

White Paper Series
Solutions
Increasing Productivity



Increasing Productivity

Of all the goals companies share, none are so universally and enthusiastically shared as the goal to raise productivity.

Fear of layoffs impacts productivity

The recession of 2008 and 2009 produced a unique productivity phenomenon: fewer employees, higher productivity.

Throughout the recession, employers became leaner and meaner, with wages flat or falling. But in November of 2009 it was reported that productivity had jumped at the fastest pace in six years, up 9.5%. Many large corporations reported that while revenue was down, profits were up as layoffs reduced labor costs. And because those who were left produced more, productivity jumped, giving companies good earnings figures. Fear of layoffs was obviously playing a role.

Flexibility and supportiveness works

In October 2009 a study by UK firm Morgan Redwood found businesses would benefit financially from helping their employees achieve work-life balance. Those that helped workers achieve good work-life balance enjoyed average net earnings per employee of 23% more per year than those that didn't. The boost in the bottom line, they say, was because when employees were able to manage their personal lives more easily, the result was shown to be reduced absenteeism, improved well-being and increased productivity.

The Corporate Executive Board agreed, finding earlier in the year that productivity is helped by work-life benefits. Employees who are happy with their work-life benefits work more than 20% harder and are a third more likely to stay with the organization, said their study of data collected from more than 50,000 employees. Just 16% were satisfied with their organizations' current work-life practices. Flexible schedules and an appropriate amount of work were top choices for nearly two-thirds of those in the study. The report suggested employers not only need to provide more work-life programs but do a better job communicating about what's there.

Past research demonstrates most effective efforts

Over the past 15 years, research has given us a handle on which efforts have proven to be effective at accomplishing that goal. This document goes back in time to search out the programs, policies and practices that have made a difference. We've listed 13 ways that have been found to increase productivity.

1. Telecommuting

We probably have more evidence related to the impact of telecommuting on productivity than any other offering. We used to say that the increased productivity that came from telework was kind of a halo effect – people were so grateful they just put out more effort. That's probably partly true and partly a case of having fewer distractions. And it also might be the result of what **Corel** reported in 2003. Their study found that if you allow people to work when they feel most productive, even if it's at 6 a.m. or the middle of the night, you get more good work out of them.

Cisco studied its telework program and reported in August of 2009 that it significantly increased productivity and job satisfaction and saved \$277 million a year by increasing productivity. Their

study of nearly 2,000 employees found 69% saying their productivity increased when they worked from home; 75% said the timeliness of their work improved and 83% said their ability to communicate and collaborate with coworkers was the same, if not better than it was when working onsite. More than two-thirds said their overall work quality improved when telecommuting and 80% said the ability to telework improved their overall quality of life.

The office of the Inspector General for Tax Administration may be the current federal champion when it comes to teleworking, with 86% of its employees now working remotely. The agency has been able to close a few offices, and “productivity levels have gone up every year exponentially,” says Jennifer Donnan, who helped get the program going.

More than two-thirds of companies believe telecommuting has led to greater productivity, lower costs, and better recruiting and retention, said a 2008 survey by the **Computing Technology Industry Association** (CompTIA). The increased productivity, said respondents, was due in large part to workers spending less time going to and from work.

A little history

No one had more to gain from studying the issue than the telecommunications companies. As early as 1992, **Bell Atlantic** piloted a telecommuting program and concluded that it raised productivity among teleworkers by 27%, in addition to testing new products and raising morale. They also found that absenteeism went down, as increased flexibility allowed work-family conflicts to be handled more easily. When the pilot was over, the option to telecommute was made available to the entire workforce.

Two years later, a modest telecommuting pilot had significant success in **Contra Costa County, CA**, where just 3.3 days of telecommuting per month made an unbelievable difference in the lives of 34 employees. The 6-month experiment found even though they worked from home a very few hours, average productivity went up by an amazing 21%. Telecommuters said they had more uninterrupted time to work with fewer distractions and less travel time. Incidentally, they reported a “considerable increase” in the overall quality of their lives, and 43% said that was “extremely important” to them. More than half said they had more freedom to make choices in their lives, most said they used the extra time available for leisure and recreation. They were less stressed, and half said that was the most significant change. The **Institute for the Study of Distributed Work**, which evaluated the pilot, also found an average per-person savings of \$15.11 per month in gasoline. The study concluded that a “concentrated effort” must be made to educate department directors about the positive effects of a telecommuting program in “fiscally austere times.”

ITAC, the International Telework Association and Council, which was recently acquired by **World at Work**, reported in 2001 that 75% of teleworkers reported a quantifiable increase in both productivity and work quality.

In 2001 the **U.S. Department of Labor** issued a report on telecommuting, and suggested it can increase a company’s competitiveness. After conducting a review of all the evidence, the report suggests that the practice had unique potential for positive impact on the “triple bottom line” – financial, environmental and social goals, and had been shown to positively affect productivity, among other things.

A 2003 study by **Nortel** examined the results of their nine-year-old telework program and reported that 94% of their 12,000 telecommuters (out of a staff of 35,000) reported that their productivity was up, and 65% of managers agreed with them, with the average increase from 15% to 20%. Nortel calculated that a 15% increase was equivalent to 1.2 hours more productivity

per day, and applying that to the 3,000 full-time telecommuters added up to about \$325,000 a day (most of their remote workers are manager-level employees).

2. Try focusing on Results Only

The “Results Only Work Environment” at **Best Buy** led to a 35% increase in productivity, a vast reduction in voluntary turnover and a much happier workforce. New rules: employees have the freedom to work any way they want, and an unlimited amount of “paid time off,” as long as the work gets done. No one should be overworked, every meeting should be optional, no work schedules should be imposed and there should be no judgment about how you spend your time.

A related suggestion came from **Semco**, a Brazilian manufacturer which at one time was traditional and autocratic, with a rule for every contingency. Now they have no rules at all, just a *Survivor Manual* with lots of cartoons and few words. The company has “absolute trust” in its employees, said CEO Richard Semler. Employees decide on their hours, their production quotas, and even their salaries. The result: a “moribund” company has grown six-fold, increased productivity sevenfold, and with a backlog of 2,000 job applications, has gone as much as 14 months without losing an employee.

3. Train managers to be more supportive

In 2000, a 25-year **Gallup** study of more than two million employees and managers found a significant relationship between employee satisfaction and productivity, and found both were determined by whether or not the employees' supervisor was caring and supportive.. The sample included both exempt and non-exempt employees.

4. Implement flexibility

In 2001, **Brigham Young** and **IBM** researchers compared employees with and without flexibility, but with the same workload. Those with perceived flexibility were able to work eight more hours a week without losing their sense of work-life balance.

The UK **Industrial Society** found those who used flexible scheduling had nearly one-third more output than those who worked traditional hours.

2005 was a good year for linking flexibility with productivity. In August we heard the results of **The BOLD Initiative**, funded by **The Sloan Foundation**. The project studied 10 companies as they rolled out pilots to test different kinds of flexibility. Each and every one reported positive results that included reduced unscheduled absences, fewer backlogged orders, improved coverage, reduced sick leave, etc. A study by **Accor Services** and **Working Families**, both British firms, found flexible hours and the ability to work from home helped to cut absenteeism in both the private and public sectors, thus improving productivity. And yet another Sloan-funded study, this one by **WFD** for **Corporate Voices for Working Families** linked flexible work arrangements unmistakably to the bottom line. Working with 29 companies, they found that flexibility drove financial performance and productivity, along with increasing revenue generation, improving client service and saving millions by preventing turnover.

5. Strive for Loyalty

After studying nearly 100 employers, Frederick Reichheld reports that loyalty boosts productivity. Staffing expert James Challenger agrees, pointing out that the surge in productivity that was taking place in 2000 coincided with a 50% increase in employee tenure and a 254% jump in employees who have worked for just one company in their career. "The longer an individual stays with the firm," said Challenger, "the better the productivity."

6. Fewer hours, more pay

In 1996, **Metro Plastics** was seriously understaffed and getting no response to their ads. So they began to offer 30-hour weeks for 40 hours of pay. **Precision Plastics**, Columbia City, IN, had the same problem and tried the same solution. Both companies began immediately to have more qualified applicants than they could use, and managers of both companies report productivity gains offset the higher payroll costs; quality is up dramatically.

In 1999 a United Nations study reported that Americans were working the longest hours in the industrialized world, but hours worked were not necessarily indicators of productivity. According to the study, *Key Indicators of the Labor Market*, Japan, France and Germany all surpassed our productivity gains and put in fewer hours.

7. Employee ownership

Employee ownership improved productivity at 52% of firms polled in a survey by the Employee Ownership Foundation. The Employee Stock Ownership Plan Association says its study found 60% of companies offering employee ownership reported improved productivity and were able to show a relationship between the two.

8. Clear work-related goals, less bureaucracy

An employee survey has asked 1,000 employees which workplace factors would have a positive impact on their productivity. The survey, by *Training Magazine*, found 54% said having clear, work-related goals would do the trick and nearly half said less workplace bureaucracy would make them more productive.

8. Sick child care

In 1990, the **City of Phoenix** was suffering from overuse of sick leave; employees were using it all to stay home and care for sick kids. Not only was it a growing financial burden, co-workers forced to pick up the extra workload were complaining. So the city hired **Arizona Child Care Resources** to provide in-home care when employees' kids were sick, and charged employees only \$1 of the \$12-per-hour cost. Last year analysts say the city, with 11,000 workers, saved more than enough in sick pay and productivity to pay its costs.

9. Music at work

Allowing employees to listen to personal stereo headsets could dramatically improve their productivity, says a study by **University of Illinois** researchers. Among 75 employees who wore headsets an average of 20 hours during the workweek, productivity increased by 10% over a four-week period. Among 181 employees who did not wear headsets during the same period, there was no change in productivity. The headset wearers were less nervous, less fatigued, more enthusiastic and more relaxed at work than were the employees in the control group. Most listened to were oldies and country music.

10. Family-supportiveness

A study by **Wharton School's** Peter Capelli found that those employees who were encouraged to invest more time in family life were more productive.

11. Paid Time-Off banks

Putting leave days together in one unallocated pot not only reduced absenteeism, it raised productivity and morale, cut replacement costs and improved customer service. The study, by **CCH Inc.**, a Riverwoods, IL HR consultant, surveyed 327 organizations in a variety of fields.

12. Family life education seminars

Waste Management, Inc., Oak Brook, IL, showed a “documented savings in reduced absenteeism, turnover and increased productivity of \$1,600 per participant” for their Family Life Education series, offsetting a cost of \$200.

13. Pay for performance

Safelite Glass Corp. tracked numbers before and after its execs decided to pay workers a bonus based on installing more windshields. Productivity went up 36%, absenteeism dropped, paid sick hours fell by 61% and turnover among the company’s most efficient workers was reduced. Net results: the average worker earned 10% more and productivity — output per hour — went up 20%.

Research has shown that these initiatives also may increase productivity: onsite childcare, part-time work, union shops in a non-adversarial atmosphere, time off as a reward for increased productivity. Collaborative workspaces, engaged workers, quality after-school programs and work redesign.

News articles and digests from the past few years that suggest ways to increase productivity.

Productivity is helped by work-life benefits

Employees who are happy with their work-life benefits work more than 20% harder and are a third more likely to stay with the organization.

The **Corporate Executive Board** has collected data from more than 50,000 employees and found just 16% were satisfied with their organizations’ current work-life practices, but most don’t even know what’s available to them. Of those who do, only 25% say the offerings match their preferences. What they would prefer: benefits that help manage the workload. Flexible schedules and an appropriate amount of work were top choices for nearly two-thirds of those in the study. The report suggests employers not only need to provide more work-life programs but do a better job communicating about what’s there. It suggests clear implementation guidelines, peers visibly using what’s available, and more employee control all help to increase awareness.

24805 ABOUT.COM WORKING MOMS, 4-7-09

EAPs shown to have impact on productivity

Users say Employee Assistance Programs have had a positive impact on their performance, says a new report from Bensing, Dupont & Associates. The EAP firm surveyed employees both before and after they used their services this year and found 83% saying their work performance had improved after using the EAP. Before use, 35% said their personal problems were having a negative affect on job performance. A related study of more than 1,500 workers at 300 large companies by the **National Business Group on Health** found workers struggling to improve their health, but nearly half said high stress levels are making it difficult. To make themselves feel less stressed, they're using TV (49%), talking to friends and family (44%) and exercising and spending time on hobbies (both 41%). But even though a fourth of workers say they're more stressed today than two years ago and 58% say they have access to an EAP service, most say they never use it. NBGH president Helen Darling suggests employers should promote their EAPs by creating clever workplace signs that identify various topics EAPs can address, like stress, holiday blues, financial worries or domestic abuse, while emphasizing their confidentiality. #

24323 Press release, BENSINGER, DUPONT, 10-16-08
Press release, NBGH, 10-20-08

Survey: backup care enhances productivity

Work Options Group has surveyed its users; 99% say backup care is an important benefit; three-fourths say it ranks at the top of their list.

More than seven out of ten respondents said that if they had not had the option of backup care they would have had to miss work. The **Work Options** survey was returned by more than 1,200 respondents from 130 companies; 78% said using the backup care service enhanced their productivity at work and 77% said having that benefit has made them more loyal to their employer. A related story says the service costs **Children's Hospital and Health System**, a Wauwatosa, WI employer with 4,600 employees (87% female), about \$70,000 a year; employees pay just \$4.00 per hour for in-home backup care for up to three dependents. Children's reports saving more than \$220,000 in reduced absenteeism over the past three years.

23901 Press release, WORK OPTIONS GROUP, 7-9-08
JOURNAL SENTINEL ONLINE, 6-21-08

Teleworkers produce more, say both workers and managers

The Clean Air Campaign has conducted a survey of more than 150 metro Atlanta teleworkers and their managers and found that those employees working from home do more work.

About 57% of the teleworkers reported that they use the time they save (an average 91 minutes a day) to perform more duties for their employer; and more than two-thirds (68%) say they believe their productivity has increased as a result of being allowed to work from a home office. Significantly, more than half of their managers agree, and another 42% say they've seen no drop in productivity. In addition, half the telecommuters say they've been able to spend more time with their families as a result, and nearly a third (32%) are even getting more sleep. Nearly 60% of teleworkers say they're less likely to look for another job as long as they're allowed to continue the practice. The big news, says this report, is how managers have been won over by their teleworking employees; 91% said they now believe the practice is good for their organization.

23822 Press release, CLEAN AIR CAMPAIGN, 6-16-08

New study agrees: telework aids productivity

Productivity either increases or stays the same for their teleworking employees, say 87% of managers who were polled in a new survey by the National Science Foundation.

The **NSF** surveyed both its employees and managers and found that one-third of its employees telework on a regular basis, with just over half doing so regularly or occasionally, and two-thirds of their managers also work from home. The study found that each teleworker is on the road 62 hours less than office workers a year, saving \$1,201 each in gas and other costs. The survey was commissioned by the **Telework Exchange**. A related study by **Tandberg** found most federal employees could telework part- or full-time, but more than a third say they're unaware of their agency's policy on the practice and 42% don't know whether or not they're eligible. This study concluded that individual federal employees could save an average of \$5,878 in commuting costs annually and produce 9,060 fewer pounds of pollutants if they worked outside the office three days a week. Says the report, "To offset the amount of CO2 emissions feds disperse in the environment by commuting, we would need to plant 32 million trees a year."

23502 WASHINGTON BUSINESS JOURNAL, 3-11-08
GOVERNMENT EXECUTIVE, 2-21-08

Purdue saves by tackling behavioral health

In 2004, Purdue, spending \$1.3 million on antidepressant medication for employees, undertook a comprehensive study to compare those taking them with those who weren't.

Their study showed that the 13.5% of the university's participants who were on an antidepressant were incurring 40% of their medical expenses. At \$10,765 a year, their costs were 6.5 times higher than those who weren't. Just a fifth were using the services of a behavioral health or EAP specialist. The study uncovered some barriers, both actual and perceived, that were keeping them from getting that help. Among them was a lack of harmony between their behavioral health coverage and EAP. And many employees perceived limited support and understanding from their supervisors. Among the actions to fix the problem: the first eight sessions with specialists are now fully paid with no deductible, the number of covered outpatient sessions have gone from 20 to 30, and all EAP counseling sessions are now covered. The payoff, in reduced absence, increased productivity and engagement, has far outweighed the cost. A communications campaign has raised awareness of the changes, and more are planned. Also on tap: expanding EAP services to make them available 24/7 and "vendor summits" to better coordinate service providers and their offerings.

23005 WORKSPAN, 9-07, pg. 65

Treating depression does boost productivity

Researchers from the National Institute of Mental Health have concluded that proactive treatment of depression should be seen as an investment that delivers a significant return.

Employers who screen and guide depressed workers through treatment options get an average of three extra weeks of productivity from each of those employees per year. The study, the first designed to measure whether such interventions pay off for businesses, involved 604 workers from 16 large companies who were identified through voluntary surveys as having significant depression. Half the subjects were randomly assigned to case managers who oversaw their

treatments, and sometimes delivered psychotherapy over the phone. The rest were told that their responses indicated possible depression, but were not offered additional support. Those employees who received telephone outreach quit or missed work less frequently and performed better when they did show up. They didn't use significantly more health care, worked an average of two more hours each week and were slightly more likely (92% vs. 88%) to stay with their employers after a year. Researchers estimate savings from interventions would be several times the cost. Said study co-author Dr. Gregory Simon, employers are often oblivious to the problem of employees' depression. "People who are depressed miss a lot of work. But they don't call in and say, 'I'm depressed.'"

23006 THE SEATTLE TIMES, 9-25-07

Sun's "Open Work" boosts productivity

Since Sun Microsystems introduced "Open Work" and allowed workers to work from wherever they wanted, average productivity is up 34%.

We've been following Sun's iWork (now Open Work) program since 2002, when their goal was to send half their workforce home. That goal has been achieved; 56% of Sun's employees now work without an assigned office. For more than 10 years the company experimented, tested and refined technology to find what would fit. And they helped managers get used to setting measurable goals and tracking deliverables. Now, except for receptionists and engineers who need more face-to-face interaction, Open Work is open to all; an application form is on the company's Website. The reduced need for fixed office space cut real estate costs by \$67.8 million in 2006 and is expected to save \$387 million over six years.

22910 BENEFITS & COMP. SOLUTIONS, 7/8-07, pg. 20

Most say telework could hurt career, but boosts productivity

Despite the fact that 61% of executives from 71 countries think workers who telecommute have less chance of advancing, they still put it second on their "best perks" list.

More than three-fourths of 2,034 professionals told pollsters from FutureStep, a Korn/Ferry subsidiary, that they would "probably" or "definitely" consider a job that allowed them to telecommute regularly, putting it right under flexibility in importance. And 78% believe teleworkers are at least as productive (42%) if not more so (36%). A related article says a survey by the Dieringer Research Group found the number of Americans whose employers allow them to work someplace other than the office has increased 63% in two years, from 7.6 million to 12.4 million. Aetna, faced with an impending shortage of office space, is adding to that statistic. The company is establishing "mobility centers," or small workstations, and will ramp up their telework numbers. To combat isolation, they'll keep workers connected with online support, including a Telework Community Network (kind of an in-house blog) and will schedule "water cooler breaks," 15-minute conference calls where, says one teleworker, "people exchange new recipes, talk about what's going on with the kids – generally talk like they do at the water cooler."

22320 HR MAGAZINE, 3-07, pg. 34; Hartford, CT, THE COURANT, 2-22-07

Working Families/ABN AMRO

Flexible workers say they're more productive, and part-timers feel significantly more productive than their full-time colleagues.

Working Families, a UK non-profit that advocates for working parents and caregivers, has conducted research commissioned by **ABN AMRO** and found flexible workers not only feel more productive, but are also more committed and motivated. The most productive workers feel the best managed, valued and trusted by their managers, and are the most satisfied with their work-life balance. The report, called, "Is Less More?" was presented at an October ABN AMRO conference.

20606 EGOV MONITOR, 10-7-05

Corporate Voices for Working Families/WFD Consulting

The case for expanding workplace flexibility is so compelling and substantial that it should be considered a business imperative, says a new study of flexibility results at 29 U.S. companies.

The study, conducted for Corporate Voices for Working Families by WFD Consulting, found that in every company, flexibility was a driver of financial performance and productivity. It was linked to increased revenue generation, had positive impacts on cycle time, client service and talent management, and was shown to save companies millions of dollars by preventing turnover. Even a small measure of flexibility produced significantly greater job satisfaction, stronger commitment and higher levels of engagement, as well as significantly lower stress levels. The positive effects occurred whether the flexibility was formal or occasional, and was documented in hourly and non-exempt environments as well as for salaried, exempt employees. However, the study found that written policies were no guarantee of either acceptance or accessibility. Both managers and employees frequently viewed it as an exception or accommodation, stopped from realizing its full benefits by a face-time culture, skepticism, excessive workload, fear of negative consequences, etc. The key to its successful expansion, said the report, is understanding and communicating the relationship of flexibility to business success. The study was funded by **The Sloan Foundation**.

20601 Press release, CORPORATE VOICES FOR WORKING FAMILIES, 10-05

The Clean Air Campaign - 2005

Atlanta, GA has been running a six-month telecommuting pilot with 13 metro employers participating. The results: when employees are allowed to work from home, everyone benefits. The **Clean Air Campaign's** "Telework Leadership Initiative" helped each company get started; each got \$20,000 worth of equipment and resources, up to \$10,000 in direct consulting services, and a unique incentive of up to \$10,000 in reimbursement for staff time devoted to program development and implementation. At the pilot's conclusion both telecommuters and their managers were surveyed. Nearly 90% of teleworkers reported that the ability to work from home improved their morale, and 80% of managers agreed that staff morale had improved. Not commuting saved each an average of 107.3 minutes for every teleworking day and more than 70% spent that time doing more work. **More than 85% of managers felt productivity had either improved or stayed the same, and among those who saw improvement, the average increase was estimated at 20%.** All the participants plan to expand their programs, with each manager adding about four new teleworkers. At current levels, that means a reduction of 9.4 million vehicle miles from metro Atlanta roads each year. For more, contact Candace McCaffery or Lisa Sharp at 1-877-CLEANAIR.

20401 Atlanta, GA, BUSINESS WIRE, 8-15-05

Bold Initiative - 2005

An initiative called BOLD (Business Opportunities for Leadership Diversity) has conducted pilots to show the role of workplace flexibility in promoting a high-performing organization.

The group, which was created with a grant from the Sloan Foundation, (see *Newsbrief, 2-04*) has been working directly with CEOs to explore ways of gaining competitive advantage in the global economy. Creating a more flexible workplace is one of those ways, and president Bea Fitzpatrick reported last month on the success of pilots that have been conducted with **The Chubb Corporation, Johnson & Johnson, Macy's Northwest, Gannett, Puget Sound Energy, Pitney Bowes, Nextel, PepsiCo, Prudential and Weyerhaeuser**. All introduced and encouraged flexibility and all reported positive bottom-line results. Flexible scheduling at Chubb reduced unscheduled time off by 50% each month and overtime by 40% per employee. Gannett cut backlogged orders by 81% in one month. Macy's reported improved coverage and a 33% reduction in the use of sick leave. Pitney Bowes reduced overtime costs by as much as 80% in April and May of 2005. Puget Sound cut incidents of late sign-ins by 35%. **At Prudential both productivity and quality improved.** And Weyerhaeuser plans to immediately scale up the project. For more about this study and the BOLD initiative, see our August *Trend Report*. # 20312 Press release, *THE BOLD INITIATIVE*, 7-18-05

Texas Instruments - 2005

Texas Instruments claims a 180% ROI for its resource and referral program, which they've shown to save time and increase productivity.
19705 *BENEFITNEWS.COM*, 12-19-04

University of Toronto - 2004

As the 55-and-older workforce grows, an outplacement firm suggests a way to make them happy and maximize their productivity.

John Challenger of **Challenger, Gray & Christmas** thinks companies should try an ER Shift (ER for Early Riser) that runs from 6:30 a.m. to 2:30 p.m. Recession-related damage to retirement portfolios and an increased desire to stay active are keeping the 55+ set in the workplace; their numbers grew by 3,196,000 between January, 2001 and December, 2003. "It couldn't happen at a better time," says Challenger, with young, skilled workers harder to find. Offering the ER option will be highly valued by older workers, he says, who want the afternoons for other pursuits. **Early hours are more conducive to quality work, and a study by the University of Toronto found older people are at their sharpest in the morning; memory differences between age groups were cut in half in the early a.m. hours.** Other suggestions to attract seniors: flex options, mentoring, better lighting and enlarged characters on computer screens. **Neuville Industries** offers special perks when workers reach 59½: they can job share, are eligible for pre-retirement benefits, are no longer required to work overtime, and performance ratings for advancement and pay raises are lowered from 100% to 85% so they don't have to work as hard.
18607 Press release, *CHALLENGER, GRAY & CHRISTMAS*, 1-26-04

FGI - 2004

A survey of more than 24,000 EAP users has found counseling improved concentration and the ability to cope with job demands.

The survey was conducted over the past two years by FGI, Canada's largest employee assistance provider. More than 70% of employees said their use of the EAP's counseling services improved their concentration at work, and more than a fourth said it improved by 50% or more. Two-thirds said their ability to cope had improved greatly, and more than 58% said without counseling their concerns would have caused them to miss work. More than half felt their relationships with colleagues and supervisors had improved, and three-fourths said without the counseling they had received, their health would have been adversely affected. Says Eric Acker, FGI's COO, **"This research proves that early intervention and support for employees experiencing personal problems reduces absenteeism and increases productivity.** It's clear that both employers and employees benefit from EAPs, because more than 95% of those surveyed told us that counseling helped them deal with their problems more effectively."

18921 NEWSEDGE, 5-17-04

Corel - 2003

Companies can boost productivity by finding out when workers feel most creative, and allowing them to structure their own day, says a study by the UK division of software maker Corel.

Organizations that force staff to work long and rigid hours and ignore their requests for flexibility are making a serious mistake, says the study. Except for the very youngest workers, who feel most creative in the evening, this study found that the common practice of working late into the night actually kills creativity. Nearly a third of those between 25 and 44 are their most creative selves in the morning, and brainstorming sessions to force creativity in the afternoon are counterproductive for all groups. A third of men and 24% of women are most creative at unconventional times of day. **Corel** concludes that employers who want creativity and increased productivity in their staff should not only offer more flexible working hours, but should take the time and trouble to find out when individuals work best. Says VP Amanda Bedborough, "Our study supports the beliefs of many chronobiologists, or body clock scientists, who have suggested that if we don't listen to our body clock we won't perform as effectively." It's critical, she adds, not to force creativity. The survey was conducted by **Dynamic Markets**, which polled 1,000 people of mixed age groups and sexes about their attitudes on work and creativity. # 17901 London, England, *THE REGISTER*, 7-11-03

Nortel - 2003

Nortel now has 12,000 teleworkers out of a staff of 35,000; the telework program is nine years old, and they've measured the results.

Nearly all of their teleworkers (94%) report that their productivity is up, and 65% of managers agree with them, with the average **increase from 15% to 20%**. Nortel calculates that a 15% increase is equivalent to 1.2 hours more productivity per day, and applying that to the 3,000 full-time telecommuters adds up to about \$325,000 a day (most of their remote workers are manager-level employees). Their remote employees are 11% more satisfied, they say, and 41% more motivated than their in-office colleagues. One compensation analyst who has been working from her home office since the program began points out an unexpected advantage. She works with highly sensitive information, and says working from home actually provides security benefits. The information is always tightly controlled, whether in the office or at home. But at home there's no

chance that someone could be looking over her shoulder. Finally, for each office-based worker they estimate a cost of nearly \$24,000 a year, while home-based employees cost a little more than \$3,000. So Nortel figures its remote work program saves more than \$20,000 per worker on office expense alone.

18016 FLEXIBILITY.CO.UK, 7-23-03

PacificCare Behavioral Health

PacificCare Behavioral Health surveyed 20,000 patients who reported stress and lower productivity at work, to find out what the results would be if they offered them treatment and counseling.

"We gave them a 30-item questionnaire before their first therapy visit, then every five sessions thereafter," says V.P. Edward Jones. "The surveys were faxed in to our headquarters. When a patient's score exceeded a certain threshold, they were classified as 'work-impaired.'" **After only three weeks of treatment, patient's answers showed that their percentage of work-impairment – and their level of lost productivity – fell from 31% to 18%.** After nine weeks of treatment, fewer than half of those who originally felt work-impaired were still impaired. The study was conducted over a four-year period. Bills pending in Congress will mean parity for mental health coverage, and the **National Association of Manufacturers** is opposed. The bills say any group health plan that offers mental health coverage won't be able to impose any restrictions or limitations on that coverage unless they're also imposed on the medical and surgical benefits. NAM says that will drive the cost of mental health care up so far that companies will drop the coverage altogether. But up to now, says Jones, "there have been no data to show positive workplace results stemming from behavioral health benefits. This study shows that employers can't afford *not* to offer mental health benefits." The job now, he adds, is to help them understand their true value.

18301 WWW.SHRM.ORG/HRNEWS, 11-6-03

U.S. Department of Labor - 2002

For the first time in a generation, American workers became significantly more productive, even as the economy was sinking.

Productivity rose last year, says the **Department of Labor**, amid the recession. Maybe it was technology. Maybe it was companies squeezing more work out of fewer workers. This article offers a host of explanations by experts for the rise, but a new study by **Work in America Institute** suggests one they didn't mention. The Institute's latest report, "Teams Work: Lessons from Successful Organizations," points out that **teams were responsible for reducing costs and increasing productivity in company after company.** **Ralston Foods** says the successful use of teamwork increased its productivity by more than 55% over the past several years and reduced overall cost by more than 5% annually. The **LA Department of Veterans Affairs** claims teams helped them save about \$2 million by boosting productivity; accuracy improved by about 30% and customer satisfaction went up an average 10% a year for the past few years. The report explores the secrets to a team's success and concludes that it's not easy, takes training, and involves changing people's perceptions. They may not be the solution for every organization, but especially in times like these, teamwork is worth a closer look.

16204 New York, NY, THE WALL STREET JOURNAL, 2-7-02
HR-ESOURCE.COM, 2-11-02

University of Michigan (Stephanie Teasley) - 2001

A U of Michigan researcher has tested collaborative workspaces and found them to be as much as four times more productive.

It's the old "war room" concept, and the idea has a lot of merit, says **Boeing's** Steven Poltrock, a leader in collaboration technology. "Workers have immediate access to all the other members of the team, and they can pass their ideas back and forth." That's just what happened in the test conducted by Stephanie Teasley, who specializes in studying how people work. Working with software developers at **Ford Motor Co.**, she put six different teams in a war room, a large room with desks ringing the outside and a common work space in the middle. Some were wary at the beginning, but all were satisfied by the end. Productivity was determined on the basis of standardized measurements of the difficulty of the project, and how long it took to complete it. Every one of the six teams were more productive than similar teams in more isolated offices. "The farther away you are from your colleagues," points out Teasley, "the less likely you are to collaborate."

15008 Los Angeles, CA, LOS ANGELES TIMES, 1-22-01

Cornell University - 1999

Cornell University has studied how the use of ergonomics affects the accuracy, health and productivity of computer users.

Researchers from **Cornell** asked workers from **New Century Global** to use an off-the-shelf software ergonomics tool called Magnitude EMS. The software offers prescriptions for good posture, strategically placed 30-second breaks and stretching exercises; those who used it showed a 13% improvement in accuracy and a measurable increase in productivity. Said Cornell researcher Alan Hedge, "**We found that alerting computer users to take short rests and breaks improved work accuracy, without any reductions in overall keystroke and mouse use.**" **The better and faster they typed, the greater the difference between those who were reminded and those who weren't (the fastest typist made almost 40% fewer errors than the counterpart who didn't receive the computer alerts).**" "Seeing is believing," said New Century Global's HR manager, Leann Orabona. "Anyone can see the difference in the amount of work we're completing, and you can feel the difference in the positive attitudes around the office." Says Hedge, "with these results the software would pay for itself in three months." **Magnitude Information Systems**, maker of the software, was ecstatic. There's more to using a computer, they say, than just knowing how to type.

13403 PRNEWswire, 9-29-99

Bright Horizons Family Solutions - 1999

Bright Horizons Family Solutions and one of its clients compared the records of users and nonusers of that client's center.

The study collected internal data on turnover and absenteeism, read the words of 157 users of the center and 141 nonusers who had been on the waiting list, and heard from coworkers about the impact of the center on their workplace. The findings were overwhelmingly positive. **Every one of the users, and a substantial number of nonusers, said the center had positively affected their morale, their work performance and their productivity.** More than 90% of users said it had either a "very positive" or "somewhat positive" effect on their ability to be on time for work, their attendance and the amount of work-life conflict. The company data agreed that absenteeism and turnover had been affected to the tune of \$511,377 per year, and while performance and productivity had clearly been impacted, it was impossible to assign dollar savings to the impact. Nonuser benefits included coworkers who were happy their colleagues had

reliable childcare, and supervisors who worried less about staffing and coverage issues. In the control group of workers using other childcare, 38% reported those arrangements have a negative impact on their work-life conflict, and more than a fourth said it has a negative effect on their morale at work.

13513 *SOLUTIONS*, Fall, 1999

Catalyst - 1998

Observers note a long list of benefits when people work part-time, including increases in morale and productivity.

More than a third of women managers expect to work part-time at some point in their careers, says a new, two-year **Catalyst** study, funded by the **Alfred P. Sloan Foundation**; and fewer than half of the 2,000 they surveyed said they currently have a traditional full-time work arrangement. Researchers zeroed in on four leading companies, examining the impact of their part-time work arrangements by questioning part-time workers, their colleagues and supervisors. Morale increases were reported by 80% of those surveyed, **46% agreed that productivity goes up for those working part-time**, 48% say part-timers' commitment to the company increases, and 20% of both part-time and full-time employees saw an improvement in work quality when employees switched to working part-time. In order to succeed, says the report, skills are called for from both supervisors and employees — colleagues as well as the part-timers themselves. And when they do work they provide a model for others. A *USA Weekend* poll agrees that part-time workers are happier than those who work full-time; two-thirds of those in traditional arrangements said they were very happy, vs. 73% of part-timers.

12022 *CATALYST PERSPECTIVE*, 6-98

NATIONAL REPORT ON WORK & FAMILY, 7-14-98

Tufts University/New York Federal Reserve - 1998

Unionized workers are more efficient than non-union if they work in a system that allows them to participate in decision-making and uses the latest management tools.

American industry has been trying to reinvent itself for more than 20 years, with Quality Circles, TQM and High-Output Management. Now researchers Lisa Lynch of **Tufts** and Sandra Black of the **New York Federal Reserve**, using **U.S. Census** and other data, have found that a combination of those techniques and unionized shops make a company as much as 20% more productive. Most union shops, they found, have adopted formal quality programs; up to half the workers in unionized companies meet regularly to discuss workplace issues; they share in the firm's profits and often work in self-managed teams. **So is the increased productivity a result of the new techniques? No, say the researchers. Non-union companies using the same programs were significantly less productive. It seems it's the combination that's powerful; unionized companies that were still following the old adversarial line had the lowest productivity – 17% lower than the baseline and even worse than non-union companies.** Maybe it helps, say Lynch and Black, that unionized workers can negotiate on a more equal footing. Maybe it's that they can propose big changes in work practices without fear of cutting their own throats.

12111 *SCIENTIFIC AMERICAN*, 7-25-98

General Services Administration - 1997

GSA says its 11 telecommuting centers offer fewer distractions and allow workers to concentrate, increasing productivity.

They also cut commute time; the satellite centers in Northern Virginia and Maryland are saving an average 6,000 miles of driving a year, giving workers an extra 20 hours a year to spend with families. The pilots are being called “a very big success,” with participants, supervisors, co-workers and customers agreeing that productivity has increased by a range of from 15-25% (participants reported the highest increases). While managers were initially concerned about managing the worker they couldn’t see, and workers worried about maintaining relationships, neither reported any negative effect on morale. Relearning how to manage by results is one of GSA’s recommendations for those starting a telecommuting program. Other advice: begin with a pilot and develop training for participants and supervisors. They’ll have 22 centers in place by Fall.

10313 *THE NATIONAL REPORT ON WORK & FAMILY*, 2-25-97

IBM - 1995

All IBM eyes were on the Indiana pilot that cut real estate by more than half and turned every business process upside down. Participation in the virtual office project was not optional; telephones were taken from desks, the desks themselves disappeared in many cases. Those with no room for a home office were introduced to the concept of shared offices, found in the “productivity center” along with team rooms, work pods and conference rooms. A bold initiative to reduce real estate instead of people in the midst of a financial crisis, the pilot took offices away from 75% of IBM’s workforce in the state — everyone who had any customer contact. Every telecommuter got a ThinkPad laptop, software and the necessary telephone equipment as soon as they handed in their existing assets and attended training. This article traces the entire process from inception to evaluation, and shares lessons learned. Success, they said, was directly related to the amount of mandatory training. The basic question, how to measure performance, must be answered regardless of the work environment; once effective measures are in place managers can stop worrying and start mentoring. **The bottom line: Productivity was up an average 10-20%; annual net savings now exceed \$12 million per year.** And to IBM’s surprise, communication among workers actually improved.

8603 *THE TOTAL QUALITY REVIEW*, 7/8-95

Bell Atlantic –1994

Their goals were to test new products, raise morale and increase productivity; telecommuting has done it all, says Bell Atlantic. They also got lower absenteeism, as increased flexibility allowed work-family conflicts to be handled more easily. The program, now out of the pilot stage, was officially launched last year and made available to the entire workforce. Today, about 500 programmers, accountants, public relations managers, marketing managers and account executives work from home one to three days a week, and many more do it unofficially “as needed.” At first, says spokesman Ed Kirk, Mondays and Fridays were out lest supervisors think someone just wanted a long weekend. Those have become ideal days; files and equipment don’t have to be moved as often. Training introduced all workers to the concept; now, with the help of a workbook, employees and supervisors work out the details and sign a written agreement. The cost of equipping home offices was considered prohibitive; most equipment is owned by employees, the company buys software and pays for phone service. Good candidates who can’t afford a computer are encouraged to find surplus equipment at work to borrow. We wanted employees to know, says Kirk, that it’s not a new benefit or a right. It’s an option to be exercised only when everyone stands to gain.

7204 *WORKING MOTHER*, 7-94, pg. 22