

Standing Still is Not an Option: Work-Life Balance Initiatives in Canada

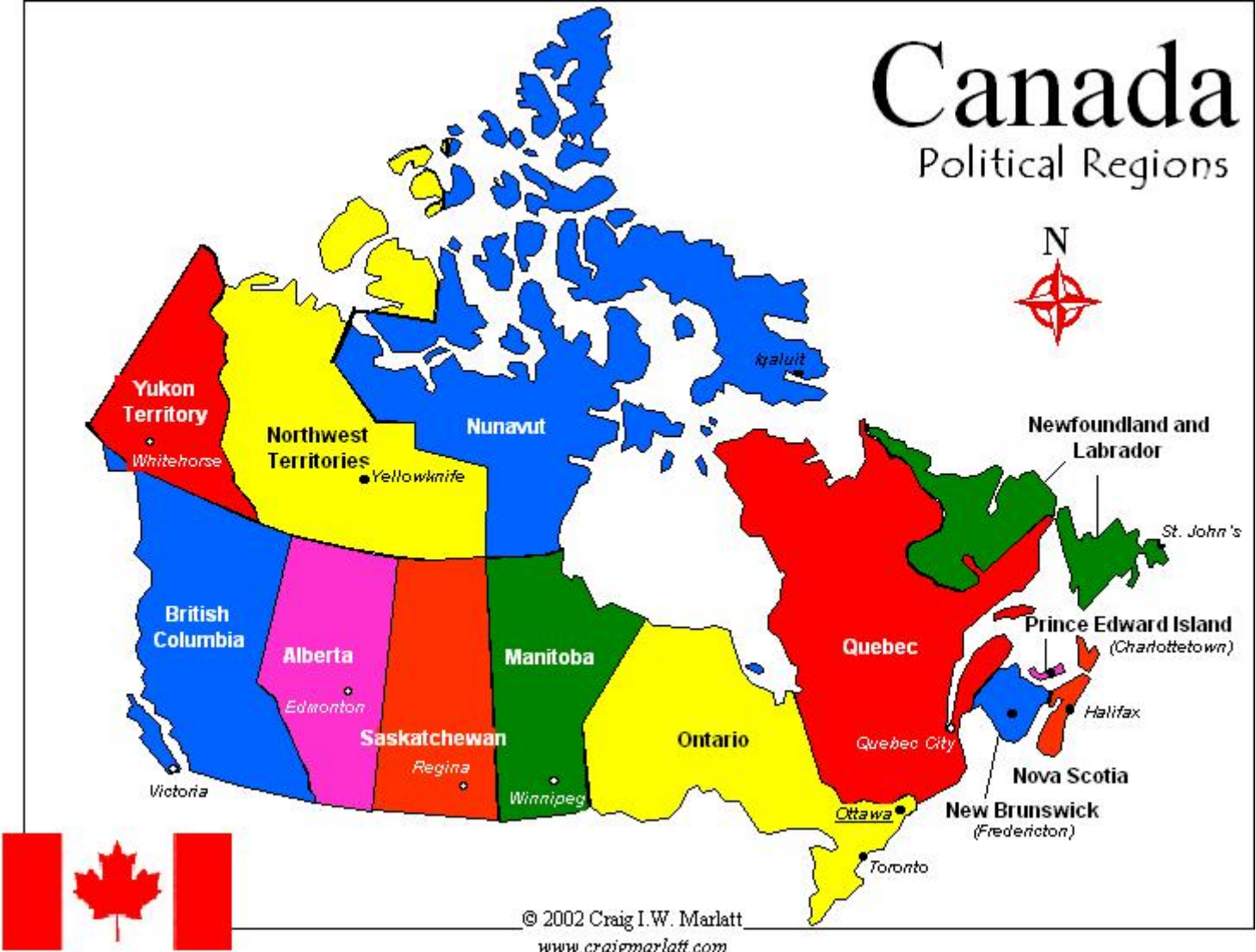
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Outline of the Talk

- The Context: Canada
- The Data
- The Current Situation
- Why Should Canada Care?
- What Can Be Done?

Canada

Political Regions

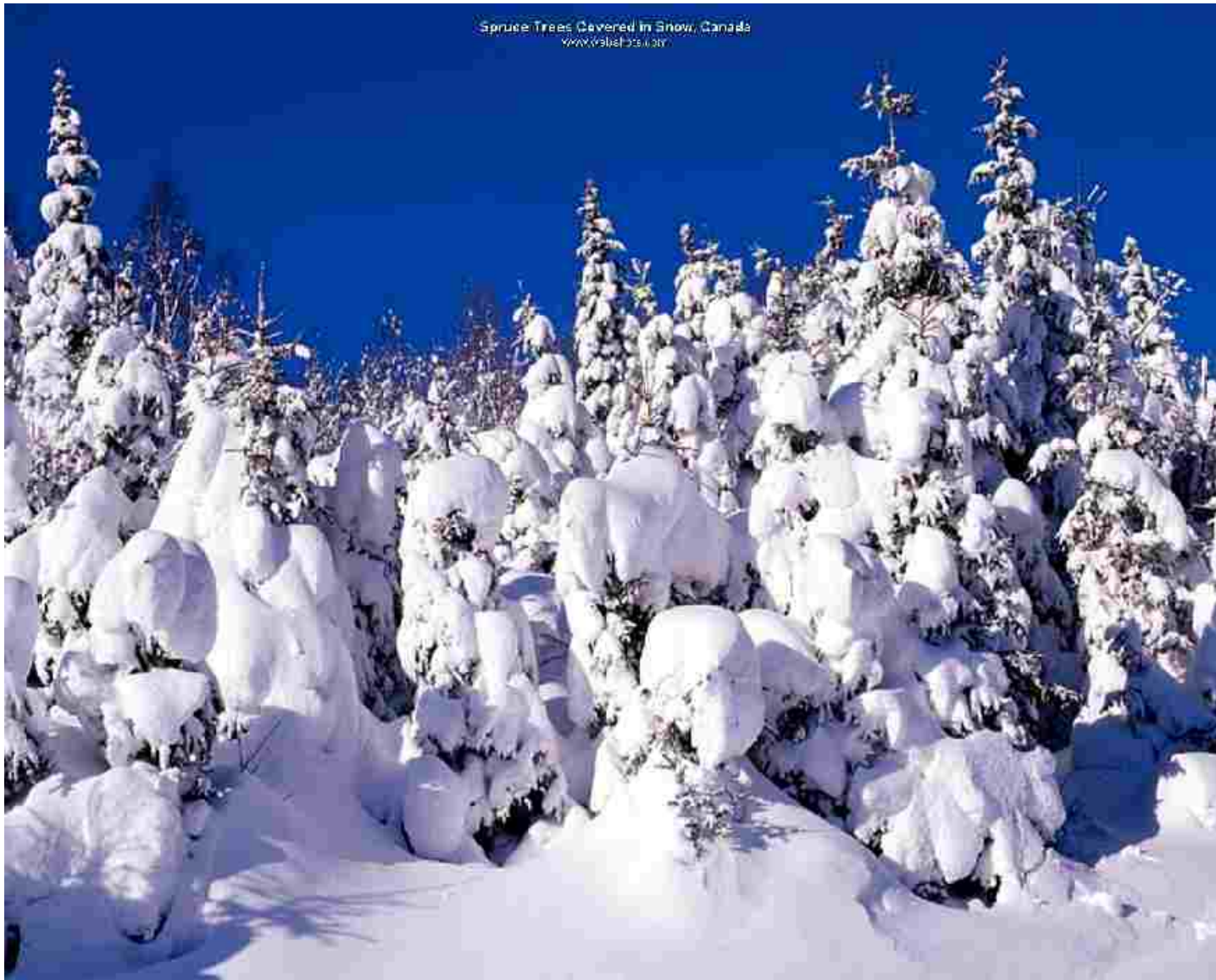


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Spruce Trees Covered In Snow, Canada
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Canada 101

- Population: 31.3 million
- Inhabitants per square Km: 3
- Percent of total population:
 - 0 to 14 18%
 - 15 to 64 69%
 - 65+ 13%
- Percent foreign born: 18%
- Percent of the workforce female: 47%

Canada 101

- Canada consists of 10 provinces, 3 territories
- The responsibility for social and family policy is shared between federal and provincial governments
- Federal government responsible for:
 - Employment insurance (including parental leave)
- Provincial governments responsible for social and family services and education
- Social policy development in Canada depends very much on the province one live in
 - Quebec way ahead of rest of country in many ways
 - Spends 0.8% of GDP on childcare

Canada 101

- Provincial policies are co-financed by Federal money that is administered through:
 - Canada Social Transfer (CST)
 - Early Childhood Development Agreement
 - Multilateral Framework on Early Learning and Childcare
 - Equalization grant which reallocates resources between provinces with varying tax raising capacity
 - Provinces can use these moneys as they see fit
 - National Child Benefit

Canada 101

- Federal government does not have direct responsibility for childcare
- In late 1990s two federal initiatives were, however introduced to provide increased support for families
 - National Child Tax Benefit (1998): assistance for lower income families
 - National Children's Agenda (2000): CST support of four areas:
 - Health in pregnancy and infancy
 - Parenting and family supports
 - Community supports
 - Strengthening early childhood development
 - At Federal Level run by SDC and Health Canada
 - Provinces have discretion on program setting priorities

Employment

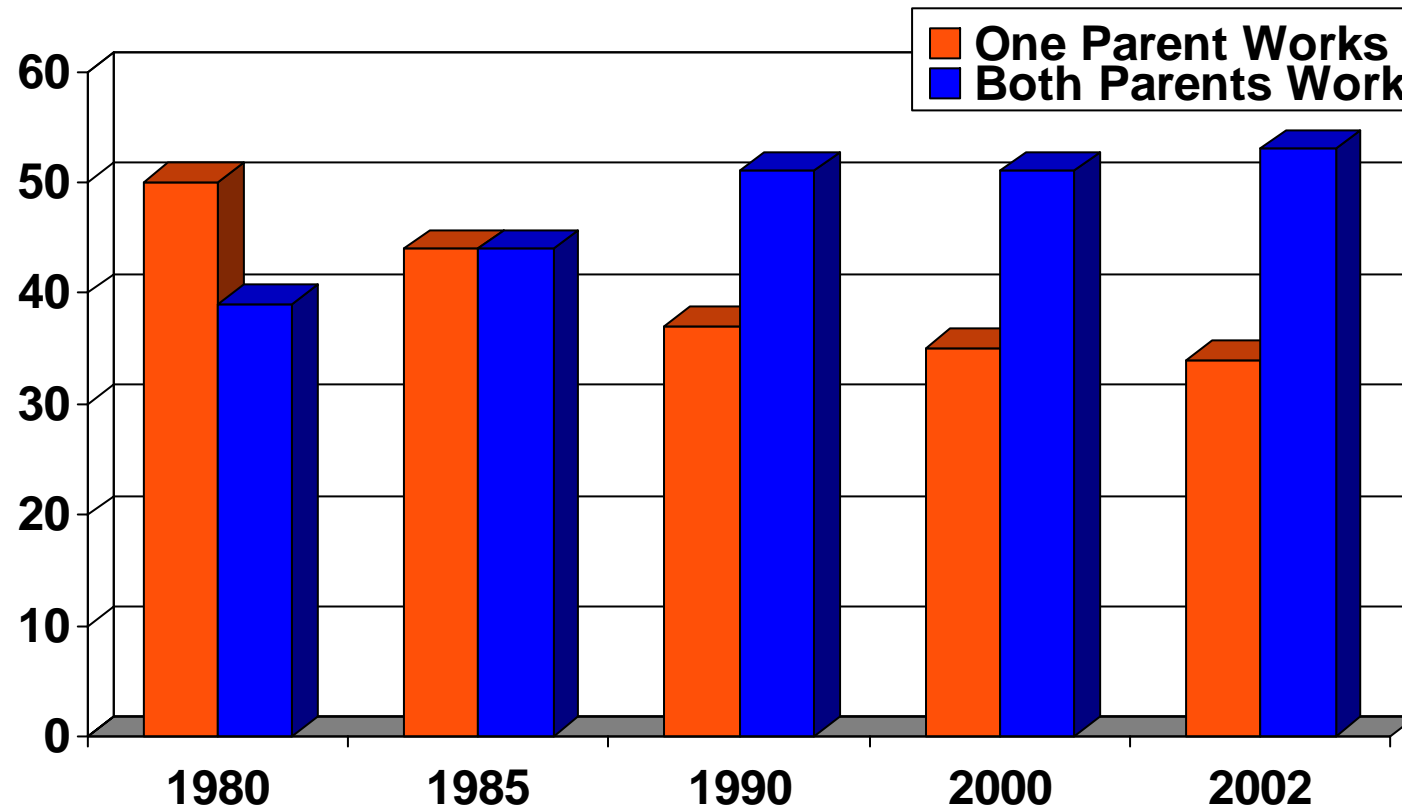
- Both men and women tend to be fully employed in Canada
 - Relatively small number of people work part-time (11% of men and 27% of women)
- Overall employment is high though employment rates vary across the country
 - Alberta right now has 3.5% unemployment
- Canada has one of the highest rates of education in the world
 - 40% of men and 45% of women have post secondary education
- Canadian labour market has the lowest occupational concentration of the OECD
 - 75% of women work in 32 occupations
 - 73% of men work in 50 occupations

Taxation and Benefits

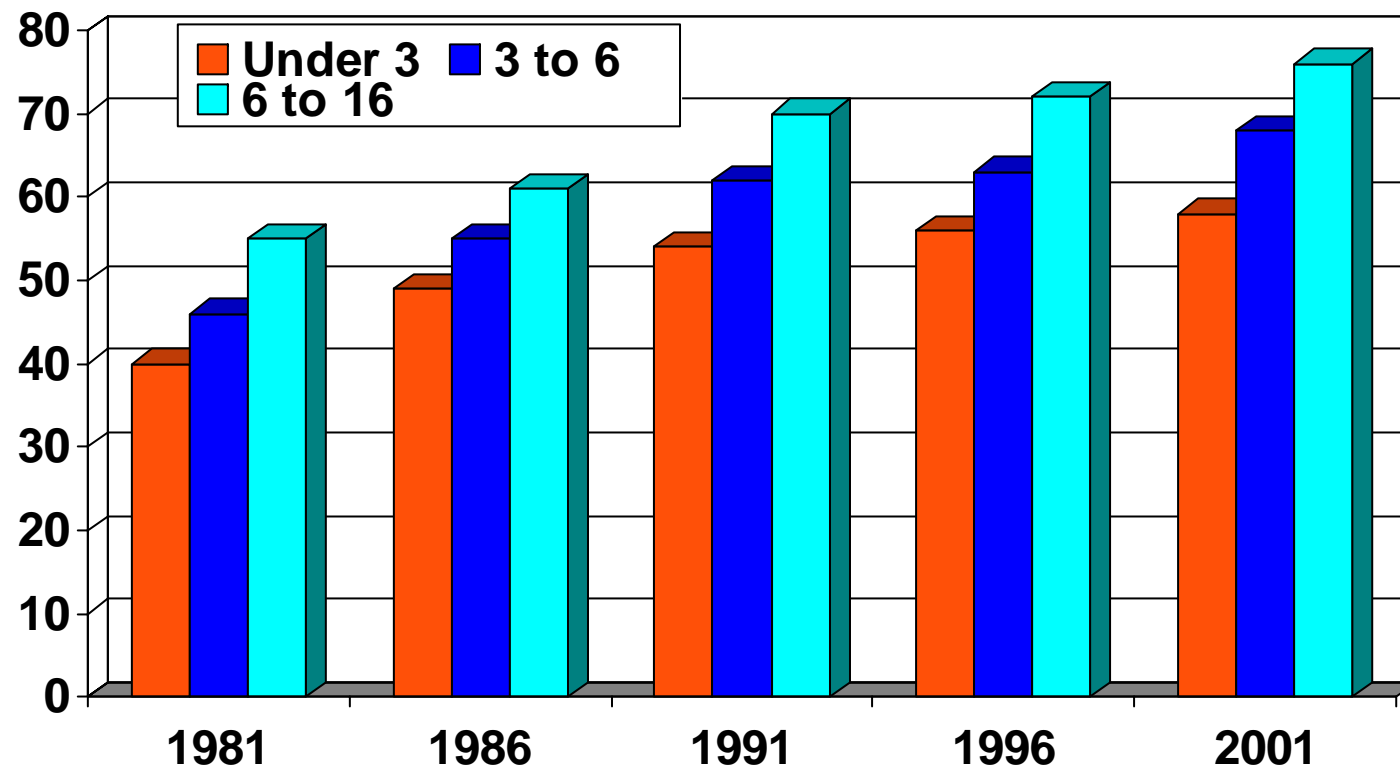
- Canada's tax and benefit system tries to provide choice to parents with respect to work and family decisions
- Canada tax systems at both the federal and provincial levels are progressive (tax rises with income) and take into account family circumstances
- There are two main social insurance programs in Canada
 - Employment Insurance
 - Canada/Quebec Pension Plan
- Federal government offers three types of support to families through the tax system
 - Canada Child Tax Benefit
 - National Child Benefit Supplement
 - Child Care Expense Deduction

Dual Income Family Norm In Canada:

Percent of Children in Families Where:



Maternal Employment High: Percent of Mothers With Children Who Work:

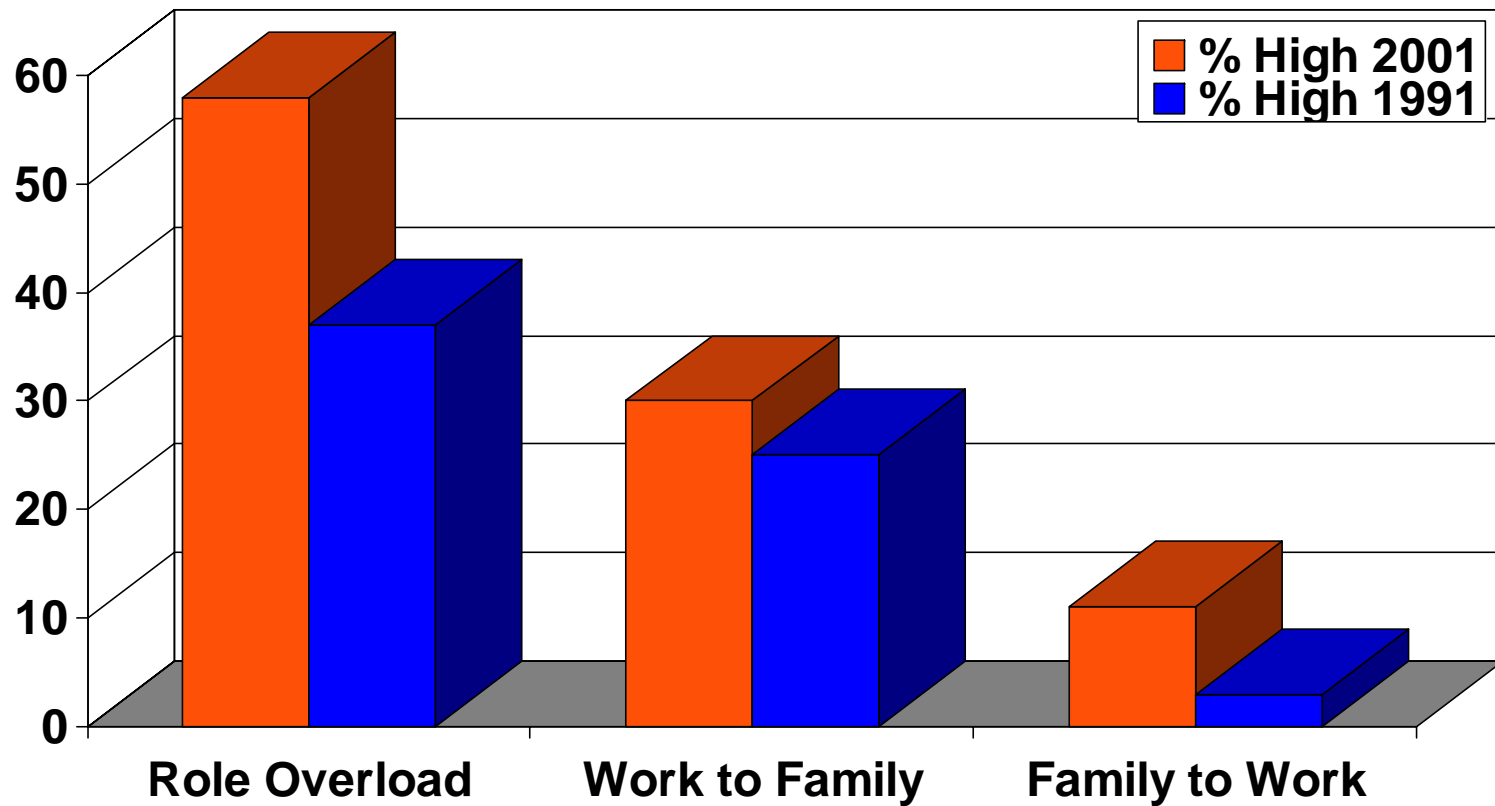


So: How Is Canada Doing With Respect to Work-Life Conflict?

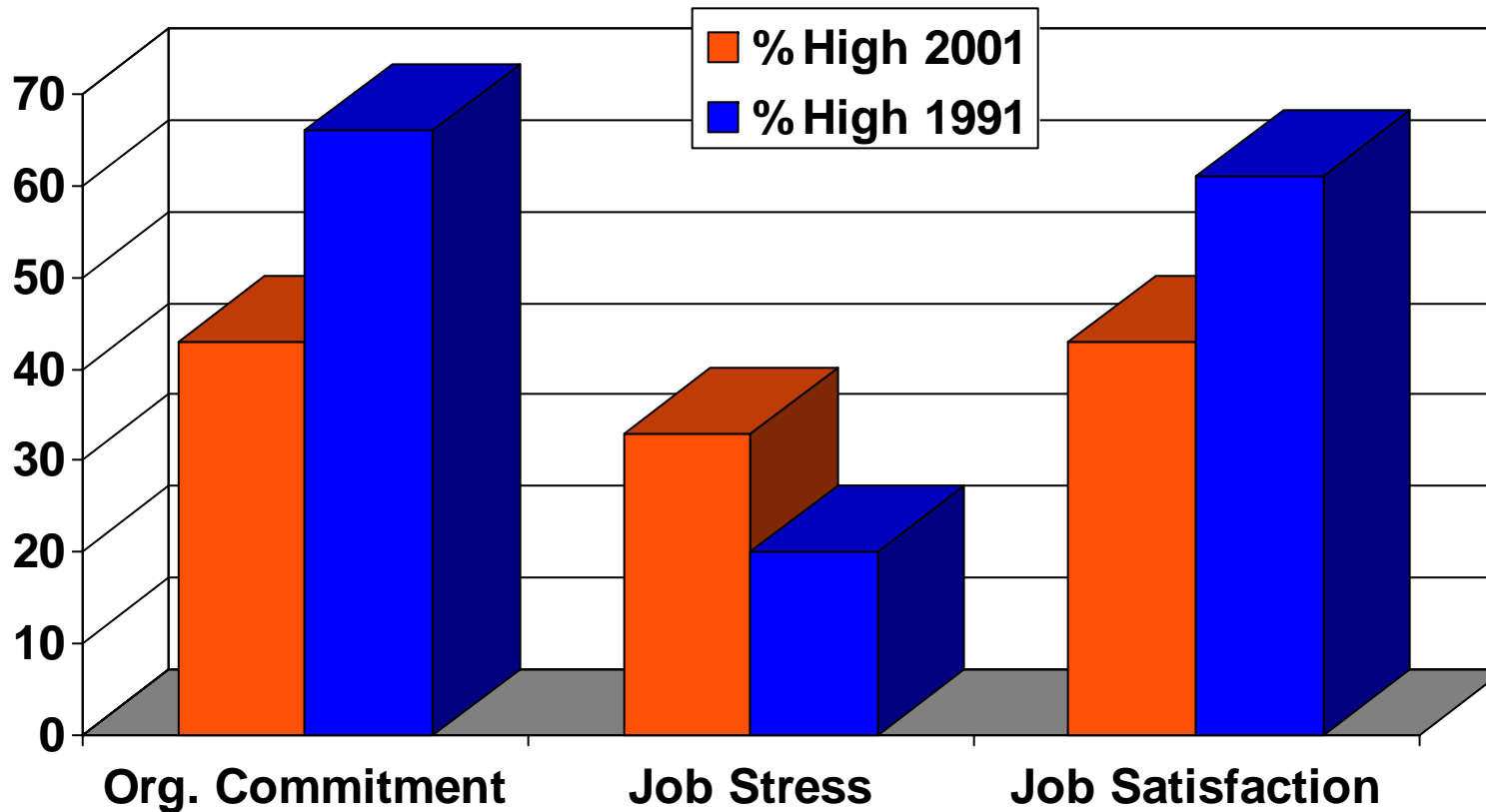
- Over the last decade organizations in both Canada and the U.S. have talked about:
 - Becoming “best practice” and “employer of choice”
 - The importance of “human capital” in the knowledge sector
- But have they changed how they managed? Has employee well being improved? Are employees more able to balance competing work and family demands?

Our data would say NO!!!

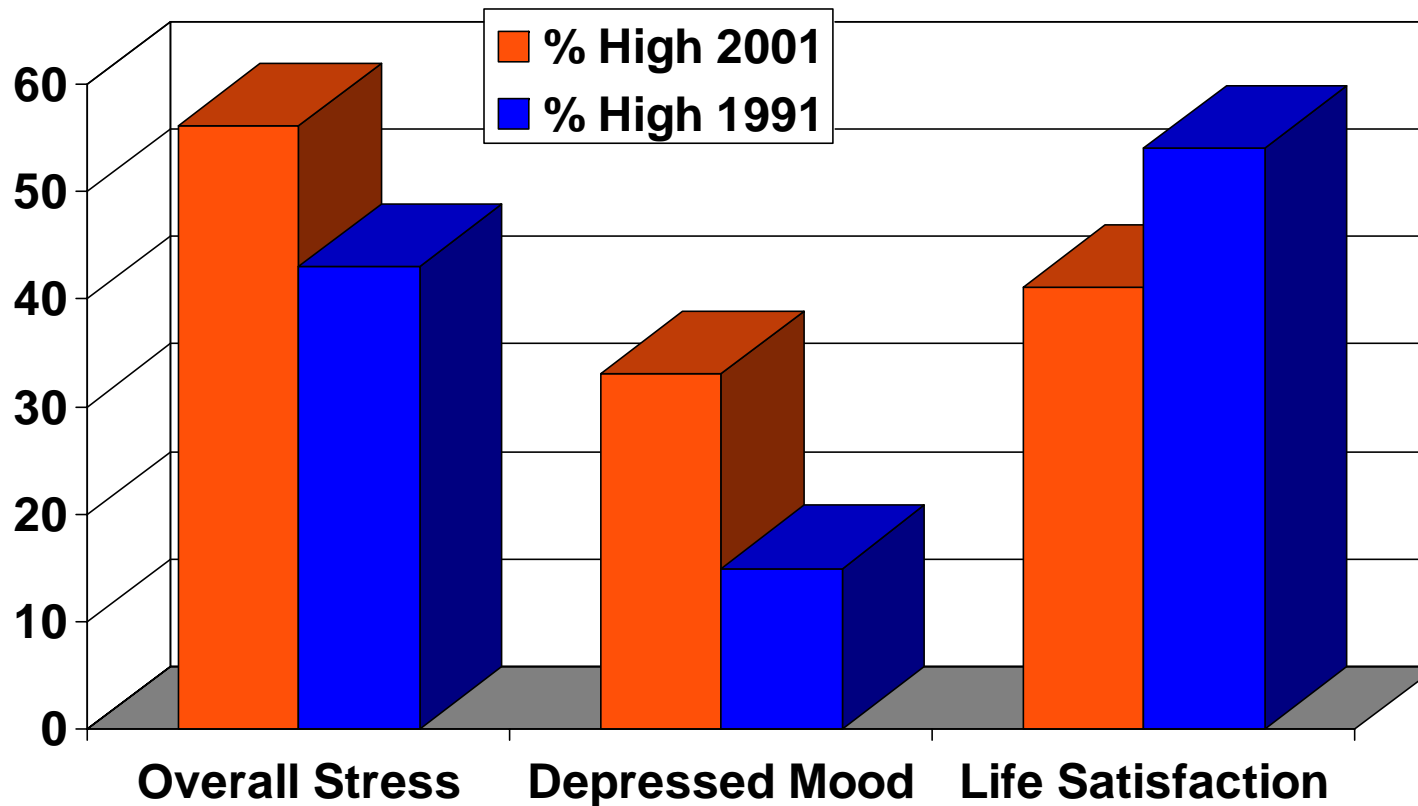
Changes in Work-Life Balance Over Time



Over The Same Time Period Key Work Outcomes Declined



And Employee Mental Health Has Got Worse



Why The Increase in Work-Life Conflict?

- **Changing Workforce Demographics**
 - demise of the “traditional family”
- **Dependent care - more requiring care, fewer full-time “caregivers”**
 - Childcare, elder care, sandwich generation
- **Downsizing and restructuring has eliminated people but not work**
 - Time in work has increased dramatically over decade
- **Technology has increased work expectations with respect to response time as well as availability**

Why The Increase in Work-Life Conflict?

- **Organizations have failed to adapt to changes in their workforce**
 - i.e. dual-earner, knowledge workers
 - Most take reactive approach to the issue as opposed to proactive
- **Canadians not coping effectively**
 - Boiled Frog phenomena

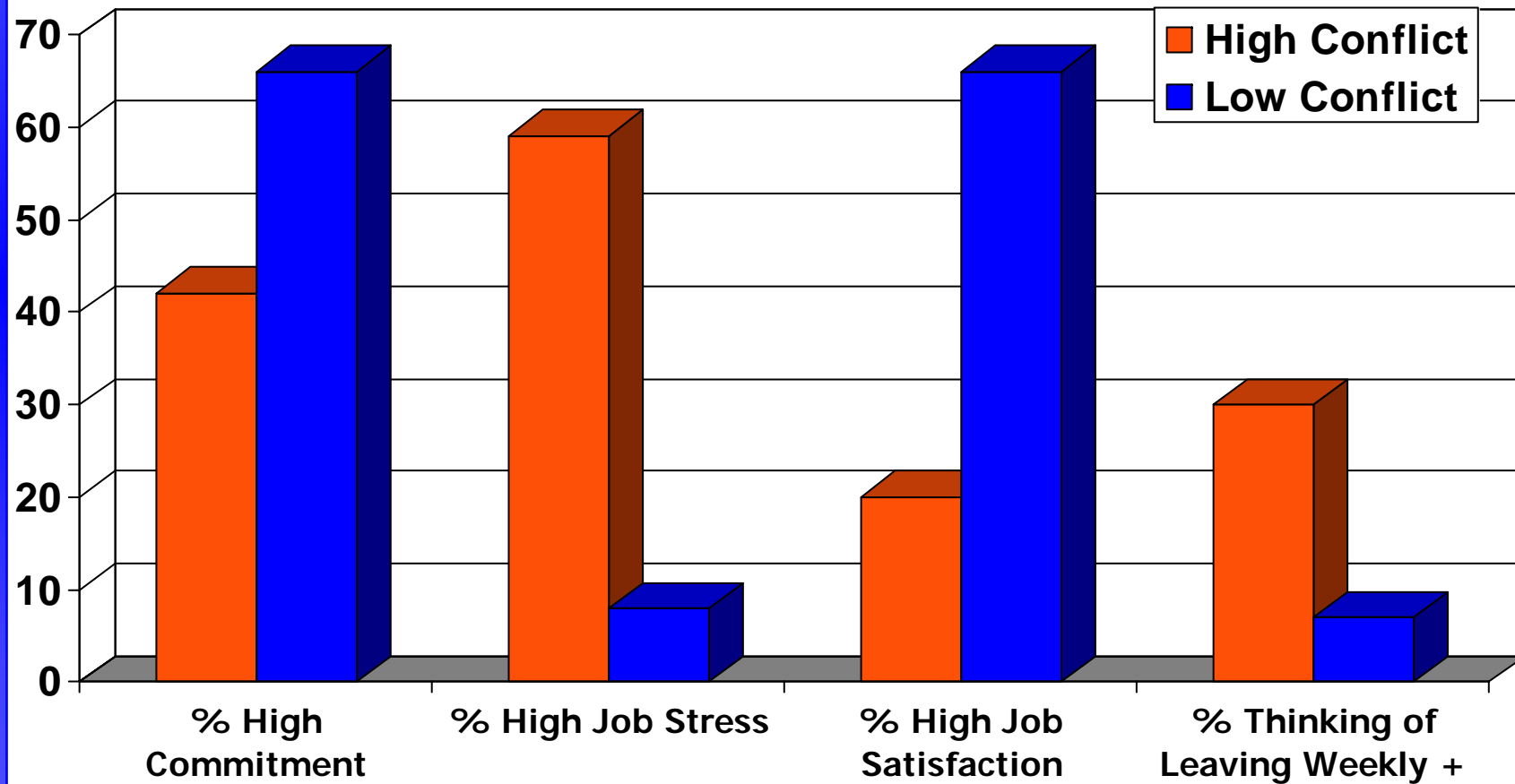
Why Should We Care?

- Evidence from the data

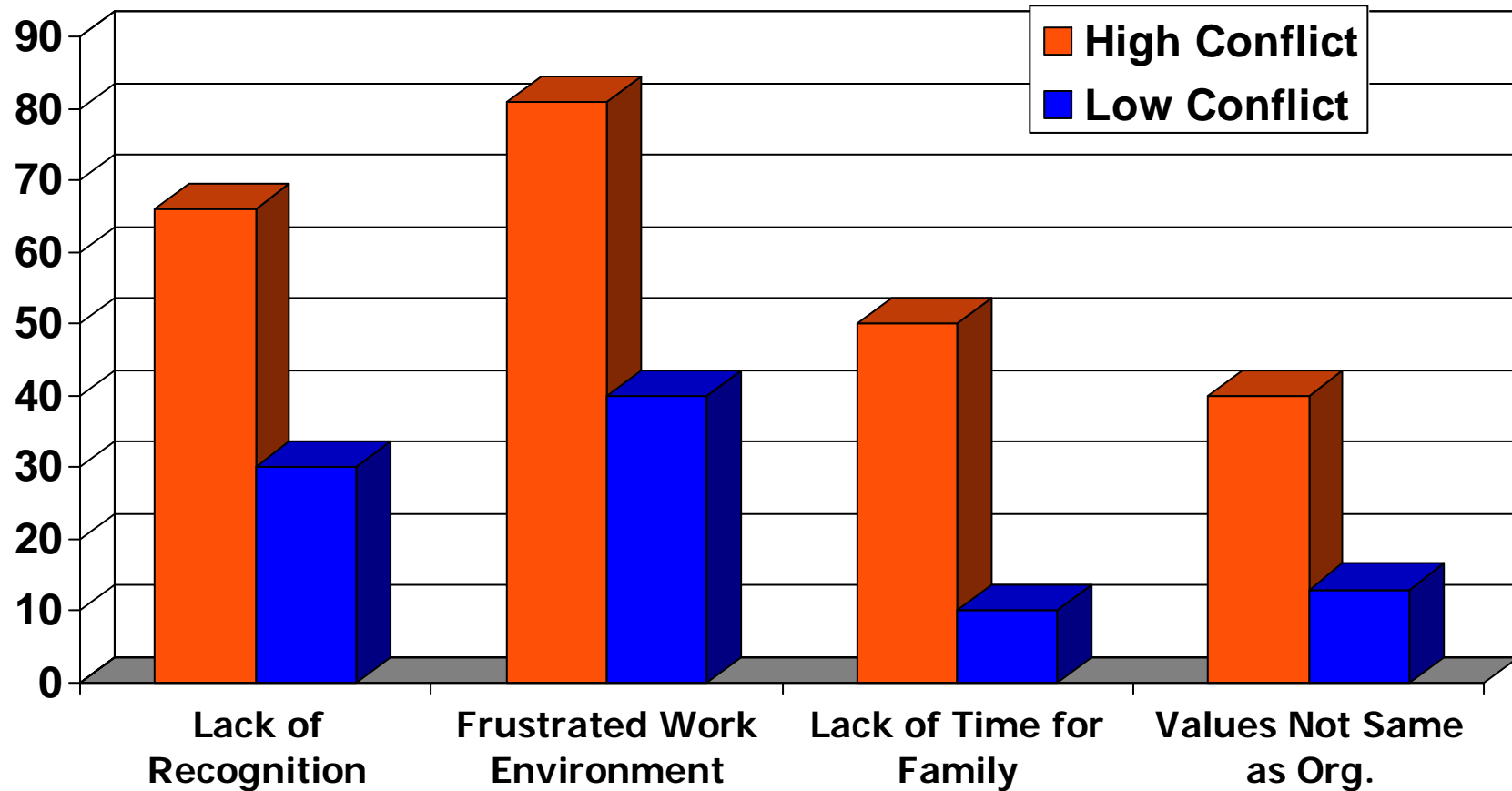
Costs of Not Changing

- Today many Canadians having difficulties balancing work and family
 - Sixty percent of Canadians report high levels of role overload
 - One in four report high levels of work-interferences with family
 - 40% report moderate levels of this form of interference
 - One in four report high levels of caregiver strain
 - One in ten report high levels of family interferes with work
- What do these numbers mean?
 - In some cases make case for change using just data on role overload
 - Case can be made just as powerfully by looking at caregiver strain or work interferes with family

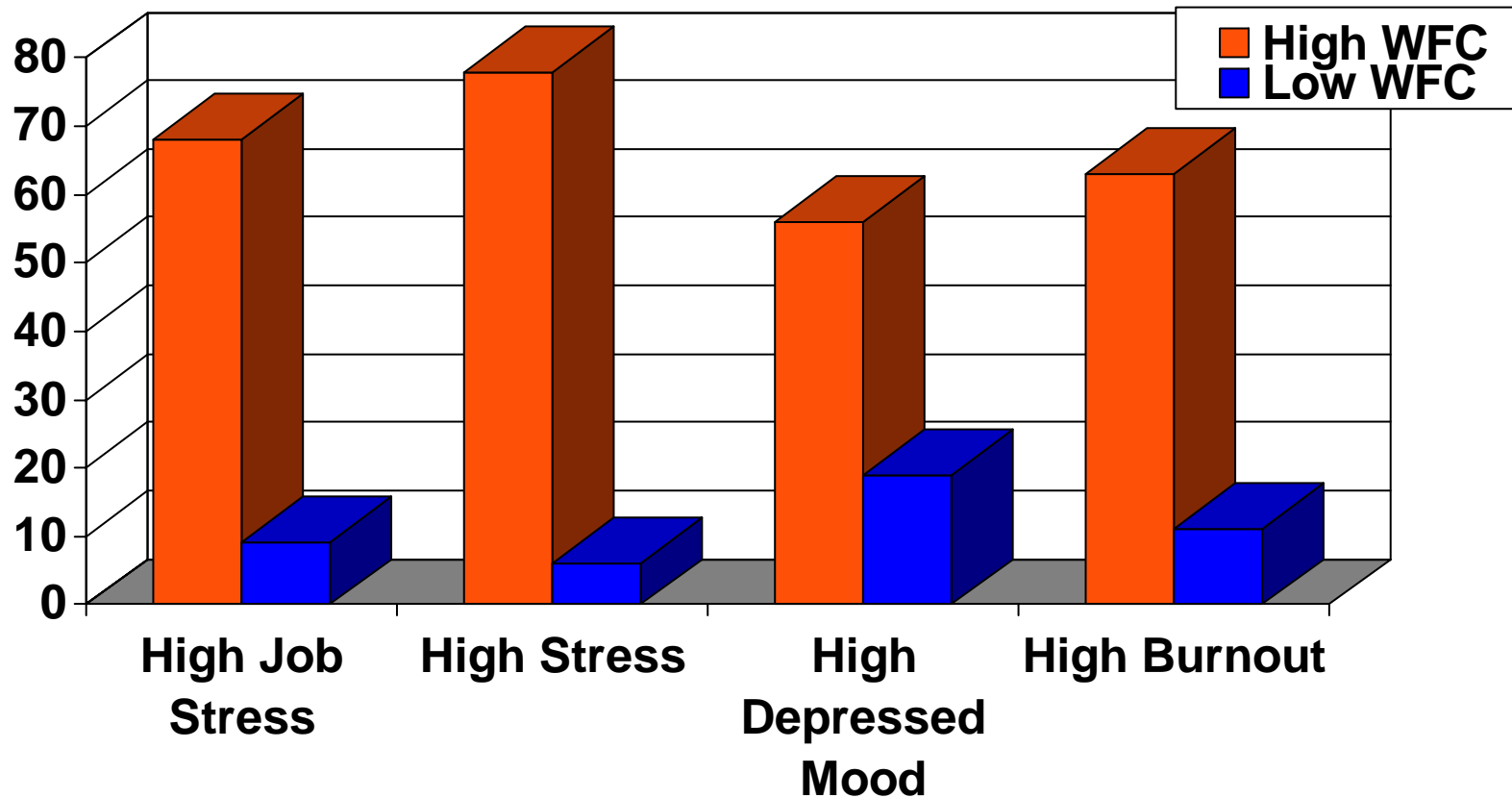
Impact of High Work-Life Conflict on Key Work Organizational Outcomes



Impact of High Work-Family Conflict on Reasons for Leaving

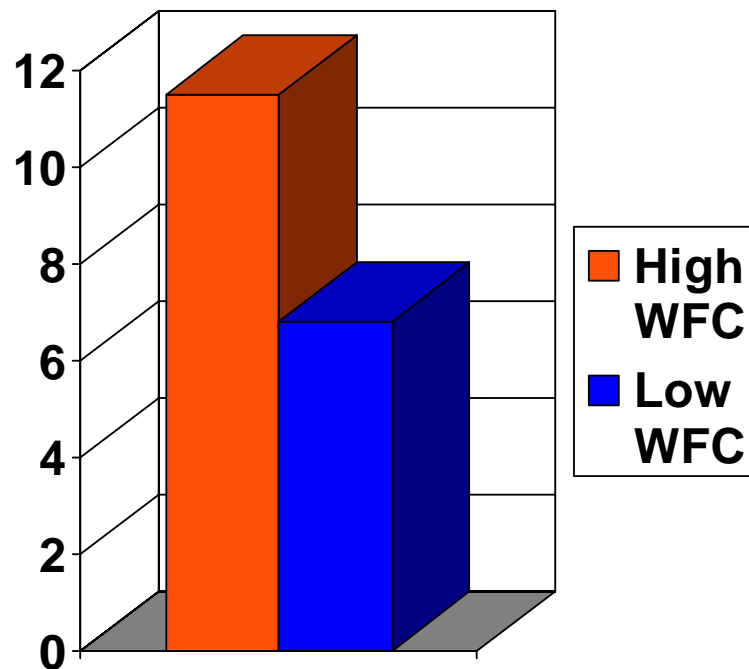


Costs of Not Changing: Declines in Employee Mental Health



Costs Of Not Changing: Higher Absenteeism

Days absent per Year



Employees with high work life conflict:

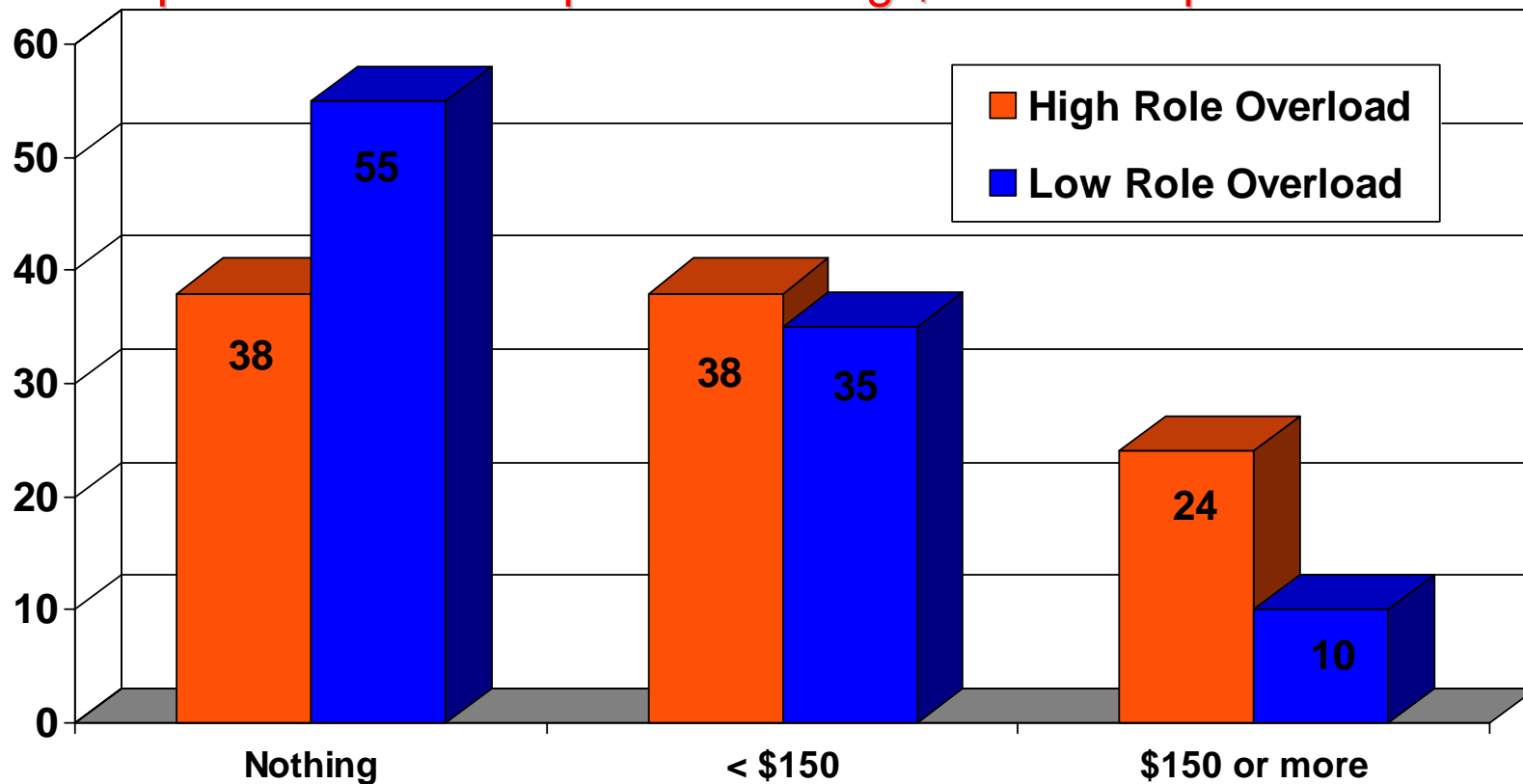
- more likely to be absent from work
 - 68% absent vs 48%
- more likely to take a “mental health day”
 - 40% vs 18%
- estimated direct costs of absence due to work-life conflict in Canada - \$3 Billion a year

Our Calculations Indicate That:

- High work-life conflict costs Canadian employers approximately \$6 to \$10 billion per year in terms of increased absenteeism (direct and indirect costs)
- By implementing practices that reduced role overload (from high to moderate) employers could reduce the costs associated with absenteeism in their organization by 23%
- By implementing practices that reduced caregiver strain (from high to moderate) employers could reduce the costs associated with absenteeism in their organization by 8.6%

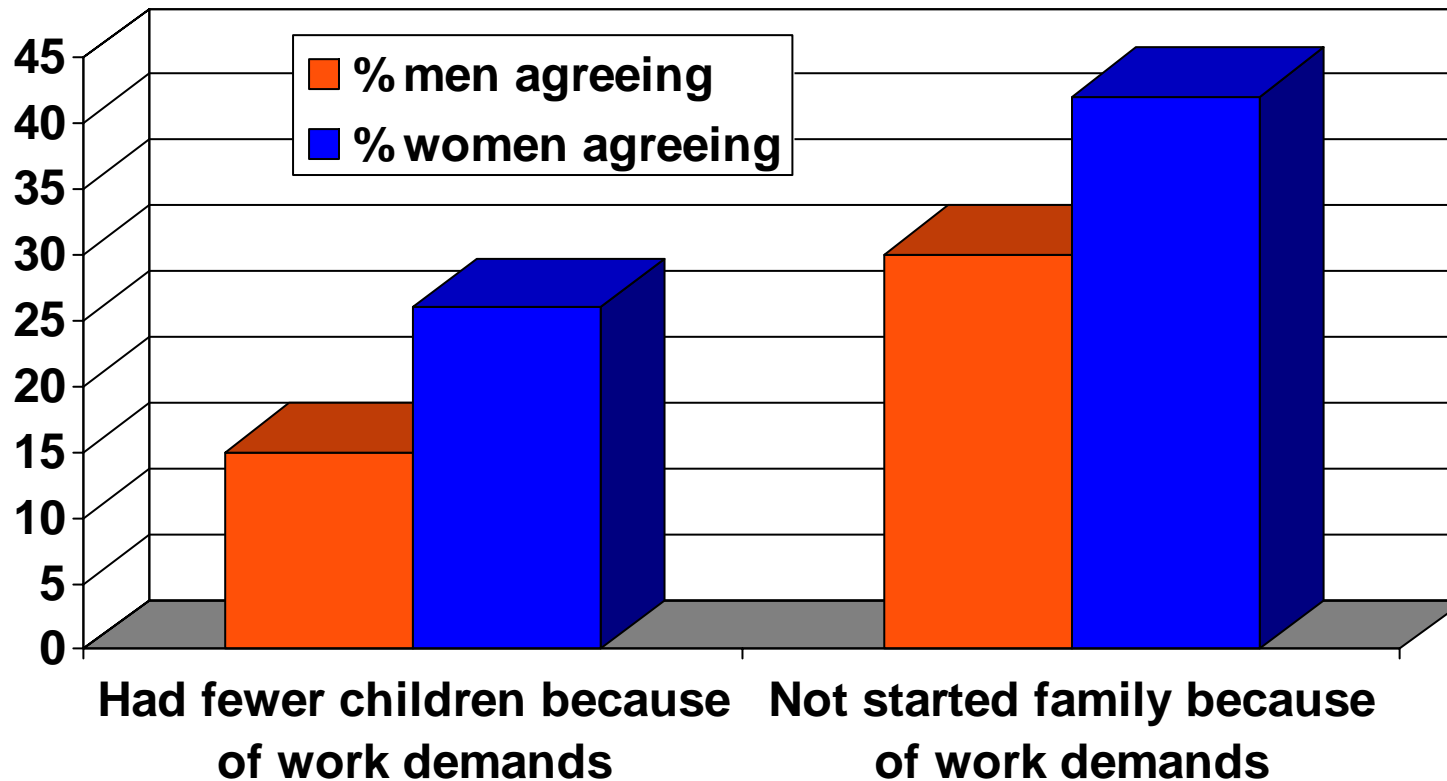
Benefits Costs Associated with Role Overload

Over past six months Spent Following \$ on Prescription Medicine:



The Hidden Costs of Not Changing: Lower Birth Rates

% of managerial/professional employees agreeing

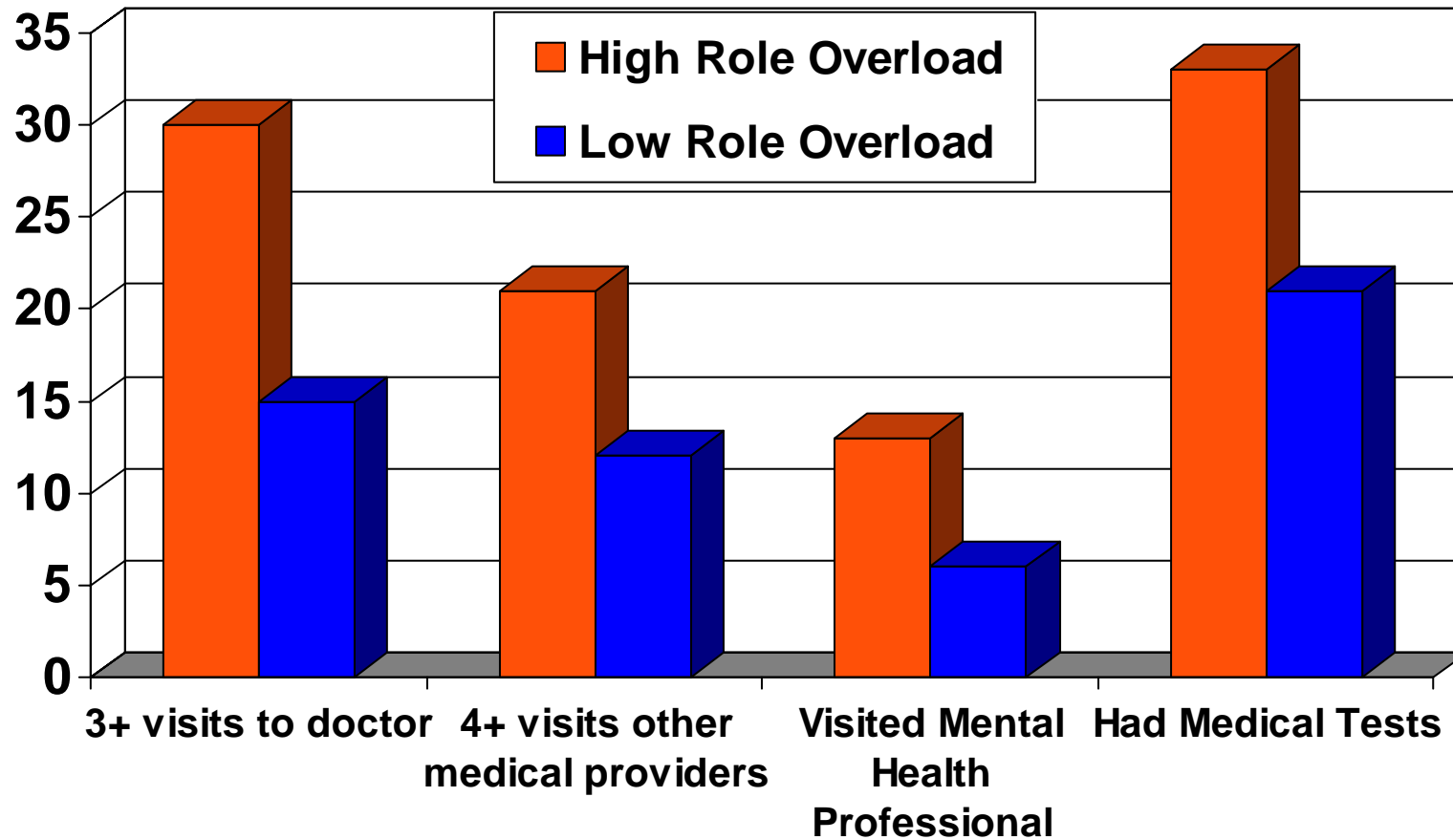


Data also indicates that work environments and work-life conflict is making people sick!

- Work-life conflict in general and role overload in particular strongly associated with use of Canada's health care system
 - Data strongly suggests that work is “making people sick”
 - Suggests that one way to reduce health care costs in Canada is to focus on work environment issues

Consider the Following

Percent of respondents who in past six months:



What Do These Data Mean In Terms of Health Care Costs?

We calculated the direct cost of:

- physician visits due to high role overload to be approximately \$1.8 billion per year
- in-patient hospital stays due to high role overload to be approximately \$4 billion per year
- visits to the hospital emergency department due to high role overload to be approximately one quarter of a billion dollars per year

Reducing Demands on Canada's Health Care System

- By implementing policies that reduced role overload (from high to moderate) Canada could:
 - Reduce the number of physician visits by 25% per year,
 - Reduce the use of hospital emergency department visits by 23% per year, and
 - Reduce the number of in-patient hospital stays by 17% a year.

Why Should You Care about Work-Life Balance: Key to Recruitment and Retention

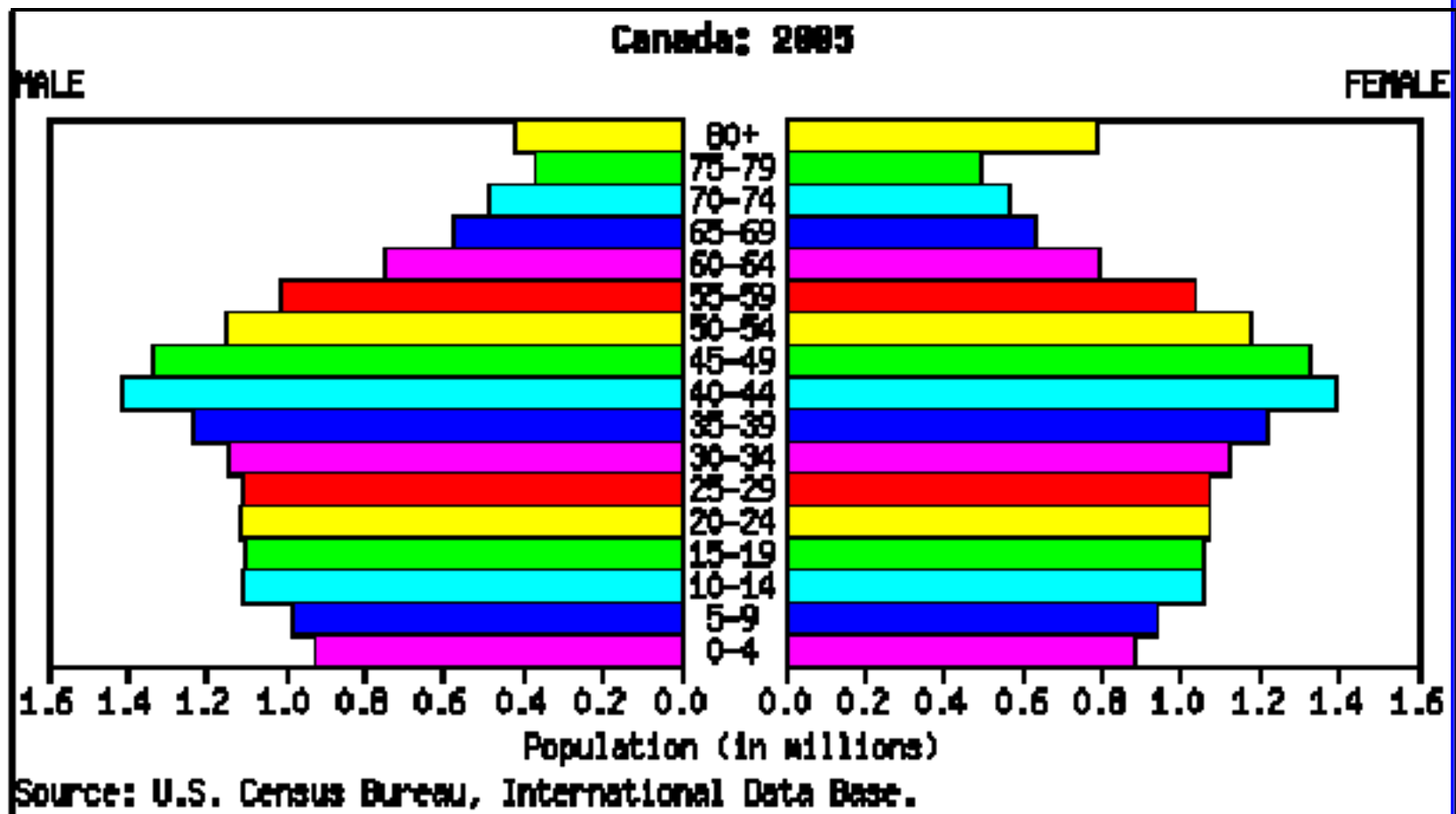
- **Globally we are entering a sellers market for labour**
 - Why – revolution in fertility
 - The number of retirements increasing
 - Pool from which one can recruit “new” workers (especially highly skilled knowledge workers) is shrinking
- Balance and wellness key issues for younger employees
- This is the key driver for change in Canada

Family Formation

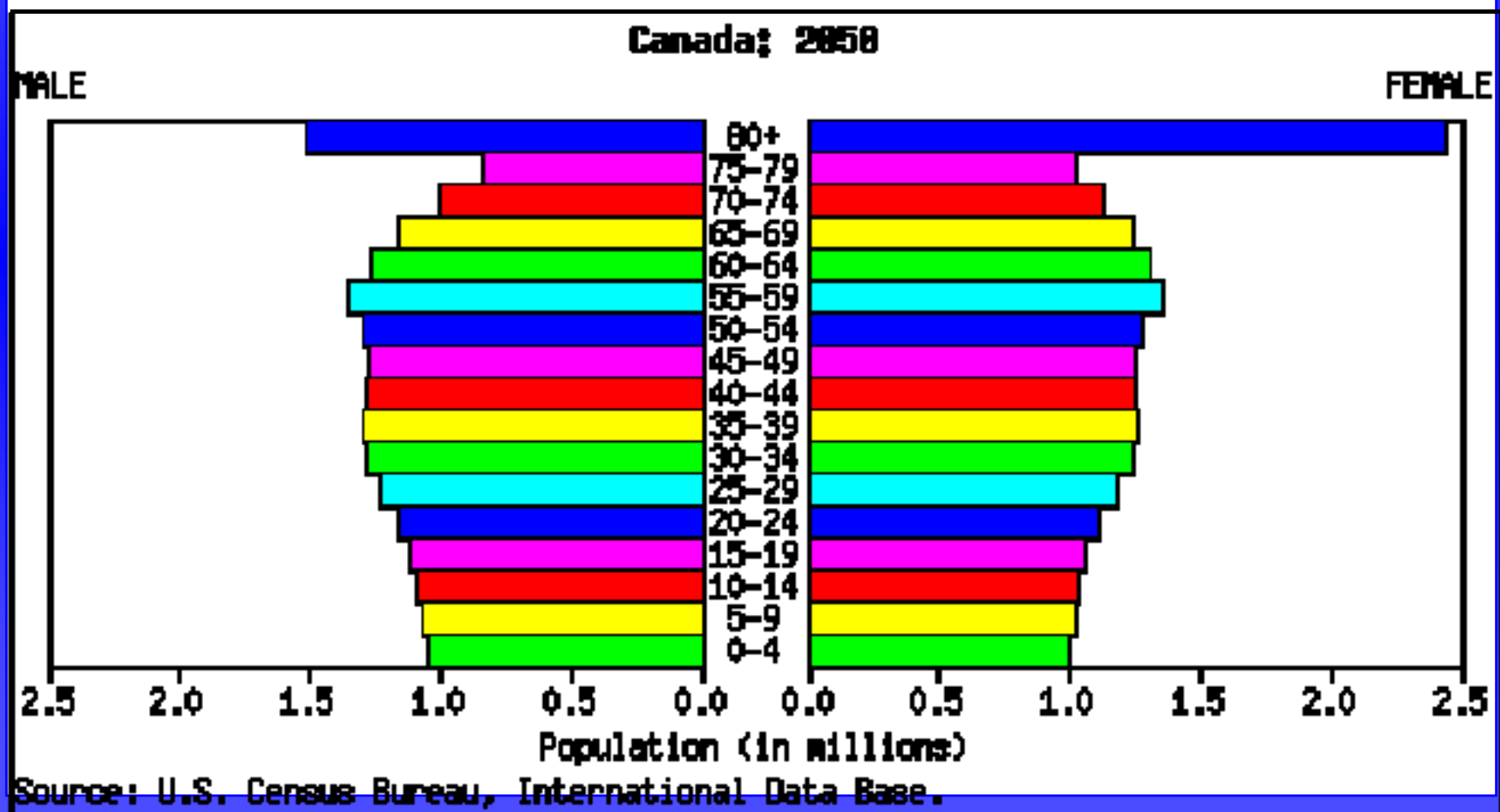
- Patterns of family formation are changing such that birth rate trends contribute to concerns about future labour supply and financial sustainability of Canada's social protection systems
 - Revolution in fertility
- Childcare was a major issue in our election in January
- Labour force shortages are main driver with respect to increased focus on work-life issues in Canada

What is happening to the Canadian Workforce?

Canada - Now



Canada: 2050

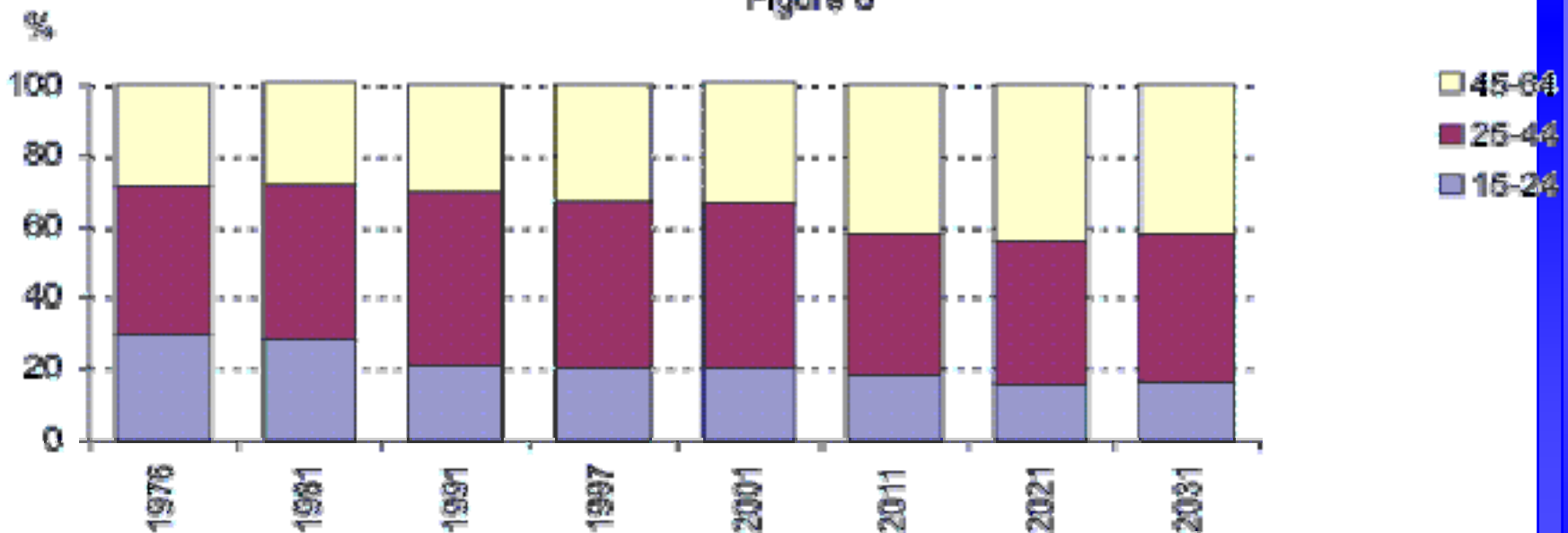


Age Profile of Labour Force Will Change

Age Composition of the Working Age Population, Canada

Older Workers Will Account for a Larger Share of the Working-Age Population, 1955-59 to 2025-29

Figure 6



Looming Labour Force Shortage

- Labour force grew by approximately 226,000 per year for last 25 years
- This decade will grow by 123,000 per year
- By 2010 ... this will have dropped to 42,000 per year
- By 2016 annual growth will be near zero
- Within the next decade, for every two people who are retiring there will be less than one person to take their place

Looming Labour Force Shortage

- The first of the baby boomers will begin to retire in 2008
 - Starts the exodus of skills and experience
- US Department of Education shows that 60% of all new jobs in the 21st century will require skills that are possessed by only 20% of the current workforce
- By 2050, 40% of Europe's total population and 60% of its working age population will be over 60

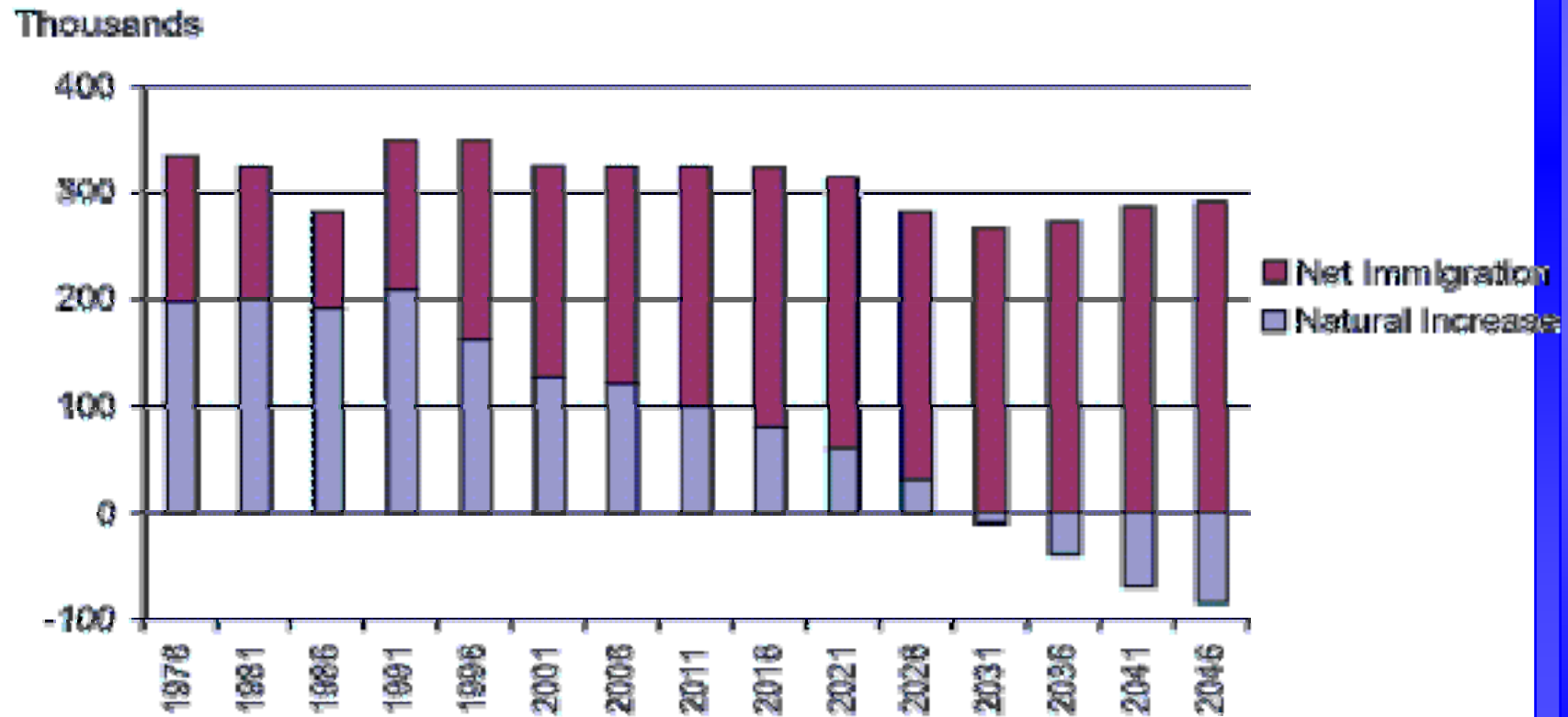
“The confluence of a bulging aged population and a shrinking supply of youth is unlike anything that has happened since the dying centuries of the Roman Empire” Peter Drucker

Addressing Skill Shortages: Immigration

- Over the past five years immigration has accounted for 70% of the growth in Canada's labour force
- This will have to rise in coming years
- Consider the following - by 2016 the annual rate of immigration could be
 - as high as 650,00 per year
 - as low as 520,000 per year
 - average over past quarter century has been 166,000/yr.
 - competition for skilled immigrants will also increase
- Are highly skilled immigrants lining up to enter Canada?

Dramatic Increase in Immigration Will Be Needed

Population Growth by Component, Canada
Population Growth Will Increasingly Depend on Immigration
1976-2046
Figure 5



Recruitment and Retention

- No longer enough to talk about being good, need to be good
- Competition for talent is global
- Projections are will last at least 20 to 30 years!
- Forecast since 1987 (book entitled Workforce 2000) but
 - few companies have done anything about it
 - continue to operate as if we are in a buyers market for labour
- Cannot separate the issue of recruitment from retention

Flexible Benefits and Rewards Key In Today's Environment

- Retention Bundles:
 - Career development strategy
 - Remuneration strategy
 - Lifestyle strategy (flexible work arrangements)
 - Job flexibility strategies (telework, job share)
 - High roller strategy (international travel, share offers)
 - Body and Mind strategies (gym membership, life insurance)
- Cafeteria benefits a MUST

Government of Canada's Approach to this Issue

- Canada Labour Code:
 - Total leave: 52 weeks (70 in Quebec)
 - Maternity Leave: 17 weeks
 - Parental Leave: 37 weeks + maternity
 - Compassionate Care Leave: 8 weeks
 - Pay when on leave: 55% of average insured earnings to a maximum of \$413 a week (higher for low income families)
- Day care
 - Support varies with province
 - Quebec most progressive

Conclusions

- Canadians are living complex lives
- Work and family are NOT separate any more
 - Work and family issues “bleed” into one another
 - While we separate life into neat little groups in terms of policy, research and so on, this is not how people are living
 - Work and life is intricately connected and changes in one domain echo in the other
 - Issues like work-life conflict, employee well being and supportive work environments are highly interrelated

Conclusions

- Most Canadians see work at the main offender with respect to issues related to work-life conflict and employee wellness
 - Five times more likely to talk about problems at work than at home
 - High degree of consensus about what it is about work that is making things difficult
 - Workloads/Work Expectations
 - Non-supportive management
 - Culture
 - No real consensus about what it is about family that makes balance difficult
 - Depends on life cycle stage

Conclusions

- There are a number of problems at the work-life policy level
 - Policies are not there
 - Policies are not clear
 - Inequities with respect to ability to use the policies
 - No accountability with respect to the use of the policies
 - Policies are of no use if the manager does not implement them
 - Culture of the organization “getting in the way”

Recommendations

- Stop focusing on the “costs” associated with addressing work-life conflict and look at the “costs” of not dealing with the issue
 - Question should not be: How much will this cost us to fix?
 - Question should be: How can we afford not to deal with this issue?

Recommendations

“If you want to be able to compete in the knowledge sector, you must treat workers as your most important asset” Peters and Waterman

- Policies are necessary but not sufficient
- Need to focus on
 - workloads
 - the manager
 - the culture
 - accountability and measurement
 - managing change
- Will cover these recommendations more fully in my workshop

Recommendations Governments

- What can governments do in the short term?
 - Put your own house in order
 - Governments will have no moral authority to tell others what to do with respect to this issue if they do not practice what they preach
 - Increased urgency of addressing these issues in this sector as workforce older and need to recruit younger workers and retain older workers higher
- Government “wall of shame”
- Government best employer awards
- Government give financial incentives to organizations to address this issue
- Support research on this issue

Recommendations Organizations

- Recognize that policies are necessary but not sufficient
 - Start focusing on practice and culture
- Recognize that there is no one size fits all solution to this issue
 - Implement cafeteria benefit plans and flexible work arrangements
- Move away from Health and Safety view of workplace wellness
 - Again, this is necessary but not sufficient in today's work environment
- Implement “technology free zones”

Recommendations: Unions

- Include support for work-life initiatives and practices within your bargaining framework
- Recognize that for many of your employees things like flexibility with respect to hours of work and work location are as valuable as increased salary
- Recognize that there is more diversity now in your workforce in terms of what they want from their employer
 - Modify your bargaining position accordingly
 - Be flexible

Conclusion

- For organizations to “thrive” (not just survive) in the new millennium, they need to make human resources and supporting employees a high priority
- As Bill Gates argued in the recent anti-trust case against Microsoft:
“Little of today’s technology is proprietary. Technology is easily obtained and replicated and only levels the playing field. An organization’s valued human assets cannot be copied.”