

ABOUT THIS SURVEY

The 2003 Spherion® Emerging Workforce® Study was conducted by Harris Interactive, a world-renowned market research firm, on behalf of Spherion Corporation. A statistically valid sample of 3,278 full-time working adults in the U.S. (18 years of age or older and employed 30 or more hours a week) was surveyed by telephone and online between September 16 and October 7, 2002.

The study, which updates and expands on previous workforce research published by Spherion (formerly Interim Services) in 1997 and 1999, is the third in a series of surveys designed to provide a comprehensive portrait of changes in the American workforce in the context of on-going social and economic events. The determination of whether a respondent was an *emergent*, *migrating*, or *traditional* employee was made on the basis of answers to a battery of specific questions.



www.spherion.com/emergingworkforce

spherion®

Making The Workplace Work Better™



Work/Life Balance Takes Priority

POINT OF VIEW

Work/Life Balance Takes Priority

Flexibility Is Key to Recruiting & Retaining Talent

What are the priorities of today's employees? The vast majority of workers are placing heavy emphasis on their lives outside of the workplace, despite strong career goals and demanding jobs that are increasingly more hectic and time-consuming. Seeking greater balance between their jobs and personal lives, employees want more flexible employment options. Growing interest in flextime, telecommuting and job sharing is subtly but inexorably altering the 9-to-5 norm that characterized the latter half of the 20th century. At the same time, productivity is at an all-time high.

Despite these compelling trends, many employers are taking a sluggish approach to helping employees create better work/life balance—a risky tactic with talent shortages looming in the not too distant future.

WHY BALANCE?

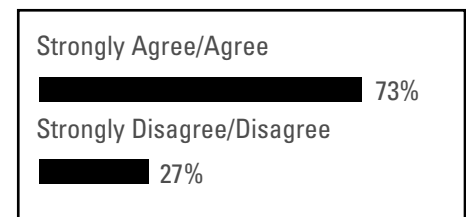
AN UNCERTAIN WORLD

Uncertainty in the world driven by the terrorist attack of September 11, the ensuing war against terrorism and the downfall of large, mainstream companies, has created one resounding certainty among employees: personal life takes priority over career life. According to the Spherion® 2003 Emerging Workforce® Study, 73% of workers are willing to move their careers to the back burner to make more time for family. In fact, today's employees cite the importance of family twice as often as career success and advancement. With a growing labor shortage, that could amount to as many as 10 million more jobs than workers by 2010, employers will find work/life balance options an increasingly important recruitment and retention advantage in the future.

BACKLASH TO 1990s RUSH TO WEALTH

While recession, layoffs and terror campaigns have given people compelling reasons to realign work/life values, a backlash to the high-speed, instant wealth era of the late 1990s is also at work. Employees who saw portfolios shrivel and companies buckle in the dot-com bust are skeptical of the payoffs that come to those who "live for work". The importance placed on high-paying jobs and the race to the millionaire's club has been replaced with a drive to find more time for life outside of work.

73% of workers surveyed are willing to put their careers on a back burner in favor of family.



WORKAHOLIC NATION

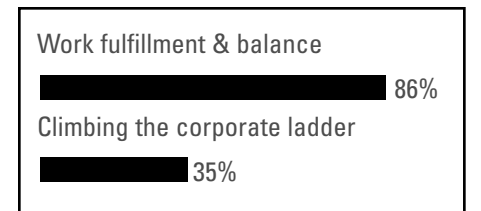
Finding more time is the conundrum. According to the Economic Policy Institute, "America remains the reigning workaholic nation." Its report, "The State of Working America 2002-2003," noted that the U.S. economy employs a larger share of its working age people, who work more hours (clocked at 1,877 hours annually in 2000) than those employed in any other wealthy, industrialized nation. The report also noted that Americans reap fewer benefits for these extra hours, whether in the form of more vacation or holiday time or paid leave time of the sort provided by almost every other advanced economy to care for their families.

WHAT WORKERS WANT

The vast majority of U.S. workers (86%) say that ensuring work fulfillment and balance is a top career priority. Only 35% cite success at work and moving up the ladder as a top career concern.

Rather than looking to spend more time at the office, a growing legion of employees is looking to take better care of themselves and their families. Workers today say they are making more time for family (37%), health & fitness (32%), and vacation & leisure (29%).

For 86% of workers surveyed, the most important career priority is work fulfillment and balance.



WHERE EMPLOYERS FALL SHORT

While nearly one-third of workers (31%) surveyed have had some experience with flextime—making it the most common means for employers to incorporate work/life balance into the workplace—most employees (up to 81%) work for employers that don't offer work/life balance options. This deficit in work/life balance opportunities may put employers at a disadvantage in winning employee loyalty and improving job satisfaction.

A SMALLER TALENT POOL, MORE COMPETITION FOR EMPLOYEES

Although the U.S. has experienced an economic downturn, employee loyalty and satisfaction remain of high importance when one considers the looming labor shortage. While the U.S. labor force mushroomed by 50% since 1980, its growth will slow to 16% by 2020, according to Harvard University Economist David T. Ellwood (*Business Week*, May 2002). The U.S. Bureau of Labor Statistics reports that over the next 15 years, the number of 35 to 44 year olds will shrink by 15%, cutting deeply into critical professional and middle management levels. Add to that the prospects for an aging workforce as the first of 76 million Baby Boomers became eligible for early retirement in 2002. In fact, up to 24 million people are expected to exit the labor pool by 2010.

With changing demographics creating a dramatic skills shortage in coming years, employers will need as many recruitment and retention advantages as they can muster.



GAINING ADVANTAGES IN THE WAR FOR TALENT

While economic pressures have forced many employers to cut back on the “soft” benefits that offer greater opportunity for employees to achieve better balance in their lives, cutting these and other retention programs may create its own backlash when the job market tightens again.

Almost all employees (96%) find employers more attractive when they help meet family and personal obligations through work/life balance programs. Telecommuting and flex-time are by far the work/life balance options in which employees are most interested. If offered by their employers, 59% of workers say they would likely take advantage of flextime and 48% would likely participate in telecommuting.



TOP WORK/LIFE BALANCE OPTIONS DESIRED

Flex-time:		
How many have participated		31%
How many want to participate*		59%
Telecommuting:		
How many have participated		8%
How many want to participate*		48%
Paid time-off for community service:		
How many have participated		4%
How many want to participate*		32%
Sabbaticals:		
How many have participated		1%
How many want to participate*		23%
On-site day care:		
How many have participated		1%
How many want to participate*		16%
Job sharing:		
How many have participated		4%
How many want to participate*		13%

*employees likely/very likely to take advantage

WORK/LIFE BALANCE DRIVES HIGHER LOYALTY & GREATER SATISFACTION

Employees who have taken advantage of options to help them better balance their time and obligations inside and outside the workplace are more likely to stay on the job longer. They also tend to be more satisfied with compensation levels, training, development, company culture and their work environment. In fact, an employer who introduces work/life balance options can expect to significantly increase employee satisfaction and retention.

WORK/LIFE BALANCE: AN OPPORTUNITY FOR EMPLOYERS

With the increased number of women in the workforce, and both men and women shouldering greater responsibilities than their parents may have ever imagined, more and more employees of both genders will look to their employers to help them balance family responsibilities.

Flextime, telecommuting and job sharing are all work/life balance options that create flexibility and a more attractive work environment for employees who combine their career pursuits with raising families or caring for elderly parents.

A LOW-COST RETENTION SOLUTION

At a time when businesses are working harder to maintain top talent with limited, and often shrinking budgets, work/life balance options such as telecommuting offer a cost-effective approach to boosting retention. For many employers, telecommuting adds little to no cost with workers easily able to transfer office work to at-home work. For others, investments in home office equipment for teleworkers are quickly offset by a rise in productivity and decreases in turnover and recruitment costs.

A PRODUCTIVITY BONUS

Not only does improved work/life balance increase employee retention, commitment and satisfaction, it can boost productivity and change work structure for the better.

In the Conference Board's "1998 Work-family Roundtable Report," more than half of employers that offered telecommuting options saw improved morale and productivity as benefits of their programs. An impressive 72% of workers surveyed in the Telework America Survey 2001 (sponsored by the International Telework Association and Council) reported that working at home increased their productivity.

In its recent research on the changing workforce, the Families and Work Institute found that "the quality of workers' jobs and the supportiveness of their workplaces are the most powerful predictors of productivity." The Institute notes that job and workplace characteristics are far more important indicators of job satisfaction,

WORK/LIFE BALANCE OPTIONS INCREASE EMPLOYEE RETENTION AND SATISFACTION

Among those who take advantage, versus those who don't

RETENTION	Employee Rating
Likelihood of staying for next 5 years	20% higher
WORKPLACE CHARACTERISTIC	Employee Rating
Satisfaction with current compensation level	41% higher
Satisfaction with training & career development	42% higher
Satisfaction with culture & work environment	32% higher

WORK/LIFE BALANCE LEADERSHIP

A scan of *Fortune* magazine's 2002 and 2003 list of the "Best Companies to Work For" shows a rich and varied menu of options that fulfill employee wishes for flexibility in meeting family obligations for child and elder care, creating healthier lifestyles and pursuing more active roles in their communities. For example:

- SAS Institute (software developer) – In addition to highly subsidized childcare, employees have a well-outfitted fitness center and a health center that offers free annual mammograms and lab tests.
- Plante & Moran (accounting firm) – All full-time workers receive a minimum four weeks of vacation.
- Frank Russell (pension fund advisor) – Employees can devote up to 80 hours annually to community service at full pay.

Source: *Fortune*, Jan. 2002/2003

employee commitment and retention than pay and benefits, which tend to be competitive with the market.

Helping employees create better work/life balance can build a more committed and productive workforce, improve retention and increase the caliber of talent seeking employment with an organization. Investing in employees by helping them enrich their lives both in and out of the workplace is more than good management – it's smart business.

CHANGING WORK DEMANDS CHANGING WORKPLACES

The ways people work today are many – via computers, over the Internet, through Web conferencing. The places people work – in the office, from home, on planes, at client sites – are virtually limitless. The U.S. Bureau of Labor Statistics forecasts that the number of off-site workers will grow to 50 million by 2004, increasing to more than one-third of the total workforce. Off-site work and remote offices are rapidly becoming methods for increasing flexibility and competitiveness. Strategies and standards for managing and leveraging alternative work arrangements can help organizations maximize the business benefits of telecommuting, mobile working and job sharing.

THE APPEAL OF TELECOMMUTING

Planning and integrating mobile work programs is becoming an increasingly strategic way to compete for and retain top talent. Employees see a number of benefits:

- Higher job satisfaction
- Reduced stress by easing commuting burdens and creating flexibility for family demands
- Better focus and improved productivity by minimizing the distractions prevalent in a traditional office setting
- Higher disposable income due to reduced expenditures for work clothes, commuting and meals away from home

UNCOVERING TRUTHS ABOUT TELECOMMUTING

For years, experts have debated the merits and pitfalls of telecommuting and other work/life balance options. Many of the common concerns about telecommuting and mobile work have been mitigated by successful results in practice:

EMPLOYER CONCERNS	THE RESULTS
<p>PRODUCTIVITY LOSS ARE EMPLOYEES WHO WORK OFF-SITE LESS PRODUCTIVE?</p>	<p>The Conference Board's Work-Family Roundtable</p> <ul style="list-style-type: none"> • 53% of employers surveyed who have telecommuting programs saw improved productivity as a benefit. <p>Telework America Survey 2001</p> <ul style="list-style-type: none"> • 92% of telecommuters reported no loss in productivity, with nearly 73% reporting an increase in productivity. <p>American Business Consortium Study</p> <ul style="list-style-type: none"> • Off-site workers experience fewer work interruptions than on-site workers who are often interrupted by colleagues. • Off-site workers are likely to work more hours than on-site colleagues. <p>Spherion® 2003 Emerging Workforce® Study</p> <ul style="list-style-type: none"> • 73% feel off-site workers are as productive as their on-site counterparts. • A minority (38%) feels on-site employees do more work because of telecommuters.
<p>EQUITY SHOULD TELECOMMUTERS BE PAID LESS?</p>	<p>Spherion® 2003 Emerging Workforce® Study</p> <p>74% of employees believe workers who telecommute deserve the same salary as on-site workers performing the same job.</p>
<p>CAREER GROWTH IS TELECOMMUTING A ROADBLOCK TO CAREER GROWTH?</p>	<p>Spherion® 2003 Emerging Workforce® Study</p> <p>67% of employees do not believe telecommuters are sacrificing career growth.</p>
<p>COST DO THE COSTS OF TELECOMMUTING OUTWEIGH THE BENEFITS?</p>	<p>The Conference Board's Work-Family Roundtable</p> <p>34% of employers cited cost reductions as a benefit of their telecommuting programs.</p>

CASE STUDY

ERNST & YOUNG: THE PURSUIT OF WORKPLACE FLEXIBILITY

How does a company make flexibility and work/life integration a part of its culture as well as its daily workplace practices? In the case of Ernst & Young, a global professional services firm and one of *Fortune* magazine's "100 Best Companies to Work For" for the last 5 years, it's an extensive organizational effort focused on giving employees the tools and support needed to create their own job flexibility.

AN ONGOING COMMITMENT TO PEOPLE

Infusing the workplace with flexibility has been a long-time mission at Ernst & Young. For decades, the company has supported and encouraged flexible work arrangements, helping employees find work schedules that benefit the worker, the teams they work with and the overall organization. The commitment to flexibility is one way in which the organization exemplifies its "People First" philosophy—a firm value that Ernst & Young considers a two-way street. The firm commits to considering its people first when making any business decision and in return employees commit to making the success of the organization a priority by delivering the highest quality work and client service.

FORMALIZING FLEXIBLE WORK

In 1997, Ernst & Young formalized its Flexible Work Arrangement Program to include extensive analysis and planning processes for all flexible arrangements, a database of program participants and active monitoring of participant career development. A flexible work arrangement at Ernst & Young is typically a reduced work schedule, telework or a compressed workweek. Today, around 2,000 of its U.S.-based workers are engaged in a formal program – a striking increase from 1997 when just a few hundred workers began the program.

One of the key drivers behind formalizing the program was to reduce turnover among female employees. "At the time, we were hiring men and women in equal

numbers, but turnover among women was dramatically higher," recalls Maryella M. Gockel, the director of work/life integration for Ernst & Young who spearheads the organization's work/life policy and program development.

Because women more often than men are primary caretakers of children or older relatives with special needs, they frequently need greater job flexibility in order to manage work and life demands. With women making up 87% of the participants today, the Flexible Work Arrangement Program has given thousands of professional women at Ernst & Young an opportunity to build manageable, rewarding careers.

Retention among women has risen so much so that today the turnover rate among men and women is even, and the company has been named one of the "100 Best Companies for Working Mothers" by *Working Mother* magazine for five consecutive years and six years overall. But the key measure of the program's success for Ernst & Young is that promotions continue up through the highest levels in the organization. It currently has more than 90 partners, principals and directors on flexible work arrangements, about a third of whom were promoted to those levels while working flexibly. Clearly, employees are building successful, high-growth careers whether they are in a flexible work arrangement or not.

A UNIQUE PERSPECTIVE ON WORK AND LIFE

Ernst & Young's perspective on flexibility in the workplace continues to evolve and is an enduring priority for the company. According to Gockel, thousands of Ernst & Young employees have job flexibility on an informal basis - including working from home on certain days or arranging specific work hours to meet their professional and personal requirements. "That is the kind of flexibility employees are looking for more and more," says Gockel. "Everyone gets sick. Everyone has to go to the dentist. We have kids, family members or pets with needs. Everyone is entitled to

some kind of flexibility in their jobs, and we are working to be a firm that is supportive of that need."

In recent years, initiatives to support workplace flexibility have included providing laptops and establishing round-the-clock technical support to ensure that employees can use the technologies whenever and wherever they need them. In equipping employees with tools to create their own job flexibility, Ernst & Young is adhering to its "People First" policy.

"We understand that each person has unique personal, family, community and career needs," explains Gockel. "We want them to have the tools to create their own flexibility each and every day. We trust our employees to find flexibility that helps them succeed and, therefore, the firm as well."

