Rewards worth waiting for: how compensation supports strategy
PAGES 2–3 When it comes to paying employees, managers can be more interested in being consistent with industry practice than in doing things differently to create a competitive advantage. Salaries, bonuses and options are regarded as a cost of doing business rather than as an investment. Yet companies can use reward programmes to drive strategy and reinforce values. Tom Wilson examines the options.

When employees act like owners
PAGES 4–5 Employee share plans aim to persuade workers to think and behave like owners—and their use is on the rise. Martin Conyon and Richard Freeman review the schemes on offer and present the evidence that justifies their popularity.

The job as a life experience
PAGES 6–8 People have been rethinking the relationship between their working and private lives for several years, say John Kimberly and Elizabeth Craig, and the recent terrorist attacks have brought the debate into sharper focus.

Corporate help for working families
PAGES 10–11 Families with a working single parent or with both parents in full-time jobs have become the norm. Stewart Friedman and Ellen Galinsky find that, as demand for childcare grows, companies have to think of new ways to help.

Part Four
Corporate help is at hand for working parents

As demand for childcare from working parents grows, companies have to be more creative in their provision. Stewart Friedman and Ellen Galinsky outline the latest developments.

Families with a working single parent or with both parents in full-time jobs have become the norm in the developed world and even among the growing middle class in some developing countries. As this trend continues, the need for novel and effective arrangements for the care of young children continues to grow. While government policies in support of these efforts are evolving, the burden has been largely borne by private businesses in a number of countries. While companies have made considerable progress, the growth of their initiatives faces substantial obstacles, particularly as the economy weakens.

In the past decade, companies have tried to address the personal and family needs of their employees. Our September 2000 survey shows that leading US companies have moved from single-site programmes and policies to meet the needs of employees with young children towards a more strategic, comprehensive approach. Many approaches are based on giving autonomy to employees about where, when and how they work.

Also, the number of creative public-private partnerships has grown. In the process, some companies have taken an interest in the care of all children, not just those of their own employees. These companies are redifining their relationship with the community. Yet in a competitive world, businesses and community organizations face considerable challenges in advancing such programmes.

Accomplishments

Two major trends are evident in the US. First, family-friendly policies have grown from a piecemeal collection of human resources benefits into a social movement characterised by a strategic, integrative approach. Unlike a decade ago, when the emphasis was on dependent care, many companies now offer comprehensive services that support the co-ordination of work and personal life. Second, and perhaps more importantly, workplace innovators are increasingly reaching out to other stakeholders, such as communities, schools and government.

Companies give several reasons for introducing programmes in their family or personal roles. Foremost is increasing competition in the so-called "war for talent" – the desire to recruit and retain the best employees – and the sense that helping staff to integrate work and personal life increases their desire to go the extra mile for the company.

As employees have become more diverse, with a variety of lifestyles and family structures, companies have set up task forces and committees to help resolve work-life issues using a range of programmes. Training is needed to ensure that employers are aware of how to make these programmes useful, and that supervisors support their implementation.

Multinational companies such as Merrill Lynch and Glaxo offer programmes including childcare centres, summer camps, flexible work arrangements, help with dependents, resource and referral for childcare, tuition, adoption, reimbursement and parenting education. They also offer backup childcare, family childcare homes, before- and after-school programmes, family leave, flexible work arrangements, wellness programmes and campaigns for women’s achievement.

Rather than imposing a standardised programme, some US companies such as Verizon Communications, Allstate and Prudential have designed flexible programmes to meet the needs of employees. These programmes (in addition to those described above) include family illness days, college scholarships and preparation, summer camp, dependent care grants, lactation facilities, parenting seminars and materials, adoption assistance, employee recreation events and discounts, resources and referral.

Applying a comprehensive approach to work-life initiatives is not limited to large companies. Even small start-ups with limited resources realise the importance of a comprehensive work-life programme. For example, $50, an environmental risk management specialist in the US, offers flexible hours, reimbursement of tuition fees, resources and referral services, extended parental leave, health programmes, adoption leave, with subsidies and on-site childcare.

Federal agencies are also adopting a comprehensive approach. The US Department of Justice, for example, has recently created a comprehensive work-life programme. Such programmes would have been unthinkable 10 years ago.

Similar approaches are also evident in academia, for example at New York University. A decade ago the university had no maternity leave other than the statutory minimum of six weeks of disability. Now, faculty members get a year off for the birth or adoption of a baby. This helps to level the playing field for female academics and encourages men to become more involved in family life.

Implementing such flexibility is never easy. Companies must continue to educate managers on the value of workplace flexibility and its compatibility with superior business results. At the heart of these approaches is a respect for employees’ choices.

Partnerships

Companies no longer assume they can address employees’ work-life issues alone. They are increasingly becoming involved in some sort of public-private partnership to address childcare or education needs.

In the US, such partnerships are developing at local, state and national levels. Some are aimed at improving the quality of, and access to, childcare and school-age care programmes; increasing the number of accredited programmes; and improving training and pay for providers. According to a survey by the Families and Work Institute, 11 per cent of companies...
People are bringing in new set of values to their careers and want to make a contribution to work and to society.

Job design must allow for the full range of employees needs, rather than aligning flexibility only when the job structure permits it. Many more decision-makers will be in dual-career families’ themselves and will be younger.

Changes in how business gets done could make it easier for working parents to be more available to their children. Thus, employers must work to build psychological flexibility and control parents are better able to focus on their children’s needs. Yet, the need for childcare by other adults will continue to remain strong – indeed, to grow – and this need is most pronounced at the lower end of the socio-economic ladder.

Support

The need for childcare is especially problematic for low-wage earners. For far too many parents, the availability of adequate childcare can mean the difference between working and not working. Leading companies are coming up with novel ways to provide services for low-wage earners but there is a long way to go before access to early childhood education is available to all.

One group of employees that typically have little access to work-life assistance is the childcare workforce. Bright Horizons Family Solutions, a childcare provider, offers childcare to its teachers at half-price and recently began offering a back-up childcare option to employees. This company is the only childcare organisation ever to be named to the Fortune 100 Best Companies list.

The growing acceptance of family diversity has led to an increased awareness that the needs of low-income and minority employees have not been met adequately. This is an area in which private-public partnerships could make a real difference in how society organises its resources and where the public sector makes a difference.

They obstacles are substantial. Some employers whose workforce is dominated by low-wage earners, for example, have studied on-site childcare many times, but have never build a centre because there is not enough interest. Lower-wage employees may not use licensed care facilities because of cost constraints and instead use a neighbour, friend, or family member or split shifts with their spouse.

What next?

Companies have moved from single- issue programmes and policies to meet the needs of employees with more strategic, comprehensive approach. This approach is based on granting more respect and autonomy to employees about where, when and how they work, and developing the tools to make decision-making more effective.

Companies are engaging in more public-private partnerships and these partnerships have led some corporate leaders to tackle the childcare needs of all children, not just those of their own employees. These companies are redefining the connection between company and community.

These changes could be either positive or negative for working families and their children. However, if employers parents, their employers and their social institutions develop programmes that invest in the whole lives of employees, the result will be a more productive, workplace and a healthier and safer society where children can continue to develop, learn and thrive as they seek their place in society.

Further reading

  ment in a 24/7 economy, New York: Families and Work Institute.
  Institute.
  upenn.edu contain summaries of studies by the authors.

Signpost

See the article on women, management and careers in part eight, December 3.

Your guide to Mastering People Management

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Week 12: Management in Practice

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- Management in practice and development
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Useful Internet Resources

- Join the discussion on the management forum at MasteringPeopleManagement.com

The guide is available for download at MasteringPeopleManagement.com

Mastering People Management on the web

Released material can be found at http://masteringpm.com/new. Respond to the terms by e-mail to masteringpm.com

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