continual legislation for the majority of these programs, the key lies in educating employers about the options and benefits for developing and implementing these programs. While this may not work in all situations, I would hope that the majority of corporate top management would be logical and professional enough at least to consider the possible financial benefits these programs and initiatives can have on their organizations and employees.

Again, employees must not expect these programs from their employers without taking joint responsibility for them and without ensuring that the organization will benefit in some way. As Christensen (1997) stated, "Companies that proactively address issues of work-life balance as part of their business strategy will be at an advantage in generating the kind of trust and employee commitment needed to compete effectively in the global marketplace" (p. 36). The beauty of this relationship is that there are benefits—we just need to help management see them.

References


