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THE CHANGING WORKFORCE

Comparison of Federal and Nonfederal Work/Family Programs and Approaches

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The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate

The Honorable William L. Clay
Chairman, Committee on
Post Office and Civil Service
House of Representatives

We are examining a number of issues related to federal recruitment and retention. A previous report (The Changing Workforce: Demographic Issues Facing the Federal Government, GAO/GGD-92-38, Mar. 24, 1992) described certain demographic changes that have occurred in the civilian labor force and the federal labor force. This report provides information on the programs and policies selected nonfederal employers have used to help their employees balance work and family responsibilities. It also describes how these employers decided they needed work/family programs, implemented them, and evaluated them. Finally, the report compares federal and nonfederal efforts in this area, noting certain barriers to federal work/family programs.

We are sending copies of this report to other congressional committees, the Director of OPM, and other interested parties.

The major contributors to this report are listed in appendix II. Please contact me on (202) 275-6204 if you have any questions concerning this report.

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Future Issues

Executive Summary

Purpose

The tremendous growth in the number of women in the federal and nonfederal labor forces in recent decades has dramatically changed the world of work. Most husbands and wives now work, so many families with children no longer have a caregiver at home during working hours. The number of single parent families has also grown. Traditional human resources policies were not designed for this new workforce, and they can prevent employees from balancing their work and family responsibilities. For example, although many federal workers have children and/or elderly dependents, federal regulations prohibit these workers from using any of their sick leave to care for a child who has cancer or a parent who has Alzheimer's disease.

How should the government respond to these challenges within its own workforce? Recognizing that the work/family issue is still emerging and there are no clear-cut answers on the best way to respond, GAO examined the work/family programs and approaches followed by leading nonfederal employers. The report examines how those employers assessed the need for work/family programs, implemented them, and evaluated their effectiveness in enhancing employee recruitment, retention, and productivity. It also describes federal experiences in the work/family area and identifies certain barriers that deter the adoption or expansion of federal work/family programs. GAO's objective was to develop information on the range of activities selected nonfederal organizations used to deal with the work/family issue so that federal workforce planners could proceed in their decisionmaking with increased certainty.

Background

To learn about nonfederal work/family efforts, GAO interviewed human resources officials in 16 nonfederal organizations with a number of "family-friendly" programs in place. Many of the organizations were recognized leaders in the work/family area. GAO discussed federal work/family efforts with officials in the Office of Personnel Management (OPM), which is responsible for providing governmentwide leadership in human resources policy, and other agencies. GAO also drew on its governmentwide survey of employee views about federal employment, including their work/family experiences and needs. (See app. I.)

Results in Brief

The principal difference GAO observed between federal and leading nonfederal work/family efforts was in how the issue was approached. The nonfederal organizations generally viewed work/family issues strategically, establishing work/family offices and/or positions and forging their individual programs into an integrated support system designed to improve recruitment, retention, and productivity. Although some federal agencies had taken steps in this direction, GAO found no governmentwide work/family strategy or locus of responsibility for these programs.

The federal government offered many of the types of work/family programs offered by the leading nonfederal organizations GAO visited, but the federal programs were often not as family supportive or fully utilized as they could be. Some work/family programs were not available to federal employees. Primary barriers to federal work/family initiatives included their cost, a lack of statutory or regulatory authority, and concerns that they were inappropriate for federal employees. Nonfederal officials offered numerous suggestions on how to assess the need for and implement work/family programs.

GAO's Analysis

Nonfederal Organizations Offered a Range of Work/Family Programs

The leading nonfederal organizations GAO visited offered their employees a variety of work/family programs: (1) flexible work arrangements, which allow employees to work at home, set their own work hours, customize their benefits, or use untaxed portions of their salaries to pay certain expenses like dependent care costs; (2) leave policies, such as allowing employees to use their sick leave to care for family members and unpaid time off for family reasons; (3) child care and elder care programs, including child care centers and help in locating and choosing dependent care providers; and (4) other programs, such as work/family counseling and financial support for adoptions. (See ch. 2.)

Federal Work/Family Programs Not Fully Developed

The federal government offered many of the work/family programs the nonfederal organizations offered, including child care centers, part-time work, flexible work schedules, and flexible work places. However, the government generally did not utilize these programs as extensively as it could have. For example, many federal employees told GAO they were not allowed to use flexible work schedules, and relatively few employees work part time or participate in the flexible work place program. Furthermore, statutory authority does not exist to offer federal employees flexible benefits, to guarantee them access to parental or family leave, or to offer civilian employees adoption assistance. Statutory and cost barriers keep federal employees from having the option to pay medical or dependent care expenses from pre-tax accounts, and OPM regulations prohibit them from using sick leave to care for family members who do not have a contagious disease. Some programs have not been pursued or publicized because of concerns about adverse public reactions to federal work/family initiatives. (See ch. 4.)

Needs Assessment, Implementation, and Evaluation of Nonfederal Work/Family Programs

Different factors, such as employee input or recruitment and retention goals, led the nonfederal organizations GAO visited to adopt work/family programs. The officials interviewed strongly recommended assessing employee needs and community resources before adopting these programs and offered advice on doing the assessments. They also indicated that work/family programs challenge traditional organizational culture and managers often resist them, even though they are not necessarily costly to implement. Implementation suggestions included effectively communicating the programs within and outside the organization and recognizing concerns about equal treatment of employees. The officials believed the programs had aided their recruitment and retention efforts and improved employee productivity. (See ch. 3.)

Nonfederal Organizations Generally Viewed Work/Family Issues Strategically

Many of the leading nonfederal organizations GAO met with viewed their work/family programs strategically. That is, they saw the programs as a means to realize broader organizational objectives and as more than the sum of their individual parts. Many organizations created brochures or other communication tools that presented work/family programs as a package, and they marketed the programs within and outside their organizations. About half of the employers created work/family offices and/or positions specifically charged with managing, coordinating, and advancing their efforts.

The Federal Government Lacks a Comprehensive Work/Family Strategy

GAO found that some individual federal agencies' work/family efforts contained elements of a strategic approach. For example, the Internal Revenue Service had a Work and Family Programs section, and the Department of Agriculture's Animal and Plant Health Inspection Service was publishing a brochure to communicate its family supportive policies. However, OPM has had a limited and reactive role in the development and facilitation of work/family programs governmentwide, mainly issuing policy statements and responding to congressional initiatives for new programs. (See pp. 90.)

Recommendations

GAO recommends that the Director of OPM ensure that OPM will play a stronger leadership role in dealing with federal sector work/family issues. Specifically, OPM should (1) approach work/family-related programs strategically, emphasizing to federal agencies and managers their potential importance to workforce planning, recruitment, retention, and productivity enhancement; (2) review and, if necessary, revise governmentwide work/family programs; and (3) help federal agencies as they review work/family programs under their control.

Agency Comments

GAO discusssed this report with OPM officials. They agreed that work/family programs are important to the recruitment and retention of a quality workforce. Although they maintained that federal work/family programs are among the best in the country, they acknowledged that the federal government can do more to help employees balance work and family life. They noted that any significant changes, especially those that would require new legislation or regulation, should be based on an assessment of the needs of employees and an analysis of the costs and benefits of various approaches.

Contents

Abbreviations

APHIS	Animal and Plant Health Inspection Service
AT&T	American Telephone and Telegraph
BLS	Bureau of Labor Statistics
EAP	Employee Assistance Program
GSA	General Services Administration
IBM	International Business Machines
IRS	Internal Revenue Service
MSPB	Merit Systems Protection Board
OPM	Office of Personnel Management
PCMI	President's Council on Management Improvement
TVA	Tennessee Valley Authority

Introduction

Just a few decades ago, men dominated the American workforce and traditional families were the norm. While husbands worked to support their families, wives typically stayed home and managed family matters, such as caring for children.

Human resources policies reflected this homogeneous workforce and traditional work and family arrangements. Workers received standard benefit packages and hours of work were the same for all employees. Employers viewed work and family responsibilities as largely separate entities. Some company policies went as far as to reinforce traditional arrangements. For example, in 1950, the International Business Machines Corporation (IBM) did not hire married women, and the company's female employees had to quit when they got married. It was assumed their husbands would support them.

Work and Family Structures Have Changed

Since 1950, the conditions upon which these traditional employment policies were based have changed considerably. In a previous report we summarized the dramatic demographic changes that have occurred in the civilian labor force, noting that the most significant of these changes has been a huge increase in the number and proportion of women in the labor force.[1] During the past 4 decades, the female civilian labor force increased by nearly a million workers each year. By 1990, nearly 57 million women were working or looking for work—more than a 200-percent increase since 1950.

These changes were fueled by a rapid expansion in women's labor force participation rates. Our earlier report noted that the percentage of all women in the civilian labor force rose from about 33 percent in 1950 to nearly 60 percent in 1990, with the greatest changes occurring among married women with children.[2] In 1960 only 18.6 percent of married women with a spouse present and children under 6 years old were in the civilian labor force; by 1990, nearly 60 percent of such women were in the labor force. The participation rates for married women with children 6 to 17 increased from 39 percent in 1960 to nearly 75 percent in 1990.

[1]The Changing Workforce: Demographic Issues Facing the Federal Government (GAO/GGD-92-38, March 24, 1992, p. 23). By comparison, we reported that the number of men in the civilian labor force increased by about 55 percent between 1950 and 1990. The civilian labor force includes persons working and those actively looking for work in the civilian noninstitutionalized population aged 16 and over.

[2]We reported that the labor force participation rates for men fell from 86.4 percent in 1950 to 76.1 percent in 1990.

We also reported that there has been a marked increase in "dual career couples" in the civilian labor force. For example, in 1960 less than 32 percent of working husbands' wives were in the labor force. By 1990, nearly 70 percent of working husbands' wives were working or looking for work.

Coincident with the increasing role of women in the labor force and the concomitant rise in dual worker families, the American family structure has also changed. Whereas husband and wife families accounted for almost four-fifths of all households at the end of World War II, by 1984 less than three-fifths of American households were married couples. Other changes to the American family include the facts that marriages occur later, as do births, which also occur less often; there are more single-parent families; and more elderly persons live alone, often depending upon their children for some type of assistance.

Taken together, these changes point to the eclipse of what is commonly viewed as the traditional American family. In 1989, the Bureau of National Affairs reported "(o)nly about 4 percent of American families fit the stereotypical image of a father who works outside the home and a mother who stays home and takes care of the children."[3] Because fewer and fewer households have caregivers in the home during working hours, more and more employees face the challenge of trying to manage personal responsibilities, such as child care and elder care, from the office or worksite. In the process, their ability to keep family concerns isolated from work has been rendered an historical artifact.

Employees trying to balance family and work responsibilities have often found traditional employment policies unaccommodating. For example, workplace stress is heightened for parents when an inflexible work schedule conflicts with school hours or day care arrangements. In the absence of backup child care, parents must often miss work when a child is sick at home or regular day care arrangements break down. Workers can also be faced with agonizing choices between parenthood and job security if there are no assurances that their jobs will be waiting for them after they take time off for the birth, adoption, or care of children.

There is also evidence that employees may be quick to leave traditional employers for others more willing to help them achieve their

[3]Bureau of National Affairs, 101 Key Statistics on Work and Family for the 1990s (Washington, D.C.: Bureau of National Affairs, Inc., 1989), p. 29.

"work/family" objectives.[4] Compared to employees of earlier generations, studies indicate that today's workers place a higher priority on striking a balance between their work and nonwork responsibilities. Research also indicates that today's workers are less likely to show the same loyalty to employers as in the past. Employees' loyalty is now said to be contingent upon employers' ability and willingness to help their workers achieve personal and career goals. A growing body of research indicates family problems affect employee productivity, recruitment, retention, and absenteeism.[5]

Work/Family Programs Are Gaining Momentum

As the gap widens between employees' work/family needs and the ability of traditional employment policies to meet them, the work/family issue has gained recognition as one of the critical human resources challenges facing the nation. In a 1991 speech, the Secretary of Labor stressed the importance of raising work and family matters to the top of the "national issue chart."

Data from the Department of Labor's Bureau of Labor Statistics (BLS) indicate that the availability of work/family programs to nonfederal employees is growing. BLS reported that between 1986 and 1989, the percentage of employees in medium and large firms whose employers offered flexible benefits increased from 2 percent to 9 percent; the percentage that offered flexible spending accounts increased from 5 percent to 23 percent during the same period.[6] The percentage of employees in these firms who had access to child care assistance increased from 1 percent to 5 percent from 1985 to 1989.[7] Within state and local governments, BLS found that the percentage of employees eligible for flexible spending accounts went from 5 percent in 1987 to 31 percent in 1990. The percentage of state and local employees eligible for child care assistance rose from 2 percent to 9 percent during the same period.

[4]For purposes of this study, the term "work/family" refers to matters dealing with the interface between employees' work and family responsibilities.

[5]See, for example, Dana E. Friedman, Linking Work-Family Issues to the Bottom Line (New York: The Conference Board, 1991).

[6]Flexible benefits allow employees to customize a benefits package that best addresses their specific work/family and other personal needs. Flexible spending accounts allow employees to set aside a portion of their salaries prior to taxation to pay for specified expenses, such as dependent care or medical deductibles.

[7]BLS defined child care assistance as employer-subsidized facilities or full or partial reimbursement of the cost of care. Studies that focus on large private sector employers show wider levels of work/family program usage. For example, a 1991 study by Hewitt Associates found that 66 percent of the 1,006 major U.S. employers they surveyed provided some form of child care assistance, with 91 percent of them offering flexible spending accounts.

Beyond offering a number of individual programs, some major corporations have adopted comprehensive strategies for helping their employees to balance work and family responsibilities. For example, IBM's human resources policies and programs have undergone a virtual revolution. In contrast to the 1950s, IBM's current policies are designed to attract and retain women (as well as men). IBM offers a variety of human resources practices built upon a recognition that the spheres of work and family are inextricably linked and that employees need flexibility in order to balance them. These practices include:

- flexible work options, such as flexible work hours (begin and end work within a 4-hour window), flexible meal breaks (up to 2 hours long with variable timing), flexible workplace, and different options for reduced hours;
- dependent care support, such as a nationwide resource/referral service for child care and consultation and referral for elder care; a $25 million fund to increase the supply and quality of dependent care across the U.S.; adoption assistance; long-term care insurance at group rates; and other programs, such as mandatory training to sensitize managers to family issues, lunchtime seminars on family issues, and spouse placement as part of relocation assistance; and
- family leave, including fully-paid disability leave for childbirth and 3-year unpaid leave with benefits for new parents and others, such as employees caring for elderly relatives.

Most organizations have at least some work/family-related programs in place but do not have comprehensive family-friendly policies. Often there are a series of stages organizations go through in their development on this issue. For example, The Corporate Reference Guide to Work-Family Programs, published by the Families and Work Institute, categorizes companies into three stages of work/family development.[8] "Stage I" companies are said to have a "programmatic response" in which work/family initiatives are developed one at a time, generally focusing on child care for employees with young children (with particular emphasis on on-site or near-site centers), and viewed as add-ons to other human resources programs. Certain "champions" for these programs may emerge, but no coordinated locus of responsibility exists for work/family issues. Work/family issues are not viewed as a "business issue," but rather as a women's issue.

[8]Ellen Galinsky, Dana E. Friedman, and Carol A. Hernandez, The Corporate Reference Guide to Work-Family Programs, (New York: Families and Work Institute, 1991), pp. 9-19.

In "stage II" organizations, the authors said, a more integrated approach to work/family issues is evident. Employers develop a package of several policies and programs to respond to a variety of work/family concerns. The effect of existing personnel policies on family life is considered, and those policies are periodically reviewed and revised. Full- or part-time responsibility for the work/family issue is assigned to an individual or a group, often at the vice-president or director level. A work/family coordinator position may be instituted, and top-level commitment begins to emerge.

In "stage III" organizations, the employer's work culture is changed. Work/family issues are linked to strategic planning, and the development of work/family policies is seen as a continuous, dynamic, problem-solving process. Work/family management training is undertaken and work/family issues are integrated with efforts to eliminate employment barriers for women.

Implications of Work/Family Issues for Federal Human Resources Management

Why should federal policy makers and human resources managers be concerned about the work/family issue? First, as our earlier report pointed out, the demographic changes that have prompted the issue to develop in nonfederal organizations are also occurring in the federal workforce.[9] Although the percentage of the federal workforce that was women was smaller than the percentage in the nonfederal sector in 1990, women's share of the federal workforce increased more quickly than women's representation in the nonfederal sector between 1976 and 1990.[10] The changes were most pronounced for women of child-bearing age (16 to 44) in federal professional and administrative occupations—their numbers increased by over 185 percent between 1976 and 1990. In a separate survey of federal employees, we found that the federal workforce was also largely a workforce of dual career couples; 70 percent of the respondents said they were married and living with their spouses, and 76 percent of these spouses were working.

[9] The Changing Workforce, GAO/GGD-92-38, pp. 36-65.

[10] The female share of the federal workforce increased from 34.9 percent in 1976 to 42.8 percent in 1990, compared to an increase in the nonfederal labor force from 42.1 percent female in 1976 to 47.0 percent in 1990.

Second, work/family programs may offer cost-saving opportunities by improving employee productivity, making recruitment easier, and reducing turnover.[11] Programs such as flexible work hours, emergency care for mildly ill children, and telephone numbers that employees can call for information and advice about available child care and elder care services are thought to reduce workplace stress, disruptions, and absenteeism—thereby improving productivity. Similarly, there is evidence that programs such as extended maternity leave with a guaranteed job return can improve retention of working parents, thereby avoiding the substantial recruiting and training costs that would otherwise be incurred to replace them.

Third, and perhaps most important, work/family programs can enhance the government's posture as an attractive employer in its competition with other employers for quality workers. Implementation of the Federal Employee's Pay Comparability Act of 1990 will reduce gaps between federal and nonfederal pay for white-collar jobs throughout the country. As federal pay becomes more competitive with nonfederal salaries, however, a new federal/nonfederal "gap" can occur. The human resources literature indicates that work/family programs are emerging as another battleground in the competition for workers. Thus, if the federal government wants to compete with other employers for a quality workforce, it will have to match their work/family efforts as well as their pay.

The likelihood of federal agencies falling behind their nonfederal counterparts in the work/family area may be even greater in the future. The rapid growth of nonfederal work/family programs, such as flexible benefits, flexible spending accounts, and child care assistance, suggest that these programs could well become standard employment policies in the future. Thus, whereas the adoption of work/family programs today may give an employer a competitive advantage, in the future, employers may need to offer these programs just to avoid being at a competitive disadvantage.

The federal government may have a particularly difficult time catching up with other employers if it falls behind in the work/family arena because of the environment in which federal personnel policy is made and carried out. The Office of Personnel Management (OPM) asserted in 1988 that the

[11] See, for example, Dana E. Friedman, Linking Work-Family Issues to the Bottom Line; and Bradley K. Googins, Judith G. Gonyea, and Marcie Pitt-Catsouphes, Linking the Worlds of Family and Work: Family Dependent Care and Workers' Performance, (Boston: Center on Work and Family, Boston University, 1990).

federal government's basic personnel framework has given it a "competitive advantage in the dependent care area" through longstanding policies, such as leave, health benefits, job security, and workforce re-entry. However, as the Merit Systems Protection Board (MSPB) pointed out in its November 1991 study Balancing Work Responsibilities and Family Needs: The Federal Civil Service Response:

> (e)ven though this 'competitive advantage' may have existed in the past, whether the federal government can maintain it in the future is certainly problematic, given the nature and rapidity of change being experienced in the job marketplace. As an employer, the government has not been known for its agility in responding to changing employment conditions—since it can literally take an act of Congress to change some benefit programs, benefit changes are few and far between. Thus, the Government faces a particular challenge in adapting to job market forces which put a premium on flexibility rather than predictability.[12]

Other Related Studies

Studies we and others have done consistently indicated the government is not a competitive employer in either attracting new employees or retaining those already working.[13] We have also found that federal workforce planning efforts are not always as good as they should be, and that this condition can contribute to recruitment and retention difficulties and increased program costs and delays. For example, we concluded in our 1989 report Managing Human Resources: Greater OPM Leadership Needed to Address Critical Challenges[14] that more attention to workforce planning by OPM and the agencies is critical if the government is to address emerging workforce challenges. We recommended that the Director of OPM establish an ongoing, viable workforce planning program that identified key emerging demographic, social, and economic trends and changes to the structure of the federal workforce. We also called for OPM to actively encourage and assist agencies in workforce planning and to serve as a

[12]MSPB, Balancing Work Responsibilities and Family Needs: The Federal Civil Service Response (Washington, D.C.: MSPB, 1991), p. 11.

[13]See, for example, Recruitment and Retention: Inadequate Federal Pay Cited as Primary Problem by Agency Officials (GAO/GGD-90-117, Sept. 11, 1990); Federal Recruitment and Hiring: Making Government Jobs Attractive to Prospective Employees (GAO/GGD-90-105, Aug. 22, 1990); The National Commission on the Public Service, Leadership for America: Rebuilding the Public Service, (Washington, D.C., 1989); and Charles L. Levine, The Quiet Crisis in the Civil Service: The Federal Personnel System at the Crossroads, (Washington, D.C., National Academy of Public Administration, 1986).

[14]GAO/GGD-89-19, January 19, 1989.

central clearinghouse for workforce planning practices and trends in the public and private sectors.[15]

In our 1992 report on the changing workforce, we discussed the implications of demographic changes for the federal government and concluded federal employers should further analyze changing demographic conditions in order to assess the need for governmentwide and agency-specific program and policy responses to accommodate them. We noted that potential responses included efforts to help employees balance their work and family responsibilities.[16]

Objectives, Scope, and Methodology

The objectives of this report were to inform Congress and federal agencies about (1) the kinds of programs that selected nonfederal organizations have implemented to help their employees balance work and family responsibilities; (2) how the organizations assessed the need for such programs, implemented them, and evaluated their effectiveness; (3) how federal work/family programs and approaches compared to those of the nonfederal organizations; and (4) the barriers that may exist to the adoption or expansion of work/family programs in the federal government. Specifically, this report answers the following questions:

- What programs have selected nonfederal organizations adopted to address work/family issues, and what are the characteristics of these programs?
- What internal and external factors led these organizations to respond to the work/family needs of their employees?
- What kind of needs assessments, if any, did the organizations do before adopting work/family programs, and what did the needs assessments show? What lessons do the organizations have to offer about doing needs assessments?

[15]Other work documenting problems in federal workforce planning included a 1980 study (Federal Workforce Planning: Time for Renewed Emphasis, FPCD-81-4, Dec. 30, 1980) in which we reported that OPM, the Office of Management and Budget, and the agencies needed to give renewed emphasis to workforce planning issues. In 1990 (Management of HHS: Using the Office of the Secretary to Enhance Departmental Effectiveness, GAO/HRD-90-54, Feb. 9, 1990), we recommended that the Department of Health and Human Services adopt a strategic work force planning approach similar to the one that the Department of Labor successfully implemented in 1986 to better manage a diverse and changing workforce. In another 1990 report (U.S. Department of Agriculture: Need for Improved Workforce Planning, GAO/RCED-90-97, March 6, 1990), we recommended that the Department of Agriculture make workforce planning a mandatory agency activity to combat longstanding, pervasive problems in recruiting highly skilled workers, providing adequate training to employees, developing effective managers, and managing a culturally diverse workforce.

[16]The Changing Workforce (GAO/GGD-92-38), pp. 66-71.

- What challenges did the organizations overcome in implementing work/family programs, and what lessons about program implementation do the organizations have to offer others?
- How costly were their work/family programs?
- How have the organizations evaluated their work/family programs? What evidence is there to indicate that the programs can save money or lead to improvements in recruitment, retention, and productivity?
- How do federal work/family programs and policies compare to the programs and policies of the nonfederal organizations we visited? What kind of barriers exist to the adoption or expansion of federal work/family programs?

To answer these questions, we first reviewed the literature to identify work/family programs offered by nonfederal employers. These programs were either adopted specifically to address work/family issues (e.g., on-site child care), or addressed work/family matters along with addressing other employee needs (e.g., flexible work schedules). Each of the programs we identified is described in chapter 2.

Next, we judgmentally selected 69 nonfederal organizations with work/family programs using 3 different data sources: (1) a database we developed on organizations whose work/family programs were cited in the literature, (2) a database maintained by the Department of Labor's Women's Bureau containing profiles of organizations reported to have good work/family reputations, and (3) the results of a survey we did in 1990 of large private sector companies that included questions about their work/family programs.[17] We then narrowed the list of 69 organizations to 25 on the basis of their locations and other considerations.

To learn more about the work/family efforts of these 25 organizations, we sent questionnaires to each organization asking about its work/family programs. We had follow-up discussions with officials in the organizations and then visited 16 of them, completing structured interviews. We interviewed human resources officials, including those responsible for the programs, and obtained documentation about their programs and policies. Listed below are the 16 nonfederal organizations (13 private and three public) we visited.[18]

[17] Workforce Issues: Employment Practices in Selected Large Private Companies (GAO/GGD-91-47, Mar. 13, 1991).

[18] Of the nine organizations we did not visit, four assisted us by pretesting our data collection instruments and provided useful information about their programs. We were unable to arrange meetings with the remaining five organizations because of scheduling conflicts and other obstacles.

Private and Public Sector Organizations We Visited

Private Sector Organizations

1. 3M (Minnesota Mining and Manufacturing)
2. Aetna Life & Casualty
3. The Aerospace Corporation
4. American Express Company
5. American Telephone and Telegraph (AT&T)
6. E. I. Du Pont de Nemours and Company
7. Grumman Corporation
8. Hewlett-Packard Company
9. Honeywell, Inc.
10. International Business Machines (IBM) Corporation
11. Levi Strauss & Company
12. The Prudential Insurance Company of America
13. The Travelers Corporation

Public Sector Organizations

14. County of Ventura, California
15. State of California
16. State of New York

To identify work/family programs and approaches in the federal government and identify barriers that limit them, we met with officials from OPM, the General Services Administration (GSA), and four other agencies OPM officials identified as being federal leaders in the work/family area. We reviewed various publications on federal work/family programs and researched the statutory and regulatory history of federal work/family programs and policies. Our methodology is described in greater detail in appendix I.

In a companion study, we surveyed a governmentwide random sample of federal employees to learn about their attitudes toward federal employment and to get information on the need for work/family programs. While certain data from that survey are included in this report, a separate report on the complete survey results will be issued later.

Limitations

This study has a number of limitations. First, the work/family programs described in this report are not necessarily an exhaustive list of all the programs and policies employers might pursue to help their employees balance their work and family responsibilities. However, the literature we reviewed, the experts we interviewed, and the officials of the organizations we visited indicated the programs included in our study were commonly used responses to work/family challenges.

Second, we did not attempt to identify every nonfederal employer that had implemented work/family programs. Furthermore, from among the organizations we did identify, we judgmentally selected a subset to be included. Therefore, the information we obtained is applicable only to those organizations we visited and cannot be used to draw conclusions about how other nonfederal organizations have addressed work/family issues.

Third, we do not necessarily endorse the particular work/family programs or approaches used by the nonfederal organizations we visited. However, most of the private organizations in our study have been recognized as leaders in the work/family area.[19] Similarly, the work/family efforts of New York and California have been recognized in the literature as being at the forefront among state governments. Consequently, we believe the experiences of the nonfederal organizations in our study can serve as useful benchmarks against which to compare federal work/family efforts.

Fourth, we did not attempt to obtain the views of all the individuals potentially affected by work/family programs in the organizations we visited. For example, we did not meet with chief executive officers, middle managers, employees who use the programs, or representatives of unions or employee associations. To the extent that their views and involvement in work/family activities are characterized in this report, they are as they were reported to us by those human resources officials we interviewed. Although the officials we met with appeared to be in the best position to efficiently provide the range of information we were seeking, we did not independently verify their comments about the views of others.

We obtained documentation whenever possible to confirm what the organizations' officials told us about their work/family programs. In some cases, however, we relied solely upon testimonial evidence from those we interviewed. In those instances, we verified our interpretations of this evidence in subsequent contacts with the officials. Unless otherwise

[19]For example, 10 of the 13 private sector companies we visited were included in Working Mother magazine's 1991 listing of the "85 Best Companies for Working Mothers" (by Milton Moskowitz and Carol Townsend, pp. 29-64). Similarly, a 1991 study published by the Families and Work Institute (Ellen Galinsky, Dana Friedman, and Carol Hernandez, The Corporate Reference Guide to Work-Family Programs, New York), listed 9 of the 13 companies as being at advanced stages in the development of their work/family efforts.

noted, our characterizations of federal work/family programs or federal employees are confined to civilian, nonpostal employees in the executive branch.

We discussed this report with two associate directors and other officials from OPM. We did our work between April 1991 and February 1992 in accordance with generally accepted government auditing standards.

A Variety of Work/Family Programs Were Used by Nonfederal Employers

This chapter describes the types of programs and policies the organizations we visited used to help their employees balance their work and family lives. The programs varied widely but can be grouped into five general categories: (1) flexible work arrangements, (2) leave policies, (3) child care programs, (4) elder care programs, and (5) other work/family programs. Within each of these broad categories, a variety of program options existed.

Although none of the organizations had exactly the same programs, they commonly viewed their individual programs as interconnected. The employers saw the programs as a system of support that they could provide to help employees with family and personal circumstances, and the programs were often described to employees in a single brochure. For example, Travelers' guide to family care programs and services noted that the answer to an employee's work/family problems "may lie in a combination of services, programs, and benefits. That's why we offer a host of alternatives—from child and elder care referrals to time off and flextime." AT&T's and Levi Strauss & Company's work and family overviews reflect this synergistic effect of multiple programs by referring to their programs as creating a "supportive environment" to help their employees.

Flexible Work Arrangements

In describing the results of a 1988 survey of Du Pont employees' needs, the director of the company's Workforce Partnering unit said:

> (o)ne word that cried out was flexibility . . . That one word in neon lights, popping off the pages of those surveys. They wanted flexibility in schedules, flexibility in where they could work, flexibility in benefits, flexibility in career planning.[1]

A number of officials in other organizations echoed that view. They said that when employees were asked what they needed to help them balance work and family responsibilities, they most often said they wanted greater flexibility in work arrangements. Such arrangements can also pay dividends to employers. A publication provided to us by both Du Pont and Aetna noted:

> (c)ustomization will become a new watchword in the workplace. By customizing the work environment and its practices to meet the needs of employees, managers can develop

[1] Equiflex Corporate Committee, Flexibility: Compelling Strategies for a Competitive Workplace (San Francisco: New Ways to Work, 1991), p. 4.

employees' potential while strengthening their commitment to their employer. In the end, everyone wins.[2]

Flexible work arrangements involve a departure from uniform work schedules, benefits, or locations. Rather than limiting employees to standard, organization-wide practices, the employer allows employees to tailor these practices to their individual needs. Flexible work arrangements can help accommodate workers' needs in a number of job and family circumstances (e.g., working couples, working parents, and employees caring for elderly dependents). Specific programs in this category include part-time work, job sharing, flexible work schedules, flexible benefits, flexible spending accounts, and flexible work places or "telecommuting."

Part-Time Work

Part-time employment is defined by the Bureau of Labor Statistics as working less than 35 hours a week, and it may involve working fewer than 8 hours each work day or fewer than 5 days each week. It is considered a "family-friendly" mode of employment since employees on such schedules have more time to devote to their families or personal lives. Part-time workers have often received fewer employee benefits than workers in full-time jobs (e.g., no life or health insurance, pension plan, or vacations), which is a disincentive for employees to work reduced schedules.[3] In many of the companies we visited, though, part-time employees received all or most of the benefits full-time workers received except they were prorated on the basis of the amount of time the employees worked during the pay period. For example, at Aetna Life and Casualty a part-time employee with less than 3 years of service working 3 days a week accrued 0.6 days of vacation time each month up to a limit of 6 days a year. This is 60 percent of the vacation time accrued by full-time employees with less than 3 years of service (1 day a month up to 10 days a year). Aetna also prorated sick pay, holidays, and military leaves of absence of employees on part-time schedules.[4]

Some part-time work arrangements are permanent, while others are established for a set period of time. For example, IBM's "Flexible Work Leave of Absence" program allowed full-time employees who needed to

[2]Equiflex Corporate Committee, Flexibility, p. 4.

[3]See Workers at Risk: Increased Numbers in Contingent Employment Lack Insurance, Other Benefits (GAO/HRD-91-56, Mar. 8, 1991).

[4]Part-time employees at Aetna who work at least 15 hours a week received full medical and dental benefits as well.

work part time for dependent care or other purposes to work between 20 and 30 hours a week for a minimum of 6 months at a time for a period not to exceed 3 years. Employees could return to full-time status at the end of any 6-month period. Beyond the 3-year time limit, the company would no longer commit to returning the employee to full-time status. Other employers permitted even more flexibility on entering or leaving a part-time schedule. In New York State government, employees using the state's Voluntary Reduction in Work Schedule program were permitted to return to work on a full-time basis at the start of any pay period.[5]

Some employers do not allow certain employees (e.g., supervisors) to work part-time schedules. Others permit senior-level employees to work part time and some permit employees to advance to higher level jobs without changing their part-time status. For example, Levi Strauss & Company allowed its personnel director to go on a part-time schedule so that she could spend more time with her family. Her job was restructured to accommodate the part-time schedule, thereby providing developmental opportunities for other employees on her days off.[6]

Job Sharing

Job sharing is a variation of part-time work in which two (or more) workers share the duties of one full-time job by splitting work days or weeks. Job sharers may each do all job tasks or may divide the tasks depending on their skills and expertise. As a rule, job sharers also split a job's salary and benefits.

[5]This program allows certain state employees to voluntarily trade income for time off. Participating employees may reduce their work schedules from 5 percent to 30 percent.

[6]Arthur Anderson & Company, although not one of the companies we visited in this study, permitted its employees to work part time for up to 3 years and remain on track to become a partner in the firm.

Figure 2.1: Job Sharing Allows Part-Time Workers to Hold Full-Time Jobs

Source: Laurie Smith, Animal and Plant Health Inspection Service (APHIS), Department of Agriculture.

We learned that job sharing arrangements may be more difficult to implement than more traditional part-time arrangements. Employers must assure that the jobs being shared are amenable to this type of arrangement, recognize that splitting benefits may increase administrative requirements, and be prepared to deal with complications in performance evaluations that may result from overlapping duties. As Aetna noted in a brochure describing its job sharing program, "(c)ompatibility between the sharers is critical. The supervisor should assess the skills each sharer will bring to the job and determine how committed each is to communicate about shared tasks." Sometimes the difficulties associated with job sharing have caused companies not to offer it. Officials we met with at IBM said the company does not use job sharing because of administrative and performance evaluation/reward problems they had seen at other companies with such arrangements. Overall, less than half of the organizations we visited had formal job sharing arrangements.

Flexible Work Schedules

Flexible work schedule programs usually involve working a prescribed number of hours each payroll period, but under a non-traditional schedule. Under one variant, commonly known as "flexitime," employees work a full day but can choose their starting and quitting times (usually within certain parameters requiring them to be present during "core" business hours). Another option is the "compressed work week," which allows employees to work the equivalent of a full week in less than 5 days (e.g., 4 10-hour days) or, for employees on biweekly work schedules, to complete their schedules in less than 10 full workdays. A third option is the use of both flexitime and a compressed work week, sometimes known as "maxiflex."

3M's "personalized work schedules" program was an example of a fairly common flexitime arrangement in which employees could vary their work hours at the beginning and end of the day. The program required employees to work during a core period of 9:00 a.m. to 3:00 p.m., beginning no earlier than 6:15 a.m. and no later than 9:00 a.m. In one case, all of the employees in one headquarters building worked a compressed schedule that gave them every other Friday off.

IBM added another element to flexible scheduling. In addition to their individualized work schedules program (with flexibilities at the beginning and end of the work day), employees were accorded "meal break flexibility" in which they could take (with management approval) from 30 minutes to 2 hours a day for a meal break. This window of time could be used for a variety of personal activities, such as attending a meeting at a child's school or, for employees on IBM's evening shift, to go home for their children's bedtime.

Flexible Benefits

In flexible benefit programs, employees are allowed, within overall cost limits, to customize a benefit package to their personal and family needs by selecting benefits from a menu of available options (e.g., health insurance, dental care, life insurance, or dependent care).[7] Flexible benefits can be particularly helpful in dual-income families, allowing the two workers' benefit packages to complement each other instead of being redundant. Many employers' programs include an inflexible set of "core" benefits that all employees receive (e.g., minimum vacation and sick leave, pensions, and minimum levels of health and life insurance).

Flexible benefits can be attractive to both employers and employees. For example, a Ventura County official we interviewed told us that the county's primary impetus for adopting flexible benefits was containment of benefit costs, particularly rapidly rising health care costs (a 50-percent increase in 1 year). At the same time, the program was accepted by employees because it allowed them to tailor their benefits to their needs. State of California officials also said cost containment was an impetus for their flexible benefits program, along with a need to be competitive with other employers and a recognition that the needs of individual employees differed.

We were told by officials in several of the organizations we visited that a major challenge, as well as a positive outcome, in successfully implementing flexible benefits was increasing employee benefit awareness. An effective flexible benefits program depends upon employees making sound benefit choices. This requires that they understand the different benefit options and the cost of each and establish priorities and make choices among them. However, we were told that employees are often unaware of the cost or value of the benefits provided in standard benefit packages.

A Ventura County official we spoke with said that flexible benefits plans require about three times more communications than traditional benefits programs, so employers should plan for added time, effort, staff, and money to administer the program. The 3M official we interviewed said that the company communicated with its employees about their flexible benefits program in a number of ways, such as assigning facilitators in each work group to help employees make decisions, offering a video presentation about the program, answering common employee questions in a regular newsletter, providing a computerized module for simulating different benefit selections, and offering a nationwide telephone number that employees could call with questions about flexible benefits.

[7]As used in this report, "flexible" benefits are not synonymous with "cafeteria" benefits as defined by the Internal Revenue Service. Cafeteria benefits require a choice between taxable (e.g., cash) and nontaxable (e.g., health care) compensation. Flexible benefits permit choices among nontaxable benefits (e.g., dependent care instead of vision insurance).

Six of the organizations we visited did not offer flexible benefits. An IBM official said the company has reservations about a flexible benefits approach because the use of benefit limits and employee selection of benefit options would require a major shift away from IBM's more generous and somewhat "paternalistic" benefits tradition. He said an employee using flexible benefits could select a limited health plan to take advantage of other benefits and then encounter a major health care problem, which would cause the company to struggle with whether to "come to the rescue" of the employee.

Flexible Spending Accounts

Flexible spending accounts allow employees to reduce their taxable pay by an agreed upon amount (maximum of $5,000 a year for dependent care) and use that untaxed money to help pay their medical or dependent care costs.[8] The accounts can be administered as part of a flexible benefits plan or offered separately. They may also include employer contributions in addition to employees' pay reduction amounts.[9] All of the nonfederal organizations we visited had flexible spending accounts.

One difficulty with flexible spending accounts that was pointed out to us was that expenses cannot be paid from the accounts until employee salary reductions have been paid into the accounts. For example, employees may have to pay into dependent care reimbursement accounts for one pay period before they can file a claim to pay care providers. We were told that since employees' care providers must also be paid during that initial pay period, requiring employees to make double payments can be difficult for lower income employees, thereby lowering program usage levels. The Du Pont official we met with said the company had attempted to address this problem by encouraging credit unions to offer "bridge loans." When necessary, employees could borrow the amounts needed to help them through this start-up period.

Flexible spending accounts have several advantages to employers: (1) tax regulations permit them to keep any unspent account funds at the end of each year, (2) they do not make Social Security and unemployment insurance payments on the salary amounts employees put into the accounts, and (3) in some cases they earn interest on the accounts until they are drawn upon by the employees. State of California and Ventura

[8]The maximum pay reduction for dependent care expenses and types of spending accounts are specified in U.S. tax laws and regulations.

[9]For example, Prudential's flexible spending account program included company contributions. The officials we interviewed told us the company's annual contribution was $200 for each account.

County officials stressed the importance of making it clear to employees that any unused money in their flexible spending accounts reverts to the employer at the end of the year so that employees do not put more money into the accounts than they expect to spend.

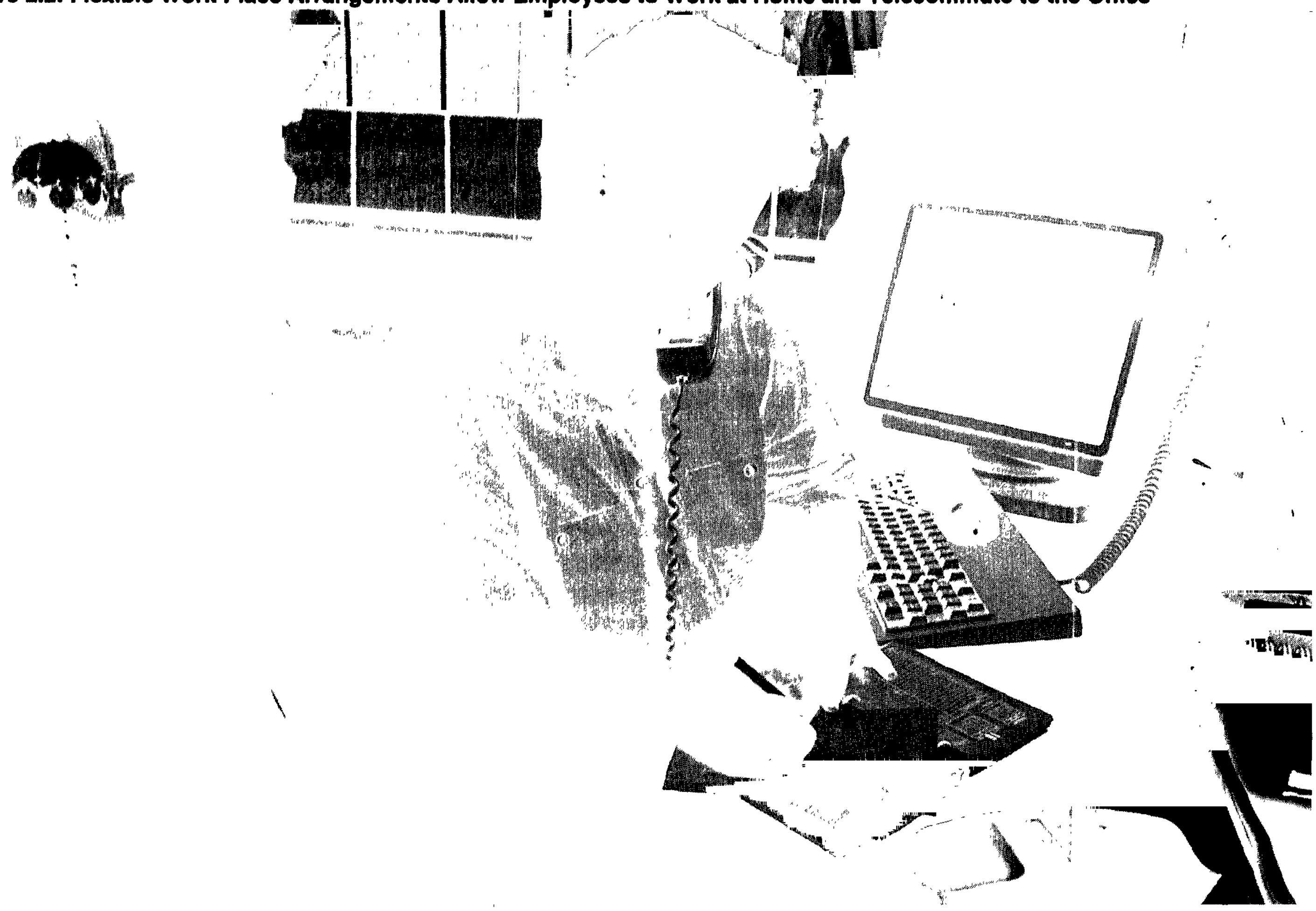
Flexible spending accounts can also help in the delivery of dependent care services. For example, although New York State offered a number of child care centers for its employees' use, not all workers were being served because (1) some employees couldn't afford the centers, even with the sliding fees; (2) other employees did not want to change care providers; and (3) the state's centers could accommodate only a small portion of the state's workforce that could use a dependent care benefit. The adoption and implementation of flexible spending accounts was seen as a way to get dependent care benefits to more employees.

Flexible Work Place Programs

A flexible work place, or "flexiplace," program allows employees to work at home or closer to home at a "satellite office" for at least part of the work week. Employees are said to "telecommute" when they are in close contact with the office through telephone and computer hook-ups. Organizations that allow employees to work at home often require them to spend a certain number of days at the main office during each work week.

Sometimes employers' flexiplace programs were used in conjunction with other programs or had effects beyond human resources goals. For example, IBM's "work at home" program accommodated employees who worked part time and were unable to get to their work locations on a regular basis. IBM officials said that employees participating in this program must do the type of work that can be done at home and must report to their work locations at least 4 consecutive hours each week. The State of California's flexiplace program was said to have helped the state achieve non-human resources goals, such as reducing air pollution, traffic congestion, and energy use.

Figure 2.2: Flexible Work Place Arrangements Allow Employees to Work at Home and Telecommute to the Office



Source: Laurie Smith, APHIS, Department of Agriculture.

Leave Policies

Sometimes employees need time away from work to deal with family matters, such as the birth or adoption of a child, a family member's illness, or for personal reasons. Sometimes the absence is for an extended period; other times only a day or two are required. Some employers have changed their leave policies to help employees facing these situations by granting parental, family, or personal leave and allowing employees to use their sick leave to care for dependents when they are ill.

Parental and Family/Personal Leave

Parental leave includes both maternity leave (time off for expectant and new mothers) and paternity leave (time off for expectant and new fathers). It may be granted to employees for the birth, adoption, and/or subsequent care of children. Parental leave is separate from paid disability leave new mothers may be entitled to receive before or after the birth of a child.[10] Parental leave periods usually do not exceed 6 months and commonly involve certain job guarantees or reinstatement rights upon return. Parental leave and job reinstatement are, in fact, mandated by legislation in some states.[11]

Some of the organizations we visited had leave of absence programs that were not limited to parental leave for the birth or adoption of a child. These more general leave programs were characterized as "family," "personal," or "special" leave and were used to help accommodate various situations requiring time away from work. For example, 3M employees could use the company's 12 weeks of "special leave" to care for a family member who had a serious health condition. Grumman employees could take an unpaid "personal leave of absence" of up to 4 months to care for someone who was ill at home. At Prudential, employees could take up to 12 weeks of unpaid leave over a 2-year period to care for a spouse, child, or parent who was seriously ill. IBM also allowed employees unpaid time off to take advantage of "once-in-a-lifetime" opportunities. As was the case with parental leave, employees on family or personal leave were commonly guaranteed a return to the same or comparable positions they had before the leave began.

The nonfederal organizations we met with generally did not pay employees' salaries during parental or family leave periods, but some continued to pay the employer's share of the employees' benefits. For example, IBM employees who took unpaid family leave received full company-paid benefits during their leaves. IBM employees could take such leave for up to 3 years, but they had to be available to work part-time during the second and third years. Du Pont employees also received full benefits during periods of family leave, which could be for up to 6 months. AT&T covered the cost of employees' medical, dental, and vision care plans during the first 6 months of family care leaves.

[10]The 1978 amendments to the Civil Rights Act (Public Law 95-555) require employers to (1) allow physically fit pregnant employees to continue working, just as they do any other healthy employees; and (2) extend to women unable to work due to pregnancy or childbirth the same benefits (e.g., sick leave) extended to other employees unable to work due to a physical condition.

[11]According to a 1991 study by the Families and Work Institute, 20 states plus the District of Columbia require maternity and/or parental leave be provided, with employees guaranteed a return to the same or comparable positions.

Other employers we met with did not pay benefits to employees on parental or family leave, but they permitted employees to continue their benefits during leave periods by paying the costs themselves. For example, full-time regular Prudential employees were eligible for 26 weeks of unpaid leave upon the birth or adoption of a child, with employees' medical and other insurance benefits continued if they pre-paid the costs before the leave period began.[12]

Although available to both male and female employees, parental and family leave is commonly taken by women. For example, the official we spoke with at Du Pont said about 92 percent of the 800 Du Pont employees who took family leave between 1989 and 1991 were women. However, she said each year the number of men taking such leaves of absence was increasing.

Use of Sick or Other Leave for Family Illness

Many employers continue their employees' pay for a set period of time when they are away from work because of illness. In a number of the organizations we visited, employees were permitted to use all or a portion of their paid sick leave or other leave to care for immediate family members who were ill.[13] For example, Ventura County had a provision in its sick leave program that allowed nonmanagement employees to use up to 5 of their 10 annual sick leave days as "parental" sick leave to care for dependents. We were told that the county was considering expanding this flexibility to allow employees to use all 10 of their sick days to care for dependents. 3M provided its employees with 5 days of "family emergency" leave each year. This leave could be used for unexpected absences caused by family emergencies, such as when children were sick and were not allowed in schools or day care centers.

In some organizations, no distinction was made between time off for an employee's illness and leave for family illnesses or emergencies. At Grumman Corporation, employees received 5 days of "paid absence allowance" each year. This time could be used for the employee's own illness, the illness of others who were sick at home, or other legitimate personal reasons that required employees to be away from the job. Employees were paid at the end of the year for any of the 5 days they did not use. Hewlett-Packard went even further. Its "flexible time off" program allowed employees to combine vacation and sick time into one leave

[12]Some temporary Prudential employees may be eligible for 12 weeks of unpaid leave.

[13]This is also true in many other organizations. According to a 1991 study by the Families and Work Institute, 43 states permitted their employees to use sick leave for dependent care.

category to give employees more flexibility to take time off for any reason, including dependent care.

Figure 2.3: Some Employers Allow Use of Sick Leave to Care for a Sick Child

Source: Laurie Smith, APHIS, Department of Agriculture.

Sometimes companies' sick leave policies extended the traditional definition of "family." For example, Levi Strauss & Company allowed employees to use sick leave to care not only for children and parents, but also those with whom they had a significant relationship.

Child Care Programs

A variety of programs were provided by the organizations we met with to help their employees care for their children during the work day. They included on-site or near-site child care centers; programs to facilitate access to care at the homes of child care providers (known as "family care"), resource and referral programs, development of child care resources in local communities, payment of part of employees' child care costs, sick child care programs, emergency child care programs, and child care consortiums with other employers.

On-Site/Near-Site Child Care Center

An employer may sponsor a child care center in a facility at the worksite or at a location near the worksite. The child care center may be operated by the employer or by an independent child care provider. Many employers providing on- or near-site care subsidize the cost of the center either directly or indirectly (e.g., by providing the facility and/or maintenance free of charge) so that employees can more easily afford the care provided.

The State of New York had the most established system of on- or near-site child care centers of the nonfederal organizations we visited. As of September 1991, the state had 50 such centers in operation serving over 3,000 children, with an average waiting list of 90 children at each center. The state provided rent-free space and maintenance within state buildings, but each center was run by a nonprofit corporation subject to state oversight. The centers charged sliding fees based on employees' income levels.

The State of California also had an extensive system of child care centers for state employees. The state made grants to nonprofit corporations to establish centers on state property or other public land. About 20 child care centers had been established through the grants by June 1991. The state also required that a child care needs assessment be done for any new state building that will accommodate 700 or more employees. If a need is shown to exist, space must be set aside for child care.[14] In both California

[14]The official we spoke with said that as a practical matter, new state buildings have to be planned with ground floor space available for child care centers, even if the needs assessment is not yet complete, since needs assessments and building construction are often done concurrently.

and New York, state employees were given priority in placing their children in the centers, but non-state employees could use them as well.

Figure 2.4: Child Care Centers May Be On or Near the Worksite

Source: Laurie Smith, APHIS, Department of Agriculture.

In contrast to these state governments' widespread use of on-site child care centers, the private companies we visited rarely used this approach.[15] Their reasons for not establishing centers varied. In some cases, needs assessments showed there were not enough employees who would use a center to make it viable. Officials at one company said they did not want to be in the child care business. Some officials said such centers were too costly on a per-employee-served basis and that employee needs could be accommodated at the same or less cost through other approaches, such as resource/referral services. In some organizations, this consideration was accompanied by a recognition that their employees' child care needs were much broader than just custodial day care (e.g., latch-key school children, sick children, and even teenagers at home). Another consideration cited by some of the companies was equity or fairness. They said child care centers necessarily serve a geographically limited area, and it is not feasible for most geographically-dispersed organizations to offer a child care center at every location. Consequently, they decided not to pursue the on-site/near-site care option at all rather than offer the benefit to some employees and deny it to others.

IBM was one such company that had not established on-site child care centers, choosing instead to pursue other child care strategies. In a publication for managers, IBM explained why the on-site child care approach was not taken:

> From IBM's perspective, perhaps the most significant factor about such centers is that they are disproportionately expensive in terms of the number of children who actually receive care. IBM has spent a significant amount of money on child care—more than any other company. If IBM had spent comparable funds on an on-site center approach, it would have yielded only a small fraction of the number of new child care openings that have been created through CCRS (Child Care Referral Service) resource stimulation efforts. And it would have given no help to those unable to use the centers.

Facilitating Access to Family or In-Home Care

In addition to or instead of providing on-site or near-site child care centers, some employers assisted employees in securing family day care and in-home care. For example, a Ventura County official we interviewed told us that the county participated in a "family care provider network" of child care providers who work out of their homes. The official said the providers were located in different places throughout the county, thereby making the caregivers more convenient to employees' homes. The official

[15]Prudential had one on-site center at one location and two near-site centers. Du Pont had established one near-site center, and some of the companies had participated in consortiums which included near-site centers.

said the county paid a buy-in fee for its employees to obtain access to 18 of these homes, each of which accommodated up to 6 children. When the county needs more spaces, the official said the network will simply recruit more providers. Parents' costs for such care ranged from $80 to $110 a week.

Child Care Resource and Referral Programs

Child care resource and referral programs help parents locate child care providers. These services may be provided in-house through an organization's Employee Assistance Program (EAP) or contracted to another organization. They can include limited support, such as giving employees lists of child care providers; or more extensive services, such as helping parents locate providers with particular characteristics (e.g., open certain hours or nonsmokers).

Some of the organizations we visited had a designated resource/referral person to work with the parents. For example, The Aerospace Corporation had a child care resource person on site at headquarters 1 day a week and available by telephone on other days. The New York State government's child care resource/referral program contracted with local child care organizations who sent representatives to the worksite to directly assist employees with resource/referral needs.

Other organizations contracted with an outside organization that employees could call for information and referrals. Many of the companies we visited relied upon the same consultant, Work/Family Directions, Inc. This consultant developed a nationwide information and referral network, including both local information sources and a nationwide "800" hotline. Subscribers to the service were charged a flat fee based on projected usage calculated primarily from an analysis of the demographics of the subscriber's workforce. We were told that the main advantage of this service was that employers with offices in different locations around the country could be assured that their employees received a consistent quality of referral service. In contrast, the quality of existing public information and referral services for child care and elder care was said to vary significantly from location to location.

Some employers developed their own list of child care resources and referrals or worked with other organizations to develop such lists. At Honeywell, for example, we were told that the company developed a computerized referral and search process with the Greater Minneapolis Day Care Association. Honeywell paid about $50 for each referral or search its employees used. 3M officials told us that a company near its Saint Paul, Minnesota, headquarters was developing a resource/referral system that employees would be able to access using their office computers. 3M's employees will be able to print listings of care providers at their desks, along with copies of 3M's work/family policies and other information.

Developing Child Care Resources in the Community

A resource and referral program may be of little value if child care is scarce in the communities where employees live and work. Therefore, some of the organizations we contacted have attempted to increase the supply or quality of child care in those communities by providing funds to local care providers. Commonly, a condition for receiving the funds was that the organizations' employees be given preferential access to the providers' services. Organizations have funded programs to (1) train additional child care providers; (2) develop, expand, or improve existing child care facilities; and (3) help existing programs meet accreditation standards. Some companies have nonprofit foundations that administer the grant programs and distribute the funds.

For example, in 1989 IBM established its "Funds for Dependent Care Initiatives," a grant program through which the company will spend $25 million between 1990 and 1994 to "help increase the supply and quality of dependent care programs in the United States." An IBM official we met with said the money is being used to support all three of the primary delivery systems for child care—family day care, day care centers, and care in employees' homes. Specific activities to be funded include training for dependent care providers; programs for school-age children, emergency child care, and family day care; and elder care services, such as in-home care, adult day care programs, and respite care. IBM has used the fund to support the establishment of 31 off-site day care centers in different locations around the country. In exchange, IBM will receive a guaranteed number of child care slots in each center for up to a 25-year period. Company employees will, however, have to pay market rates for the care.

AT&T has a "Family Care Development Fund" that provides grants to increase the supply and improve the quality of child and elder care services available to AT&T employees. This 3-year initiative is supported by a $10 million fund, with individual grants ranging from $5,000 to $50,000. The grants are awarded in areas where AT&T employees live and work, and its employees are usually given priority placement in programs receiving the grant money. The officials we talked with said employee involvement is the basis of the fund. For this reason, the company initially relied on employee suggestions for making grant awards but found this approach was very labor-intensive and may not have addressed all community needs. Company officials told us that in addition to employee-sponsored proposals, they were working with a consultant to target grants to areas that have a high population of AT&T employees.

Similar programs for developing community resources were established by other companies we visited:

- Du Pont's "Flying Colors" program has provided a total of $345,000 in grants in selected communities to assist child care providers who earn accreditation through either of two national child care accrediting associations.
- Over the next 3 to 5 years, Levi Strauss & Company plans to spend $3 to $5 million in grants to nonprofit child care agencies for such purposes as helping child care centers get accredited and remain open for longer hours. Organizations applying for the grants must show some evidence that company employees will benefit before the grants will be approved.
- 3M had a "Foundation Grant" program that provided funds to a variety of community organizations for child and family services. Grants have been given to help fund an increase in the supply of in-home day care providers.[16]

Sick-Child Care

Child care providers often do not accept a child when he or she is ill or recovering from a health problem. Some employers have assisted their employees faced with this situation by providing or supporting what is known as "sick-child care." The care can be provided on-site at the organization; off-site by providers such as hospital day care centers; or by in-home services, such as visiting nurses.

The organizations that had sick-child care programs had differing arrangements. The Ventura County sick-child care program was an example of an on-site initiative, housed on the grounds of and receiving funding from the county's health care agency. Initially only for county employees, the program was later expanded to any parents whose employers paid a one-time buy-in fee.

[16]We were told that 3M has also funded other programs, including the establishment of a "Men's Center" in St. Paul, Minnesota, to provide support services for men, such as helping them to deal with divorce.

Some employers' sick-child care programs allowed employees to choose between alternate forms of care. For example, 3M's sick-child care program allowed employees in the Austin, Texas, and Saint Paul, Minnesota, areas to choose between in-home and center-based sick-child care services. Honeywell's sick-child care program offered in-home care; care in a local hospital (both of which were available 24-hours a day, 7 days a week); or care in a licensed day care center (available 6 a.m. to 6 p.m. weekdays).

New York State officials told us the state has a pilot program for sick-child care through one of its on-site child care centers. Through this program, care providers are trained, bonded, and sent to care for sick children in the homes of employees. Initially, only employees participating in the child care center were eligible for the program, but that restriction was subsequently eliminated.

Different funding levels and arrangements for sick-child care existed across the companies we visited. Grumman Corporation paid for the first 10 hours of such care each year; employees had to pay for any additional hours of care needed.[17] Honeywell paid 80 percent of the approximately $9 to $11 hourly cost of care. A Ventura County official told us that employees pay $2 an hour to use its care service for mildly ill children, with the county paying the remaining costs. New York State officials told us that a state grant subsidizes providers' salaries, and parents pay $10 a day in its pilot in-home sick-child care program.

Emergency Child Care

Emergency child care programs help employees secure care when regular arrangements fall through or when unexpected events occur, such as when schools are closed due to weather or when employees are required to work holidays or weekends. The cost of such care varies depending on the program's size, whether it is on-site or off-site, and the type of facility used.

Honeywell purchased time with a local community provider in the form of coupons and sold "discount drop-off day care certificates" to its employees at a rate that offered savings of up to 45 percent off market rates. We were told that this approach is best for short-term care situations, such as after school. The official we met with said the company has arrangements with other providers for emergency slots in child care centers for situations where care is needed for an entire day. Similarly,

[17]This 10-hour limit also applies to emergency child care.

Ventura County officials told us the county has arranged for county employees needing emergency child care to drop off their children with regular care providers that have openings.

School-Age Child Care

School-age child care can address the care needs of children before and after school, or during the summer or holidays when school is not in session. Employers either develop their own programs on-site or support programs in public schools, community centers, or other agencies.

At 3M, for example, the company offered a summer day camp program for children ages 5 to 13. The YMCA transported children to and from the camp from a centralized drop-off and pick-up point near the company's headquarters. In conjunction with this program, 3M offered children the option of taking morning classes at a nearby science museum and then being transported to the camp for the afternoon.

Child Care Consortium With Other Employers

Child care consortiums are collaborative efforts by several employers to provide child care services to their employees, with each employer sharing the costs. This approach is often used to support child care centers, with slots in the centers allocated to each participating organization based on its relative contribution. There are also consortiums for resource/referral services and other child care services, such as emergency and sick-child care. Consortiums can give employees in smaller organizations access to child care programs that their employers would otherwise be unable to afford. They can also allow large organizations to provide child care programs to employees in smaller organizational subunits that have an insufficient number of participants for a separate program.

For example, Grumman Corporation was part of a consortium arrangement with other companies on Long Island that worked to expand the availability of child care and elder care services to all residents in the Long Island area. The consortium's efforts included working to develop family day care in the community and increasing the supply of respite care for the elderly.[18] The consortium also offered sick and emergency care in the home through a contract with a provider. Grumman officials told us the consortium helped the company provide services that would be difficult to offer on its own.

[18]Respite care is a service that brings an outside provider into the home to give the regular care provider a break from care responsibilities.

IBM officials told us about a nationwide collaborative effort for child and elder care it was organizing that would include a range of services. They said IBM surveyed other large employers across the country to ask about their dependent care needs. Officials from 32 companies who responded to the survey met with IBM officials in early 1991, and many of them made tentative commitments to explore participation in selected cities. IBM officials told us these companies would be required to provide funding support in order to use the services provided through the consortium. IBM agreed to serve as a catalyst for the consortium so that IBM and the other companies could do together what they could not afford to do alone.

Employer Contributions Toward Child Care Costs

Some employers pay a portion of their employees' child care expenses, either directly to the employee or to the child care provider. The payment may be a percentage of the employee's child care expenses or a flat rate. Employers often set individual and/or family income limits on participation. For example, in 1991 American Express established a child care subsidy program called "KidsCheque" in three of its business units. The program was available to employees who made up to $40,000 a year and had family incomes up to $80,000. Employees who certified that they met these criteria were eligible to receive a subsidy of up to $25 a week for one dependent and $35 a week for two or more dependents. The company paid the subsidy as part of employees' dependent care flexible spending accounts, so the subsidy was tax-free to employees.

Similarly, Travelers offered a "Family Care Subsidy" for employees participating in the company's dependent care flexible spending account. The subsidy was based upon the employee's annual pay. For example, employees who worked 30 or more hours a week and made $40,000 a year or more were eligible to receive a 10-percent dependent care subsidy up to a maximum of $400 a year. employees working 30 or more hours weekly who earned less than $20,000 received a 30-percent subsidy, up to a maximum of $1,200 a year.

A Levi Strauss & Company official told us the company was developing a pilot program to test the use of vouchers to subsidize child care in three locations. Under this program, which began in January 1992, corporate headquarters pays for the subsidy program during the first year, and plant managers who want to continue the program at their sites will have to use their own funds to pay for the subsidy thereafter. During the pilot year, eligible employees will be able to receive up to $600 a year for each child, not to exceed 50 percent of the total cost of care. The program will be limited to employees with family incomes of less than $25,000 a year, with employees self-certifying their family income and the company doing limited "spot-checking."

In some cases, employers provided financial assistance for child care expenses other than tuition at child care centers. For example, Grumman Corporation helped defray employee cost in locating child care, reimbursing employees up to $50 a year for such expenses as advertisements placed in newspapers and fees paid to agencies. Employees receive the reimbursements by completing regular expense reports and attaching receipts for their expenses. The company offered this benefit in addition to its resource/referral assistance program.

Child Care Discounts

Some employers arrange a child care fee "discount" for their employees from a child care provider or several providers in exchange for publicizing the providers' programs. Such discounts can be very popular with employees while costing the employer little or nothing. For example, Aetna employees received 10-percent discounts at three child care centers. The company paid nothing other than advertising the availability of the discount to its employees.[19] AT&T also entered into discount agreements with child care providers in some locations in exchange for notifying employees of their availability. To facilitate this notification process, AT&T officials told us they were considering integrating discounts into their child care resource/referral service, with counselors informing callers of discounts available in their areas.

Some of the organizations we visited were reluctant to enter into discount agreements. For example, officials at Grumman Corporation said the company did not want to be in the position of recommending a particular provider. IBM officials told us the company had not established any discount programs because the company did not want any company practice to hint of solicitation or make recommendations to its employees to pursue a given vendor. They said, for example, that advertising fliers cannot be posted on company bulletin boards. Officials at AT&T, which has discount agreements, said they made sure that employees understood that the company had not reviewed the quality of child care provided and was not recommending the center over other centers.

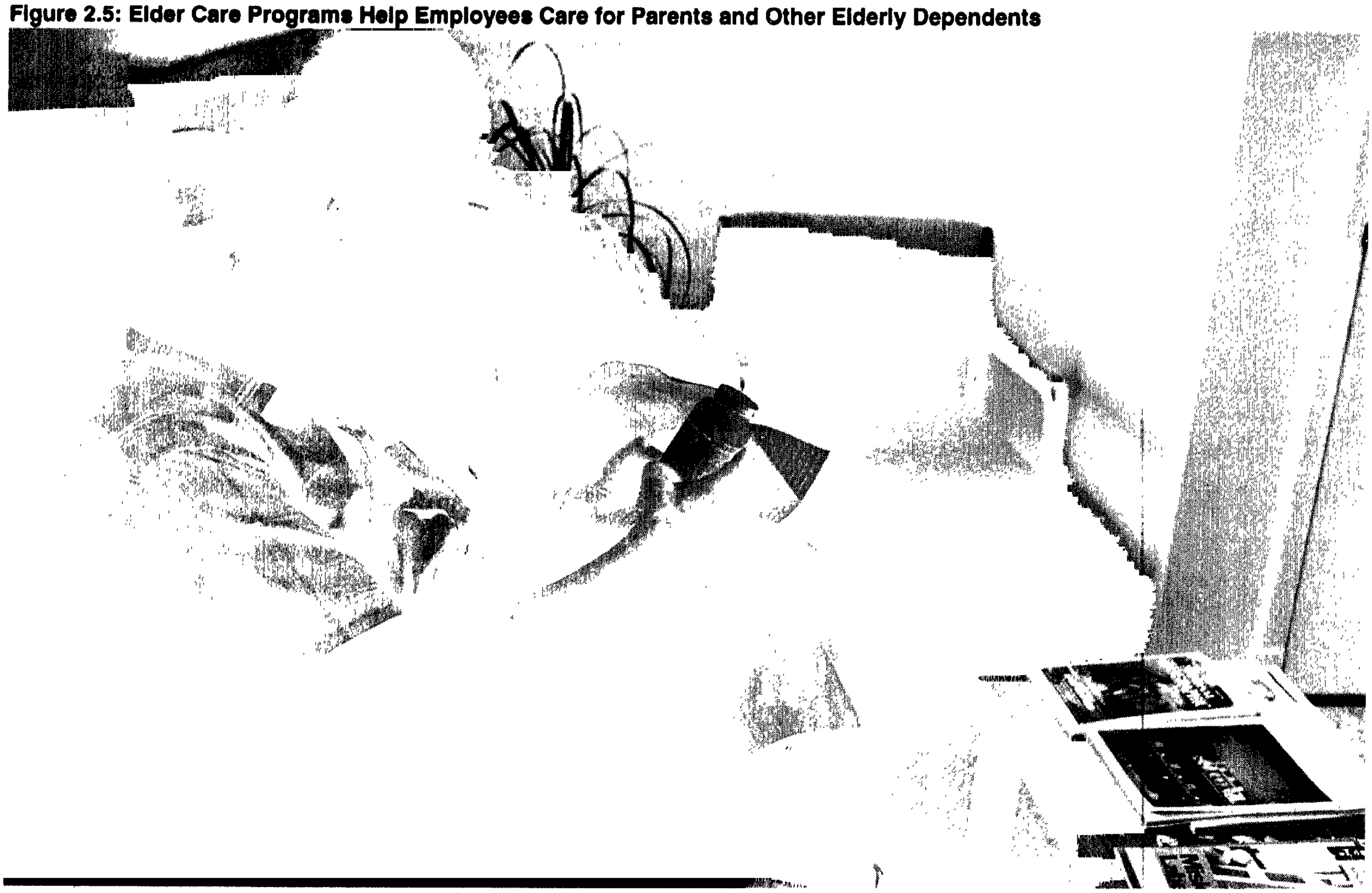
[19]Aetna also offered discounts on a parenting newsletter and child car seats to its employees, with the company handling the orders and other administrative duties.

Elder Care Programs

The number of elderly has increased in recent years and is expected to grow rapidly in the future. In 1990, one in eight Americans was age 65 or older; by 2030, about one in five is expected to be that age. The number of Americans age 85 and older is expected to nearly double between 1990 and 2010, growing to over 6 million. Although many elderly persons are able to care for themselves, the number of frail elderly needing help with daily living is increasing. A 1985 survey by Travelers indicated that nearly 30 percent of the respondents were providing care for a relative or friend age 55 or older.

Employer-sponsored elder care programs are designed to help employees provide care to elderly parents or other aged dependents. Some of the same methods of assistance used for child care can also be used for elder care (e.g. on- or near-site care centers or resource/referral programs).

Figure 2.5: Elder Care Programs Help Employees Care for Parents and Other Elderly Dependents



Source: Laurie Smith, APHIS, Department of Agriculture.

On-Site/Near-Site Day Care

Employer-supported day care for the elderly at or near an employee's worksite, either as a separate facility or combined with child care (known as "intergenerational day care"), is rare. None of the 16 organizations we visited had established such facilities, and none indicated they were planning to do so. While the number of adult day care centers outside of the workplace is growing, most employers are cautious in helping to fund care at those centers. IBM, for example, has provided support to adult day care centers near IBM facilities in the Rochester, New York, and Dallas, Texas, areas through its "Funds for Dependent Care Initiatives" grant program. However, IBM officials emphasized that the centers were not identified as IBM adult day care centers.

Elder Care Resource/Referral Services

Resource and referral programs were the most common form of elder care assistance provided to employees in the organizations we visited. They operated in much the same way as the child care referral programs, providing information to employees about the types of care that can be provided to the elderly and assistance in locating the care they need. As with child care resource and referral programs, a range of approaches was employed. Some organizations developed in-house programs using existing resources in the local community (e.g., area agencies on aging), while others worked through outside elder care information providers or consultants.

IBM's Elder Care Consultation and Referral Service, established in 1988, was the first nationwide corporate program to help employees address these problems. IBM employees and retirees anywhere in the country can call a counselor toll-free to get information on more than 250 types of services available within particular areas. According to IBM officials, the counseling and referral service has helped more than 24,500 employees, retirees, and their families find care for older relatives. They said 52 percent of these older relatives lived at least 100 miles away from IBM employees, and 75 percent of them were age 75 or older. This resource/referral service is operated by the same consultant (Work/Family Directions) that provided child care referrals to IBM employees. Other companies we met with (e.g., AT&T, Travelers, Prudential, and Aetna) used this same consultant for elder care.[20]

Some companies' elder care referral programs were focused in a particular locale. For example, American Express, along with J.P. Morgan and Philip

[20]Although the same consultant was used at these companies, the service may be administered somewhat differently. At AT&T, for example, the service was not available to the company's retirees.

Morris, formed a "Partnership for Eldercare" with the New York City Department for the Aging. New York City-based employees in these companies could get information and referrals related to nursing home care, in-home care, entitlement programs, financial planning, and other topics.[21]

Long-Term Care Insurance for Employees and Dependents

With the growing number of elderly in the population, the proportion of the elderly needing long-term care is also expected to grow.[22] Long-term care insurance may be offered by an organization to help its employees manage the costs of extended in-home or institutional care for themselves or family members. Most long-term care is not covered under traditional medical benefits. Although employees often must pay the entire premium, they can get less expensive group rates through their employers than they could obtain on their own.

IBM offered long-term care insurance through an insurance company that covered IBM employees and their spouses, parents, or in-laws suffering from chronic illnesses or disabilities (e.g., Alzheimer's disease). The program included group rates; a variety of services (e.g., nursing home care, home health care, and adult day care); and a number of benefit levels (including $50, $100 or $150 daily reimbursement rates, with a $275,000 maximum benefit). IBM subsidized 20 percent of the premium for employees who chose this insurance. A similar program was in place at American Express, where employees could cover their spouse, parents, or spouses' parents without covering themselves.

Other Work/Family Programs

A number of other human resource policies that do not fit within the above categories also help employees achieve a work/family balance. They include employee counseling and education on work and family issues, adoption assistance, school match programs, and dual-career couple programs.

[21]Because of the success of this program, American Express expanded its elder care services in 1991 and started two more public-private partnerships for employees in Jacksonville and Fort Lauderdale, Florida.

[22]See, for example, Long-Term Care for the Elderly: Issues of Need, Access, and Cost (GAO/HRD-89-4, Nov. 28, 1988); and Long-Term Care: Projected Needs of the Aging Baby Boom Generation (GAO/HRD-91-86, June 14, 1991).

Counseling, Training, and Publications on Work/Family Issues

All of the employers we contacted sponsored counseling to help their employees deal with work/family challenges, such as providing child care and elder care. These support services were usually provided through the organizations' EAPS. Additional ways the organizations educated their employees about work/family issues and available programs included newsletters and booklets, training classes, lunchtime seminars, and video cassettes employees could borrow and view at their homes. All of the organizations we visited offered one or more of these resources.

3M offered its employees an extensive amount of information about work/family issues. For example, every 2 years the company has a working parent resource fair at headquarters to educate its employees about community parent- and child-related resources. Over 60 local agencies were represented at the latest fair the company sponsored. 3M also offered its headquarters employees a parenting education program in which community educators taught free monthly luncheon seminars on such topics as child development and the challenges of balancing work and family life. 3M offered more extended, in-depth parenting classes that met in smaller groups over six weekly luncheon sessions and cost employees a nominal fee.

A Ventura County official told us that the county had a fairly extensive parenting program that was offered free of charge to its employees, including a set of 12 luncheon seminars on parenting issues. She said the county allowed employees to take up to 8 hours off a year to take advantage of health services, including those dealing with parenting issues.

Adoption Assistance

Several companies we visited helped employees pay for the costs of adopting a child. IBM established its adoption assistance program in 1973, and since then almost 6,000 children have been adopted with IBM's assistance. The program reimbursed employees for 80 percent of adoption costs, up to a maximum of $2,500 for each adoption. Eligible charges include adoption agency fees, legal costs, and maternity costs for the birth mother. Similar programs existed at other companies we visited, including Aetna, Hewlett-Packard, and Travelers.[23]

[23]For example, Aetna paid up to $2,000 for costs associated with adopting a child. The company also offered employees adoption counseling, which provided information on adoption agencies and applicable state and federal laws. In a prior report on Adoption: Assistance Provided by Selected Employers to Adopting Parents (GAO/HRD-90-47FS, Dec. 19, 1989), we identified 77 nonfederal organizations that were providing adoption assistance to their employees.

School Match Programs

Several of the companies we visited had school match programs that helped employees locate educational programs for their children. For example, Hewlett-Packard officials told us the company had long helped its employees who were moving find suitable schooling for their children in the new location. They said the program had since been expanded to serve the needs of all parents, wherever they were located, who may be unsatisfied with their children's existing school arrangements. A similar program called "School Smart" existed at Du Pont, where employees could call a toll-free number from anywhere in the country and talk with a trained counselor who would help them find ways to improve their child's school performance, as well as help finding public or private schools that met their needs and expectations. As with Hewlett-Packard's programs, this assistance was available whether the employee was relocating or was looking for alternative schools where he or she lived.

Dual Career Couple Programs

Some companies have adopted other programs designed specifically to accommodate the needs of two-career families. For example, "relocation programs" provided counseling, reemployment, and other assistance to the "trailing spouse" when an employee was relocated. At 3M, for example, the company's relocation office implemented a "Partner Relocation Assistance Program" in 1991 that helped spouses and other partners prepare resumes and find jobs in the new locations.

Development, Implementation, and Evaluation of Nonfederal Work/Family Programs

In addition to understanding the types of work/family policies and programs the nonfederal organizations had in place, we wanted to know what prompted the organizations to develop their work/family programs and how they assessed the need for the programs, implemented them, and evaluated their success or failure.

In the course of this effort we discovered a general pattern in how work/family programs evolved in the organizations we visited. Some organizations started investigating the need for child care in the early 1980s. They then realized that their employees' work/family needs were much broader, and they developed additional programs, such as flexible work arrangements and family leave. A number of organizations also began to forge their individual programs into a unified work/family framework, creating offices to coordinate work/family efforts and/or marketing their programs as a package within and outside of their organizations. This integrated work/family strategy was often linked to the realization of broader organizational objectives, such as improved recruitment, retention, and productivity.

Adoption of Work/Family Programs Prompted by Different Factors

Different factors led the nonfederal organizations we visited to address work/family issues. They included reports of workforce change; anecdotal evidence of employees' work/family problems; organizational recruitment, retention, and productivity goals; and the actions of their competitors. These factors were credited with leading to the creation of committees or task forces to study work/family issues, to needs assessments, and to the implementation of specific programs.

Reports on Workforce Changes

Several of the officials we talked with said reports such as Workforce 2000—and the recognition that some of the conditions it described were already occurring in their workforces—sparked their organizations to look into the need for work/family programs or to expand existing efforts. For example, Ventura County officials told us the county formed a joint labor/management "Workforce 2000" committee in the late 1980s because the county was experiencing the kinds of problems described in the Workforce 2000 report.[1] They said the county was having serious recruitment and retention problems in technical and professional positions, such as engineering and planning and, to a lesser extent, in clerical occupations. Similarly, an American Express official said Workforce 2000 served as the impetus for bringing forth these issues at the

[1]This committee was funded by a grant from the Federal Mediation and Conciliation Service.

company. Some American Express locations were already experiencing shortages of skilled employees in certain occupations. The study was said to be a major factor in the company's decision to expand its work/family efforts and publicize these programs under a "Best Place to Work" initiative.[2]

Employee Input About Work/Family Programs

Several of the officials said their organizations' decisions to pursue work/family programs were influenced by hearing about employee problems in balancing work and family responsibilities. For example, an official at Levi Strauss & Company told us the company's strategic focus on work/family issues was prompted partly by the results of an exercise in a management training program in which participants were required to complete the sentence "We need to...[fill in the blank]." The official said the participants consistently mentioned that employees were unable to strike a balance between their personal and professional lives. At 3M, we were told employees' need for child care surfaced in part through the company's confidential "Between Us" program, which requires company executives to respond to questions submitted anonymously by employees. 3M's employee assistance program was another source of employee input, when employees seeking in-patient care for personal problems raised concerns about how they would care for their children while they were undergoing treatment. At both Levi Strauss & Company and 3M, employee concerns led to the formation of task forces to deal with these work/family concerns.

In other organizations, officials told us that employee groups such as women's committees or employee unions played important roles in getting their organizations to address work/family issues in general or to pursue specific programs. At AT&T, for example, unions were instrumental in raising work/family issues and successfully bargaining for work/family benefits in 1989. Unions were credited with playing particularly important roles in all of the public organizations we visited. For example, New York State officials told us unions were instrumental in establishing the state's extensive system of child care facilities. The two largest state employee unions raised child care as an issue in the early 1970s, which ultimately led to the development of the state's Labor-Management Worksite Child Care Center Initiative. The state's child care program continued to develop through labor-management cooperation, with about 50 nonprofit state-sponsored centers serving over 3,000 children at the time of our visit.

[2]The initiative was aimed at making American Express the employer of choice compared to other large employers it competed with for workers throughout the country.

Productivity and/or Recruitment/Retention Improvement

Officials in several of the organizations we visited told us they adopted work/family programs because they believed the programs would improve employee productivity, recruitment, and/or retention. For example, the IBM official responsible for the company's work/life programs told us dependent care problems were "a distraction" to employees, and he said the purpose of his office was "to minimize distractions at the work place" and "to be the catalyst for the development and implementation of programs that will help people come to work. Period. Nothing charitable." Emphasizing the business motivations behind the company's work/life efforts, he said:

> We're not doing anything to be nice. None of this is altruistic. None of it. We're doing it all . . . so that the managers can be armed with a menu of programs to build partnerships with their employees . . . We don't do nice things to be nice. We do nice things to win.

The official we met with at Du Pont told us the company's primary motivation for establishing its work/family programs was employee recruitment and retention. She said that surveys showed that valued employees would leave for more flexible employers. Similarly, American Express chose to subsidize employees' child care costs in order to have a recruitment/retention "hook" to help the company attract and keep the best employees.

Actions of Competitors

Certain officials said an organization can be hesitant to be the first employer in an area or industry to adopt work/family programs. However, they noted that an employer may find it necessary to adopt such programs once its competitors have done so. For example, one company official told us "everyone wants to be the quick second" when it comes to implementing work/family programs. He said the primary reason why his and other companies were adopting work/family programs was because others were doing so. An official at another organization told us the first question company decisionmakers asked when a program was proposed is "What are the other companies doing?"

Officials Described Their Experiences Doing Needs Assessments for Work/Family Programs

Almost all of the organizations we visited had done formal needs assessments before the adoption of at least some of their work/family programs.[3] Some needs assessments focused on a specific work/family program (e.g., the need for a child care center); others encompassed a range of programs. Some focused exclusively on employees; others included the needs of the organization as well. Needs assessment methodologies also varied, but the most common methods were employee attitude surveys and focus groups.

Several of the organizations did regular surveys of their employees, so work/family surveys were a logical extension of their existing efforts. For example, IBM officials said the company surveyed its employees every 18 months to determine how they viewed the company as a place to work. In 1986 and again in 1991, IBM did a separate "work/life issues" survey, which gave the company its first opportunities to assess the personal and professional balance of its workforce. The 1986 survey showed that 57 percent of respondents were in dual income partnerships; by 1991 this had increased to 63 percent. An IBM official credited these surveys with having the "biggest influence" on changing the company's culture regarding work/family issues. Similarly, 3M officials told us that beginning in 1986, the company began surveying 25 percent of its employees every other year to determine how its workforce was changing. The 1990 poll placed special emphasis on work/life topics. The 3M official we interviewed told us the surveys were instrumental in showing that 3M no longer fit the profile of the traditional workforce, and greater flexibility in benefits and programs was needed.

Surveys were said to be good needs assessment tools when an organization wanted to obtain information from large numbers of employees at one time. Officials also said surveys were useful for developing demographic indicators on the workforce that could help identify areas where employees had unmet work/family needs.

Several of the organizations we visited used focus groups, either instead of or in addition to surveys, to assess employee needs for particular work/family programs.[4] For example, an official we interviewed at Travelers said the company used focus groups to assess employee needs

[3]We considered a "formal" needs assessment to be an effort to systematically gauge the level of employee interest in and need for a specific program or set of programs through the use of a structured approach (such as a written survey) designed specifically for that purpose.

[4]Focus groups typically involve a planned discussion with a small group of participants and are designed to obtain information about individuals' perceptions and opinions related to a specific issue.

regarding cafeteria benefits. The participants were chosen from different business units to represent a diversity of employee ages, genders, family circumstances, and benefits. Employees were asked to rate their existing benefits (e.g., medical, dental, life insurance, pension, and family care programs) in terms of how well the benefits met their needs. Employees were also asked to comment on different benefit alternatives the company might offer under a flexible benefits plan, such as greater flexibility in the choice of health benefit deductibles. Officials told us that compared to surveys, focus groups can provide more detailed information, can be done more quickly, and are less likely to raise employee expectations.

Officials Stressed the Importance of Needs Assessments

Numerous officials we met with stressed the importance of doing needs assessments before adopting work/family programs. Several noted that needs assessments allowed their organizations to test the validity of their assumptions about whether and which work/family programs were needed. For example:

- A Travelers official told us one reason the company decided not to pursue on-site child care was because surveys of employees indicated that they preferred child care arrangements closer to home rather than at the worksite. The official said this was especially true in metropolitan areas, where parents did not want to commute to and from work with their children, particularly when they used mass transportation.
- A Levi Strauss & Company official said the company decided not to pursue a child care center in San Francisco because a work/family survey indicated that too few company employees wanted on-site or near-site care to make such a center viable.
- Hewlett-Packard officials told us the company's child care needs assessment showed that employees' child care needs were more complex than had originally been thought. An employee survey demonstrated that employees needed not only basic day care, but also care for sick children, latch-key children, and teenagers at home. The company's recognition that on-site child care could never satisfy all of these needs entered into Hewlett-Packard's decision not to offer day care centers to its employees. Similarly, American Express surveyed its employees and concluded that although an on-site center might help to meet the needs of some employees, the problems and issues disclosed by the survey were much broader than what one center could accommodate. American Express decided that instead of spending large sums of money to open a center able to serve a few employees, it would use the money to initiate other

services, such as its dependent care subsidy program and part-time benefits, which would serve more of the company's employees.

- Aetna officials said a survey of their Hartford employees found the majority were happy with their child care arrangements. However, employees wanted more information about different care options so they could be more informed consumers. As a result, Aetna decided to join a child care resource/referral consortium that was being developed by other companies in the area.

Officials Offered Needs Assessment Advice

Most of the officials we met with provided advice about doing work/family needs assessments. For example, several stressed the importance of involving a range of employees from across the organization in the needs assessments process. This was said to facilitate employees' "buy-in" to the needs assessment effort and helped ensure that the needs of different employees were taken into consideration. For example, Travelers officials said their focus groups on flexible benefits involved a variety of employees (e.g., single parents, dual career working spouses, new employees, and employees nearing retirement) because different employees had different needs.

Certain officials stressed the importance of considering community resources when doing needs assessments. Those resources may offer low-cost program options or even eliminate the need for the organization to offer its own program. For example, California state government officials told us the state did not sponsor a resource/referral service for its employees because there was a public child care resource/referral agency in each California county.

Numerous officials said organizations must be careful not to raise employees' expectations by mentioning possible programs in a survey and then failing to adopt them. An IBM official said failure to address issues raised in surveys can lead to a "credibility gap" within the organization. Approaches to avoid this problem included using focus groups rather than surveys or not asking particular survey questions. A Levi Strauss & Company official told us the scope of an organization's needs assessment survey should match what it intends to do.

Other officials said any survey questions could be asked as long as they were specific, carefully worded, and employees understood the purpose of the survey and how it would be used. For example, a Prudential official said the company found there can be a difference between someone wanting a child care center and being willing to pay "X" amount of dollars a week for one. Similarly, the official we met with at Honeywell told us organizations should ask their employees how many of their children would use a day care center at or near the work site, not simply if they would like a center.

Failure to do needs assessments properly can lead to program failure. For example, California state officials told us that a "gorgeous center" built for employees' children at a state prison in California would probably fail because of under-utilization. One problem, they said, was that the needs assessment did not clearly establish that parents would use the center. Another problem was that the study did not recognize that many child care facilities were already available in the community. Finally, the needs assessment was done long before the center was constructed. As a result, the children who would have been in the center outgrew the need for its services.

Needs Assessments Were Not Done for All Programs

In some cases, the officials said their organizations had not done needs assessments before adopting some of the programs. They cited reasons such as (1) the programs simply made sense, (2) an accumulation of informal evidence indicated the programs were needed, (3) the organizations had large percentages of women of child-bearing age in their workforces, (4) needs assessments done by other organizations had shown the programs were needed, (5) the organizations' leadership strongly supported the programs, and (6) the programs were not costly.

For example, Aetna officials told us the company's top management did not order a formal needs assessment or cost analysis before introducing certain work/family programs because management thought the programs made sense and because other companies had already done surveys showing that the employees in those companies needed the programs. A Honeywell official told us the company sometimes had not done needs assessments because the chief executive officer concluded that Honeywell had studied the work/family area enough and favored offering programs to employees without needs assessments if (1) there were few financial consequences of doing so, or (2) there was a tremendous possibility to meet a need.

Lessons on Implementing Work/Family Programs

Officials in most of the organizations we visited also offered advice about implementing work/family programs.[5] These implementation "lessons" are described below.

Establish Central Work/Family Program Managers

About half of the organizations we visited had created work/family units or positions like "work/family manager" or "work/family coordinator" to serve as focal points for the development, implementation, and administration of their work/family program activities and to encourage the use of the programs within the organization. Although their titles varied, these officials usually worked in their organizations' central human resources offices.[6]

The existence of a work/family position or unit at an organization's headquarters was said to be valuable because it symbolizes the organization's commitment to family concerns more than having a number of individual programs would. From a more practical standpoint, however, we were told that work/family units or positions were needed to coordinate and oversee the administration of the programs, which cut across such human resource functions as staffing, labor relations, and compensation and benefits. Also, officials indicated that field unit employees benefit from having access to a single point of contact in headquarters who can provide them with policy guidance on different work/family issues.[7]

[5]For purposes of this study, "implementation" includes any and all steps taken to move a program from the needs assessment stage through actual operation. As such, implementation includes efforts to obtain program approval.

[6]Certain officials also told us that organizations have designated local representatives or committees to facilitate work/family programs at sites outside of headquarters. At DuPont, for example, about 50 of the company's 200 work sites had their own work/family committees to surface and resolve work/family problems that were peculiar to each site. Furthermore, an official at AT&T recommended that organizations assign employees in different geographic areas to work full-time on work/family programs.

[7]Work/family manager positions are increasingly prevalent in American corporations. Several hundred such positions have reportedly been established in the past 5 years, and hundreds more are expected in the next 5 years. See, for example, Bureau of National Affairs, The Work and Family Manager: Evolution of a New Job (Washington, D.C.: Bureau of National Affairs, Inc., 1991); and Arlene A. Johnson and Karol L. Rose, The Emerging Role of the Work-Family Manager (New York: The Conference Board, 1992).

Recognize That Work/Family Programs Challenge Established Organizational Culture

One implementation lesson frequently cited by the officials concerned the need to be aware of and deal with resistance to the programs from executives or managers, because the programs challenge the traditional organizational culture. We were told that because many executives' and middle managers' spouses stay home and take care of family matters, these officials can have difficulty empathizing with employees who must contend with work/family problems. Several officials also told us managers can resist programs, such as part-time work, flexible schedules, and flexible workplaces, because they conflict with established notions that employees should work standard, full-time schedules and do so under direct supervision.

We were told that it is important to address management and executive resistance to work/family programs because many employees may be hesitant to use benefits and programs that management does not fully support. Officials said that resistance can be addressed by convincing managers and executives that work/family programs can provide business dividends. For example, a Levi Strauss & Company official told us that one element of the company's management training program will be "Why is work/family important as a business issue?" IBM officials told us that a 1989 executive conference on work/family issues emphasized the importance of work/life programs in protecting the company's investment in its employees. Conference participants were told it cost the company $12,000 to $15,000 to recruit one employee and as much as an additional $100,000 to train that employee (depending on his or her skill category). Thus, to the extent that work/family programs reduced turnover, these costs would not be incurred.

Obtain Top Management Support

The officials we interviewed also stressed the importance of obtaining top management support for work/family programs to combat resistance to the programs and to ensure resource commitments for implementation. They said such support should be made known to both employees and managers who must approve the use of work/family programs. For example, to emphasize the importance of flexibility, American Express' corporate headquarters Executive Vice President issued a memo to headquarters employees and managers encouraging managers to be flexible and empowering employees to make their needs known to their managers. Strategies the officials described to obtain top management support included emphasizing the importance of work/family issues to such bottom-line issues as recruitment, retention, and productivity; involving executives in the needs assessment process, thereby showing them the need for such programs; and showing them that competitors have already implemented the programs.

Several officials told us that one or more company executives had become work/family program "champions"—enthusiastic program advocates who used their influence to actively advance such programs within the organization. For example, Aerospace Corporation officials told us the Group Vice President for Administration was very involved in some of the committees that looked into work/family issues, became convinced that the programs were needed, and actively supported their adoption and implementation. American Express officials said the Senior Vice President for Human Resources strongly supported work/family programs in the company, and had encouraged the use of flexibility by the employees in her department. Her example reportedly served as a role model for other managers and employees at American Express.

Communicate Programs Within and Outside the Organization

Most of the officials we interviewed stressed the importance of communication in implementing work/family programs, with some saying that it was the most critical implementation issue. As one IBM official told us, work/life programs are of little value if employees do not know they exist. However, a number of the officials told us that employees often have limited awareness or understanding of standard benefits, much less new work/family programs. This, they said, can lead to such problems as under-utilization of programs, poor choices in flexible benefit programs, and incorrect use of flexible spending accounts.

In an effort to increase employee awareness, several organizations launched major efforts to package their individual work/family programs under a unifying theme in their brochures and other communications. A 3M official said such packaging is needed because work/family programs typically cut across several human resources departments. Therefore, a concise package or label is needed to pull everything together and give employees a cumulative sense of what the company does for its employees' families. A Travelers official said after the company initiated its "Passport" benefits packaging program, employee appreciation and understanding of their benefits more than doubled.

Figure 3.1: Travelers' Work/Family Brochures

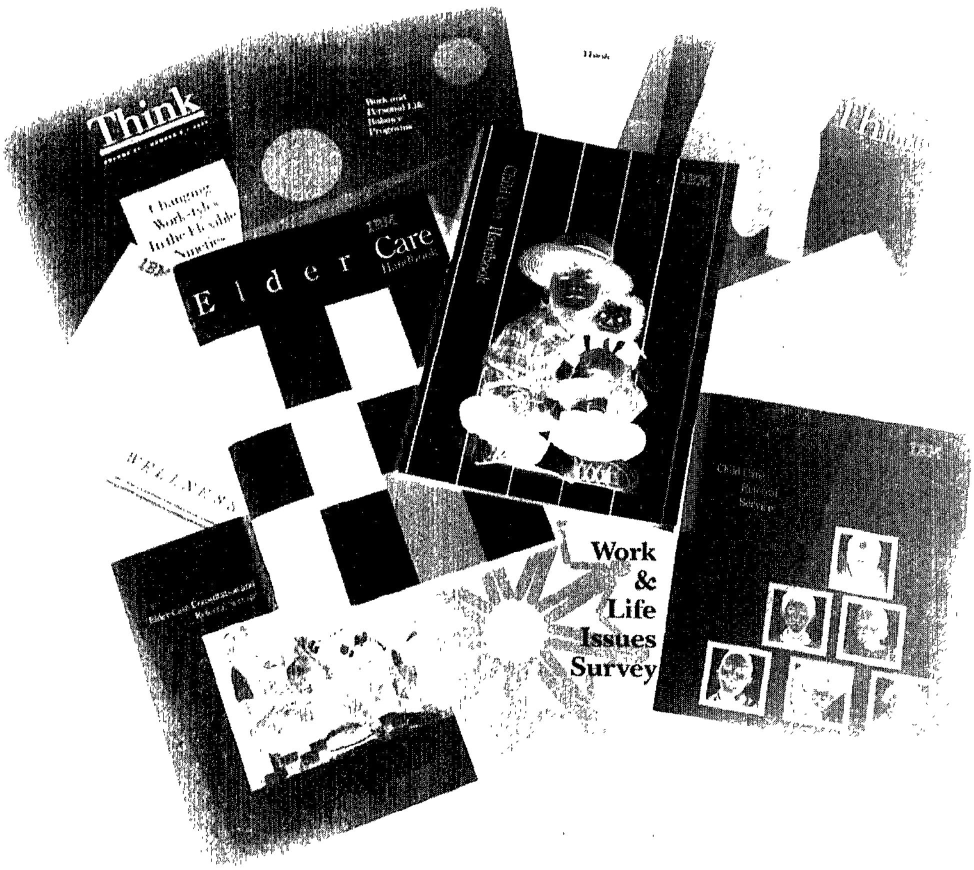
TheTravelers

Officials described a variety of specific methods they used to communicate work/family programs to their employees, including brochures, articles in company publications, program announcements sent to employees with their paychecks, presentations to employees, and benefits fairs. Multiple communication methods were often used in an effort to inform employees about the programs. Also, AT&T officials recommended that organizations communicate with their employees about the programs on an ongoing basis to reinforce program awareness after the newness of the programs wears off.

Figure 3.2: AT&T's Work/Family Brochures

Officials in several organizations also stressed the importance of marketing the programs outside of the organization for public relations purposes and to help recruit the best workforce. An IBM official told us that "you can't just have the programs; you have to market them," and added that work/family program marketing is "vital" at IBM. IBM's communications office had one press person responsible for communicating with the public on work and personal life issues and another employee responsible for getting the word out to IBM's own employees on these issues.

Figure 3.3: IBM's Work/Family Brochures



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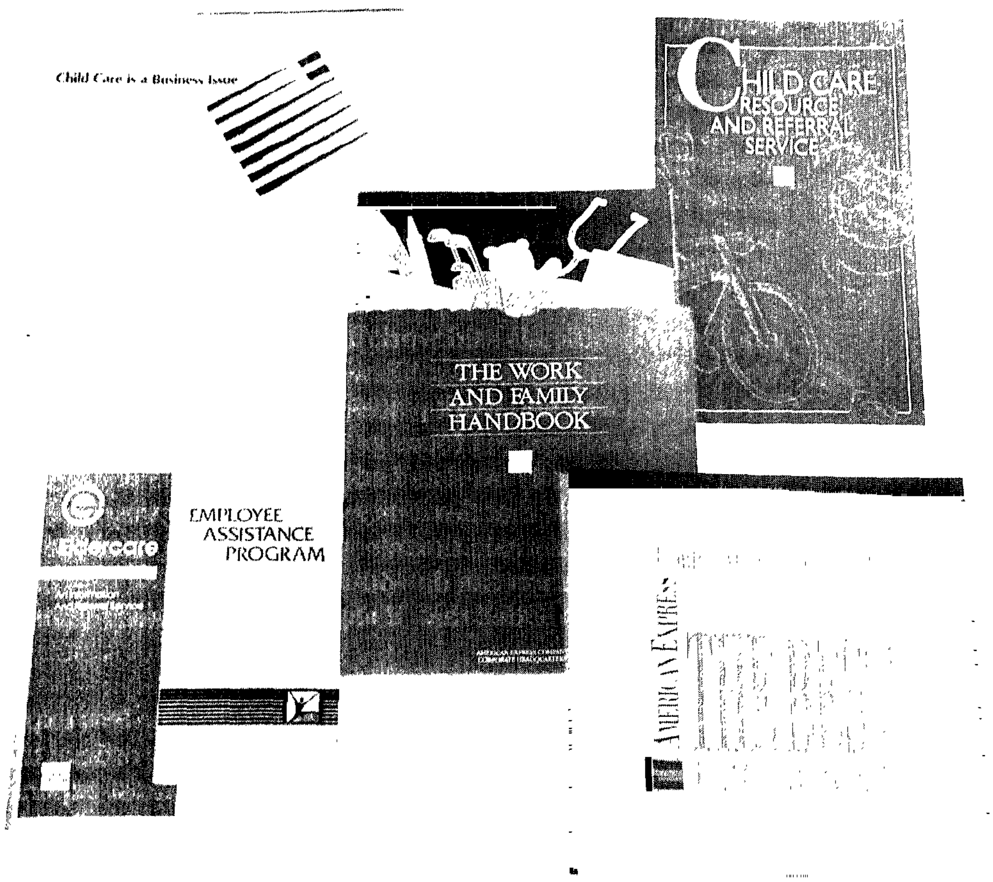
Several officials also said external communications about their organizations' work/family programs led to positive recognition of the company's efforts in national publications. That recognition, in turn, enhanced the stature of the programs within the organization, reinforced the company's work/family commitment to its employees, and helped to combat internal resistance to the programs.

Figure 3.4: Aetna's Work/Family Brochures

For example, officials at Travelers and Aetna told us that positive references to their companies' work/family programs in the Wall Street Journal and other national publications reinforced the seriousness of their work/family commitments and helped build employees' support for the programs. An official at Du Pont said favorable recognition of the company's work/family programs in a national magazine for working mothers in 1989, 1990, and 1991 helped to build support for the programs among top managers. An official at AT&T told us that every time AT&T's programs were mentioned in a major publication, program usage went up.

Figure 3.5: American Express' Work/Family Brochures



Use Less Expensive Program Options

Officials told us several ways work/family programs could be implemented relatively inexpensively. One way was to "create" work/family programs by repackaging or better publicizing existing leave and benefit programs. For example, the Aetna official we spoke with said the company implemented a "Family Leave" policy by repackaging a "Personal Leave" program with the same features. Although the Personal Leave program still exists at Aetna, the Family Leave initiative was said to be an effort to publicize the availability of such leave for family-related purposes (i.e., birth, adoption, illness in the family). Likewise, AT&T officials told us they "reframed" some programs that had been in existence for a while to emphasize their work/family dimension.

Another way officials said work/family program expenses could be limited was to offer employees flexible work practices (e.g., flexible work schedules, leave, and work places). We were told employees typically indicated in surveys and focus groups that such flexibility was their greatest work/family need and added that it costs employers little or nothing to provide that flexibility. Officials at Aetna, Du Pont, and Levi Strauss & Company said flexible work practices were the most effective thing an organization can do with little money. The Levi Strauss & Company official added that, if anything, these flexibilities have saved the company money.

Program costs can also be limited by selecting the less expensive of two (or more) program options. For example, an AT&T official told us that dependent care centers and subsidies were the most expensive programs that could be offered. In lieu of centers, she said AT&T decided to implement a dependent care resource/referral system. Instead of subsidies, the company implemented its "family care development fund," which gives grants to organizations to increase the supply and improve the quality of child and elder care in the communities where the company's employees live and work.

Similarly, a Ventura County official said the county's payment of relatively low cost "buy-in" fees to outside providers gave county employees access to services, such as infant care, preschool-age child care, and family day care.[8] She said by buying access to others' programs the county was able to help meet the child care needs of about 100 of its employees at a cost of around $100,000—including her salary. By comparison, she said

[8]It should be noted that under buy-in arrangements, county government employees must still pay for the care that the county helps them find.

constructing an on-site child care center for those employees' children would have cost around $500,000.

Other programs said to be of low cost included arranging for employees to receive child care discounts with local providers, providing luncheon seminars and publications on family issues, and offering parental or family leave. Also, programs with relatively low usage levels will not cost much overall. For example, an official at Travelers told us that only eight employees used the company's adoption assistance benefit in its first year (which provides up to $2,000 reimbursement for eligible expenses). Nonetheless, he said the company has received much favorable publicity from offering the program.

Another way we were told employers can limit work/family program expenses is by sharing those costs with other employers in consortium arrangements. Consortiums allow employers to "leverage" their money and provide services that would be too costly to provide alone. For example, IBM officials told us that by working with three other employers to develop a child care center in Charlotte, North Carolina, it was able to leverage its $500,000 contribution into $2 million in support for the center. Officials at Grumman told us that because many of the company's employees worked in different locations on Long Island, New York, it would have been difficult for the company to single-handedly help them meet their child care needs. Therefore, Grumman joined a dependent care consortium with about 30 other Long Island employers through which the company has been able to provide its employees access to sick and emergency child care and to expand family day care and respite care services for the elderly in communities where employees reside or work.

Recognize Equity Issues

A number of officials said concerns about fairness or equity had caused their organizations to implement or not implement certain programs, or to choose one type of program over another. These concerns were particularly relevant to decisions about employer-supported child care.

Certain organizations adopted child care subsidy programs because employees were not equally able to afford on-site child care. For example, Travelers officials told us that many of their lower income employees relied on relatives or neighborhood providers for child care because they could not afford the cost of child care centers either at work or at other locations. Thus, building a child care center would not have met their needs. The company therefore decided to offer a child care subsidy that could be used to support whatever mode of child care employees used. To further meet the needs of lower income employees, the company's subsidy program offered higher levels of support to employees with lower salaries.

Moreover, a number of officials told us that not all employees in their organizations could have equal access to on-site child care because their organizations' employees were geographically dispersed and it would have been too costly to build centers at each worksite. The officials sometimes said this situation led their organizations to decide against offering on-site care to anyone. Some chose other dependent care options, such as resource/referral programs, which could be made available to all employees more easily.

A third equity issue concerned the fact that not all employees need or will use each work/family program. For example, employees without child care responsibilities may view child care programs as unfairly benefiting other employees at their expense. Officials described several ways to mitigate these concerns. For example, an Aetna official told us the company tried to design programs that met a range of family needs of its employees (e.g., family services seminars on such topics as financing a child's college education, parenting of teenagers, and legal issues for the elderly). Another approach was to point out that employees who do not use a program can indirectly benefit from it. For example, a 3M official said an employee who is not a parent is indirectly served by a sick-child care program if it allows the employee's coworker to work more often when his or her child is sick.

We also obtained evidence that the concept of equity was being redefined—from treating all employees the same to helping all employees deal with their particular circumstances. For example, an IBM official said equity considerations are moving toward enabling the company to respond to each employee individually with a menu of programs to help the employee meet his or her needs. This new concept of equity appears to be consistent with arguments favoring flexible benefit programs, which offer a range of benefit choices to meet different employee needs.

Use Pilots and Implement Programs Sequentially

Several officials recommended that work/family programs be implemented sequentially and pilot tested on a small scale before going to full implementation. They said pilots can be used to identify and remedy potential problems and test a program's viability before organizationwide implementation. We were also told it is much easier to discontinue an unworkable program in the pilot stage than after it has been implemented throughout the organization. For example, a Ventura County official told us the county had used a kind of pilot for its flexible benefits program when it had several months to smooth out some of the administrative problems in some small unions before contracts were implemented for the remainder of its unionized workforce.

Pilots can also be used to help decisionmakers choose between alternative programs or providers. A Prudential official we met with told us that the company pilot tested its dependent care resource/referral program with two outside resource/referral providers. The company reportedly found that one provider did a better job than the other and selected that provider to fully implement the program.

Officials who advised sequential implementation also said it is easier for employees to learn about programs one at a time and that this approach can convey a sense of sustained organizational commitment to work/family issues. For example, Hewlett-Packard officials told us that beginning a number of work/family programs at once can overload employees with information. They said sequential implementation allows employees to focus on one thing at a time and does a better job of getting their attention. A 3M official said adopting programs in stages allows people to appreciate each effort for what it is worth and signals to employees that the organization's commitment is more than a one-time token effort.

Limited Evaluations of Work/Family Programs

We asked the officials whether and, if so, how, they evaluated their work/family programs. Most of the evaluations they described focused on assessing program utilization rates and/or the degree to which employees were satisfied with the programs. Relatively few had attempted to gauge the operational effects of particular programs on recruitment, retention, absenteeism, or productivity. Some officials said their work/family programs had been implemented too recently for their organizational effects to be evaluated. Others said they had not evaluated the effects of the programs because of difficulties in separating the effect of work/family programs from other possible influences. For example, a Ventura County official said the county's vacancy and turnover rates went down after the county adopted its work/family programs. However, the official added that the county could not prove that its work/family programs caused this improvement because it could have resulted from other, uncontrolled factors, such as the recession.

We were also told it can be costly to evaluate the organizational impact of work/family programs. For example, the officials we met with at IBM told us the company had considered hiring a consultant to determine if the organizational impact of IBM's work/life programs could be evaluated. IBM found that it would cost $150,000 just to learn if such an evaluation could be done. The officials said the company preferred to take this money and spend it on programs, adding that IBM believed it was implementing common sense solutions and did not want to waste time and/or money trying to validate that "X" program reduced turnover by "X" percent. Similarly, a Prudential official told us the company had not attempted to evaluate the impact of its resource/referral program on productivity because management generally agreed that saving employees time in making child care or elder care arrangements would have a positive effect on productivity.

Available Evidence Indicates That Work/Family Programs Can Have a Positive Organizational Impact

Although the evidence was limited, several officials provided or described the results of evaluations that indicated that work/family programs, particularly telecommuting, alternative work schedules, sick-child care, and family leave, had saved the organizations money, improved productivity, and/or reduced turnover. None of the evaluations indicated an adverse effect.

The California Telecommuting Pilot Project

Among the organizations we visited, the most comprehensive effort to assess the operational effects of a work/family program appeared to be the California state government's evaluation of its telecommuting initiative. The California Telecommuting Pilot Project began in 1988 and ended in January 1990.[9] Participants in the project, as well as a "control" group of state employees who did not telecommute, were monitored during this period to test the effects of telecommuting. The final report on the evaluation was issued in June 1990. It concluded that "for this group of mid-level employees, telecommuting has a positive effect on performance, however rated. Furthermore, the effect appears to be increasing with time . . ."[10]

According to the report's benefit-to-cost analysis, the project's cumulative benefits paid for its start-up costs by early 1989. The benefit-to-cost ratio

[9]The state defined telecommuting as "sending the work to the workers instead of sending the workers to work; the partial or total substitution by telecommunications technology, possibly with the aid of computers, for the commute to and from work." The program averaged about 150 telecommuters drawn mainly from 6 of the 14 participating state agencies.

[10]The California Telecommuting Pilot Project, Final Report, Department of General Services, State of California, June 1990.

was calculated to be .87 (an average of $.87 in benefits for each $1.00 spent) in 1988 but 8.00 ($8.00 in benefits for each $1.00 spent) in 1989.[11] The report added that "benefit-to-cost ratios could reach more than 20:1 if the experience to date continues to be valid in future years."

The report also concluded that the telecommuting project yielded work/family-related dividends that could not be easily quantified in terms of dollar savings. For example, telecommuters generally experienced more positive changes in their personal and their work relationships than did members of the control group. Of 11 categories of work/social impacts covered in evaluation questionnaires, the category called "personal life" showed the fourth largest positive change for telecommuters as compared to the control groups. This category included "changes in quality of family relationships, discretionary time, feeling of control of one's life, ability to separate work and home life, success in self discipline, coordination of family and work time, and knowing when to quit work."

On the basis of these results, the report recommended that existing telecommuters be allowed to continue working at home and encouraged expansion of the program to every state agency. We were told a number of agencies were allowing employees to telecommute at the time of our visit.

Savings and Productivity Improvements From Sick-Child Care Programs at 3m and Honeywell

Both 3M and Honeywell did evaluations to determine if their sick-child care programs had reduced absenteeism and thereby saved the companies money. 3M surveyed employees who were turned away from the company's sick-child care provider during a period when demand outpaced supply. These employees said they had stayed home with their sick children 80 percent of the time. Considering the lost productivity when sick-child care was unavailable compared to the company's cost of providing sick-child care, 3M concluded the program had produced a more than 200-percent return on the company's investment.

Honeywell also concluded that the value of the productivity increase resulting from its sick-child care program outweighed the program's cost to the company. Honeywell's Employee Benefits unit calculated that the ratio of "productivity dollars" to program cost was 2.7 to 1 in 1989 and 2.5 to 1 in 1990. Since Honeywell had no data on how often its employees took off when sick-child care was not available, its calculations assumed that every employee who used the program would have stayed home. If 3M's 80-percent absenteeism figure had been used in Honeywell's calculations,

[11]In 1988, the program's annual costs were calculated to be $264,509, and the annual benefits were calculated to be $230,919. In 1989, the program's annual costs were calculated to be $141,049, and the annual benefits were calculated to be $1,128,252.

the ratios of productivity dollars to costs would have been 2.2 to 1 in 1989 and 2.0 to 1 in 1990—still showing the productivity gain from the program far outweighing the costs.

Compressed Work Week Savings at Grumman

Grumman tracked the results of its 4 day, 40 hour compressed work week schedule at a plant that makes postal trucks. A company official told us employees appreciated the additional days off and that productivity at the plant had remained at the same level. Therefore, this allowed the company to save money by closing down the plant 1 day a week.

Family Leave Helped Employee Retention at Aetna and Travelers

An Aetna official told us a limited evaluation suggested the company's family leave policy had positively affected retention of female employees with young children.[12] She said before the adoption of family leave in 1988, 23 percent of Aetna employees who went on maternity disability did not return to the company. By 1991 the percentage of nonreturners had dropped to 9 percent. About 25 percent of those who returned did so as either temporary or permanent part-time employees.[13]

Similarly, a Travelers official said the company had analyzed its family leave, optional work arrangement, and other family care programs and found they had reduced pregnancy-related turnover. He said flexible work arrangements allowed Travelers to ease employees back into the work place after they had been on family leave.

Officials Believe Programs Are Beneficial

Although formal evaluations of the operational effects of work/family programs were often not done, many of the officials we met with expressed a strong belief that the programs were good for their organizations and yielded business dividends. Work/family programs were credited with cost savings, productivity improvements, and a strengthened recruitment or retention posture. For example:

- The American Express official we interviewed told us the company firmly believes work family programs are a business issue because "our employees have told us it is a business issue." The official said she believes the programs are related to recruitment and retention of quality employees—now more than ever, because more and more companies are

[12]The policy encourages Aetna supervisors to grant unpaid time off for up to 6 months to employees faced with major family events, such as the birth or adoption of child, or the serious illness or injury of a parent, spouse, or dependent child. Alternate staffing options are available once employees return to work, including part-time work, job sharing, and other nontraditional work arrangements.

[13]It should be noted that this evaluation did not control for other factors besides family leave (e.g., the recession) that could have contributed to the reduction in turnover.

implementing these programs. She also said American Express recruiters tell her that potential employees know the company offers these work/family benefits. She added that she got anecdotal evidence of retention effectiveness from employees who say "I would never leave this company" because they benefited from the flexibilities and other family-friendly programs American Express offers.

- IBM officials told us the company views its work/family programs as "investments in the economic and competitive health" of the company, even though it has not tried to calculate the programs' return on investment. The officials said this view stems in part from survey data that indicated IBM employees believe work/life issues affect retention and, to a lesser extent, recruitment.
- An Aetna official told us the company's recruiters believe their work/family programs are important to recruiting and that the company is gaining a good reputation with students. She said students increasingly ask questions about such programs and policies as day care and paternity leave.
- A Ventura County official said the county has been able to use programs such as flexible spending accounts and benefits as recruiting incentives because some public jurisdictions with whom the county competes may not offer them. The official said benefits such as these are important to get people to come to Ventura County from areas where the cost of living is lower.
- A Prudential official said it could take a lot of work time for employees to find child care and elder care assistance by themselves because the effort may require five or six calls to providers who are primarily available only during work hours. Therefore, he said, it was logical for Prudential to conclude that productivity would improve if the company offered a referral program, especially since Prudential's service is available to employees on Saturdays.
- Similarly, an AT&T official told us that managers seem willing to accept anecdotal evidence that work/family programs can improve productivity. The official said:

> (p)eople look for facts and figures, but it is not a hard case to prove in a discussion with someone. [Our senior managers] all know a single parent or a working parent who is struggling with this, and common sense tells you if you make it a little easier they are going to be less distracted at work and are going to work harder and work better.

Organizations Planned to Sustain Program Commitments in Spite of Recession

At the time of our interviews, a number of the officials said their organizations had experienced financial difficulties because of a downturn in the economy. Officials in a number of private companies described reductions in their workforces and declining profits. Officials in the public organizations we visited spoke of the budgetary difficulties they were facing.

Despite these conditions, the officials indicated that their organizations had not cut back on their work/family programs.[14] The resilience of the programs seemed to indicate their importance as a "bottom-line" business issue. For example:

- An IBM official told us the company will continue to support work/family programs during recessionary times because "we can't afford not to do so." He added, "We're not going out of business; we're just changing the makeup of our workforce. We still have an ongoing need to attract the best and retain them." Another company official told us that IBM's work/life message was not to cut back on programs, but to say "We know times are bad, but at times like this an investment in our people is necessary to help maintain productivity."
- New York State government officials told us that despite the uncertainty of the state's budgetary situation, there were strong indications that both unions and management were supportive of the programs. One official said the state would probably concentrate more on running its existing child care centers than on building more centers. We were told other initiatives, such as the state's demonstration projects for resource/referral services, were likely to continue to expand given strong union interest in the projects.
- A Du Pont official said the company had made a commitment to cut its operating expenses by $1 billion but added this cutback effort had not affected the company's work/family programs. In fact, Du Pont was able to increase corporate contributions to the Flying Colors program, and the dependent care referral service will be expanded in 1992 to include counseling on school performance, adoption, and services for people with disabilities.

Some officials acknowledged, however, that the economic slowdown was discouraging their organizations from implementing additional programs,

[14] A 1991 study by the Conference Board went even further. Over 60 percent of the 131 work and family professionals surveyed said they had expanded their work and family programs during the 1990-1991 period, regardless of whether their companies' profits declined or increased. All of the respondents said work and family programs were more important to employees during a recession.

or they said more costly programs adopted several years ago would be difficult to implement today.

Officials in two organizations said cutback conditions had increased their organizations' willingness to adopt programs with work/family implications—albeit for reasons unrelated to work/family issues. New York State's Voluntary Reduction in Work Schedule program, which allowed employees to trade salary for additional time off, was reportedly implemented in 1984 during a time of massive layoffs to help the state save money while preserving jobs. A Du Pont official told us the company was encouraging greater use of flexible work practices to facilitate downsizing, and it had issued corporate guidelines to encourage managers to consider supporting such programs as part-time work and job sharing. We were told support from top management was growing in response to cost cutbacks, as they realized it was better to retain skilled employees on a part-time basis rather than lose them altogether.

Work/Family Programs in the Federal Government

Our discussions with nonfederal officials clearly indicated that work/family programs can be of value to employers as well as employees. To compare federal and leading nonfederal work/family efforts, we sought to identify the federal programs now in place. We also attempted to identify any barriers that may exist to their adoption or expansion.

A report on federal work/family initiatives was issued by MSPB in November 1991, and at the time of our review OPM was doing another at the request of Congress.[1] Therefore, to understand the dimensions of federal work/family programs but not duplicate these agencies' efforts, we used interviews with selected agency officials, the MSPB report, and other publications. We also used the results of our survey of federal employees to gain a general understanding of employee needs in the work/family area and how often existing programs were used.[2] We do not know if the programs and policies brought to our attention through this process represent all work/family-related initiatives in the federal government. We believe they do, however, illustrate the range of such programs that exist or have existed in the federal sector, particularly those of a governmentwide nature.

Federal Work/Family Programs and Policies

Some federal programs have been adopted specifically to help employees balance their work and family responsibilities. Other policies, while clearly having work/family ramifications, have long been part of federal human resources management. Taken as a group, the federal government's work/family programs cover many of the categories discussed in chapter 2 of this report.

Alternative Work Arrangements

As noted in chapter 2, alternative work arrangements encompass any program or policy that involves a departure from uniform work schedules, benefits, or locations. Many of these arrangements are present in the federal personnel system.

[1]MSPB, Balancing Work Responsibilities and Family Needs: The Federal Civil Service Response, Washington, D.C., Government Printing Office, November 1991. The October 1991 conference report for the 1992 Treasury, Postal Service, and General Government Appropriations Act (H. R. #102-234, p. 39) required OPM to survey federal agencies "to assess the use of profamily employee programs governmentwide . . ."

[2]The full results of our survey of federal employees will be presented in a future report.

Part-Time Work

Federal employees have long been able to work part-time, but only a small percentage do so.[3] In 1978, Congress enacted the Federal Employees Part-Time Career Employment Act to increase part-time opportunities for federal workers.[4] Work/family concerns were clearly an impetus for passage of the act, as its purpose statement noted that part-time work could provide "parents opportunities to balance family responsibilities with the need for additional income." The legislation changed the way part-time positions were counted in determining staffing levels, pro-rated the government's contribution to health insurance premiums based on employees' work schedules, and required agencies and OPM to establish programs to encourage the use of part-time work.

In a 1986 report, we found that neither OPM nor all of the agencies we reviewed had adequately fulfilled their duties under the act to increase part-time employment opportunities.[5] Similarly, although a greater proportion of part-time employees were from higher grade levels, the 1991 MSPB report indicated that the percentage of federal workers on part-time schedules in 1989 (2.3 percent) was about where it was in 1978.[6] MSPB said the lack of progress in creating part-time job opportunities was primarily because of "organizational inertia" rather than overt opposition to part-time schedules, and it noted that few agencies had "substantial" part-time programs.[7] MSPB recommended that OPM develop programs that expand part-time job opportunities and communicate the availability of those jobs to such groups as mothers with school-age children.

Job Sharing

Although job sharing arrangements were encouraged by the Federal Employees Part-Time Career Employment Act of 1978, in 1990 Congress required OPM to establish a formal job sharing program. The Treasury, Postal Service, and General Government Appropriations Act for fiscal year 1990 appropriated at least $250,000 to OPM to establish a program to facilitate job sharing. In October 1990, OPM established a pilot automated

[3]In the federal government, part-time work is defined as working between 16 and 32 hours a week.

[4]Public Law 95-437, Oct. 10, 1978, codified at 5 U.S.C. 3401-3408.

[5]Federal Personnel: Federal Agencies' Part-Time Employment Programs (GAO/GGD-86-103BR, July 1986).

[6]There have been changes in the type of workers on part-time schedules. For example, many part-time employees in 1978 worked 39 hours a week, a practice ended by the law's definition of part-time employment as 16 to 32 hours a week. Nevertheless, our 1986 report showed a decline in the percentage of the workforce on part-time schedules between January 1981 and January 1986—after the definition of part time was changed.

[7]Federal agencies vary in the percentage of their white-collar workforce on part-time schedules, from 9 percent at OPM to less than 1 percent at the Departments of Air Force, Education, and other agencies.

registration project in Boston, Chicago, Los Angeles, and Washington, D.C. known as "The OPM Connection." The project matches employees looking for job sharing partners, allowing the team to apply for full-time vacancies announced by agencies. The OPM Connection also lets agencies get the names of federal workers interested in part-time or shared job opportunities. OPM also published guidance to federal managers on job sharing.[8]

As of December 1991, about 775 federal workers governmentwide were involved in job sharing arrangements. The 1991 MSPB report noted the "inherent complications" of job sharing arrangements and said it believed

> participation by Federal employees in job-sharing teams is unlikely to expand dramatically and, therefore, job sharing is unlikely to be the means through which part-time opportunities become significantly more common throughout the Government.[9]

Nevertheless, job sharing may be an option for positions that cannot be filled on a part-time basis.

Flexible Work Schedules

The Federal Employees Flexible and Compressed Work Schedules Act of 1978 authorized, but did not require, agencies to establish programs that allow the use of flexible and compressed work schedules.[10] Earlier analyses by our office, OPM, and others showed that flexible work schedules can have a positive influence on government operations and on federal employees' lives.[11]

Our 1991 survey of federal employees indicated that flexible work schedules were used by a substantial number of federal workers. Over 40 percent of the respondents said they were on flexible work schedules. However, 45 percent said they would prefer more flexibility in their work schedules. Of the respondents who said they did not use flexitime, 58 percent said their agencies did not have a flexitime program and another 19 percent said their agencies had a program but did not allow them to participate. Only 13 percent of those not using flexible schedules said they did so of their own volition. Forty-three percent of employees not on

[8]See FPM Letter 340-3, September 10, 1990, and "Job Sharing for Federal Employees" October 1990.

[9]MSPB, Balancing Work Responsibilities and Family Needs, p. 44.

[10]Public Law 95-390, extended in 1982 by Public Law 97-221, made permanent in 1985 by Public Law 99-196, and codified at 5 U.S.C. 6120-6133.

[11]See, for example, Alternative Work Schedules for Federal Employees (GAO/GGD-85-63, July 19, 1985).

flexible schedules said being allowed to work flexible schedules would make them more likely to stay with the federal government.[12]

Flexible Benefits and Flexible Spending Accounts

Although all of the leading nonfederal organizations we visited had flexible spending accounts and most had flexible benefits programs, the federal government generally does not offer its employees these benefit options.[13] No specific statutory authority exists for either program for federal employees.

Several studies have indicated these benefits could be desirable for the federal workforce. A 1989 study by the Congressional Research Service concluded that flexible benefits and flexible spending accounts were considered "important recruiting tools by large private employers. To remain a competitive employer, the Federal Government may wish to consider whether its benefit plans should be offered as part of a flexible benefits arrangement."[14] In 1991, MSPB recommended that "(s)trong consideration should be given to the adoption of a (flexible) benefits approach within the Government."[15] MSPB also noted that while the adoption of flexible spending accounts as part of such a plan would be "preferable," a flexible benefits approach could be implemented without such accounts.

Federal employees are also strongly in favor of the adoption of flexible benefits. In our 1991 survey of federal employees, respondents were asked how much interest they would have in participating in a flexible benefits plan. Even though they were told that any costs they would bear were uncertain, 57 percent of the respondents said they had either "great" or "very great" interest in participating in such plans. Another 23 percent expressed "moderate" interest in flexible benefits. The respondents also

[12]A 1991 survey of federal employees by Federally Employed Women reached similar conclusions. Almost 60 percent of employees in that survey said they did not have adequate access to flexible work arrangements.

[13]However, the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision do provide flexible spending accounts to their employees. Flexible spending accounts are being developed for career nonbargaining employees in the Postal Service and are expected to be implemented by mid-1992. The House of Representatives explored the possibility of offering such accounts for its employees in late 1991 but had not implemented them at the time this report was prepared. In addition, the Federal Reserve System, the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, The Office of the Comptroller of the Currency, and the Office of Thrift Supervision have premium conversion plans that allow employees to pay health premiums on a "pre-tax" basis.

[14]James R. Storey, Issues in Designing a Flexible Benefits Plan for Federal Employees, Washington, D.C., Congressional Research Service, Aug. 3, 1989, p. CRS-1.

[15]MSPB, Balancing Work Responsibilities and Family Needs, p. 80.

indicated that a flexible benefit plan could have a positive effect on retention; 44 percent of the respondents said such a plan would make them more likely to stay with the federal government.

Congress and other organizations have, on several occasions, investigated whether such benefits could or should be offered.[16] In 1989, the Federal Employee Child Care Act (H.R. 1628) was introduced, which would have required OPM to establish a governmentwide flexible spending account program covering dependent care costs. However, that bill was not enacted into law. A 1988 study commissioned to examine the Federal Employees Health Benefits program concluded it was duplicative and expensive, and recommended the establishment of a flexible benefits plan.[17] We concluded in 1988 that if the federal government were to have a flexible benefits plan, it should include flexible spending accounts.[18]

The issue of flexible benefits for federal workers was also investigated by the Human Resources Committee of the President's Council on Management Improvement (PCMI).[19] The PCMI study was completed in January 1991 but has not been released. The draft report concluded that a flexible benefits approach

> is 'doable' in the federal government from both a systems and administrative perspective... (Flexible benefits would) be advantageous to both the Government and Federal employees. Employees would gain additional flexibility to tailor benefits to their own needs. The Government, as employer, would gain an improved recruitment and retention stance, and a greater understanding of and control over overall benefit costs.

Flexible Work Place Programs

As far back as 1957, the Comptroller General approved the payment of salaries to federal employees for work done at home, on a case-by-case basis, under the following conditions: (1) agencies could demonstrate that they were able to verify and measure the performance of the assigned work against established quantity and quality norms, (2) a substantial amount of the employees' work was amenable to being done at their

[16]For an example of a recent congressional initiative, see U.S. House of Representatives, Committee on Government Operations, Subcommittee on Employment and Housing, A 'Cafeteria' Flexible Benefit Plan for Federal Workers?, March 1, 1988.

[17]The study was done by Towers, Perrin, Forster & Crosby at the request of the Director of OPM.

[18]Flexible Benefit Plans for Federal Employees (GAO/T-GGD-88-12, March 1, 1988).

[19]The PCMI is an interagency body established by executive order in 1984 to develop and oversee the implementation of improved management and administrative systems for governmentwide application. It comprises assistant secretaries for administration or their equivalents from 21 departments and agencies.

homes, and (3) there was a reasonable basis to justify the use of the home as a workplace.[20]

Several flexible work place initiatives have been tried in the federal government. The most ambitious and widely known of these initiatives is the Federal Flexible Workplace Pilot Project. Done under the auspices of the PCMI and overseen by OPM and GSA, the project was initiated in January 1990 and was ongoing as of the date of this report. Participating employees are allowed to work in their homes for specified portions of each payroll period. Guidelines issued by the PCMI described how agencies could establish their own projects and answered questions on such issues as performance management and legal liability. The Treasury, Postal Service and General Government Appropriations Acts for fiscal years 1991 and 1992 have permitted federal agencies participating in the flexible workplace study to pay for the installation of telephone lines and other necessary equipment in employees' homes, provided there were adequate safeguards against private misuse and the service was necessary for direct support of the agencies' missions.

As part of the Flexible Workplace Pilot, a satellite work station is to be established in Hagerstown, Maryland, about 75 miles from Washington, D.C. The work station is to be equipped with telephones, computers, and facsimile machines, allowing employees who live in the area to telecommute to their jobs in Washington for part of the work week. An OPM official said as many as 200 employees could use the work site. Another satellite work station has been proposed for federal employees in the Winchester, Virginia, area.

Although not part of the pilot program, federal agencies in the downtown Los Angeles area are preparing to contract for satellite work center services in Ontario and Riverside, California (about 50 to 60 miles outside the downtown area). The agencies have been working with the Cooperative Administrative Support Unit to faciliate and administer the contractual arrangement.[21]

In general, the federal flexiplace project has had a lower usage level than its organizers originally expected. According to OPM, about 80 percent of all full-time civilian nonpostal employees are in jobs that could be done at least 1 day a week outside the traditional workplace. About 2,000 federal workers were originally expected to be involved in the pilot project. As of

[20]See 68 Comp. Gen. 502, 504 (1989); B-131094, Apr. 17, 1957.

[21]The Cooperative Administrative Support Unit is an interagency structure chartered by the PCMI.

February 1992, though, about 550 employees were participating in the project. Most of these employees were from the Environmental Protection Agency, the Equal Employment Opportunity Commission, and the Departments of Health and Human Services and Agriculture.

Despite this low usage level, there are some early indications that federal flexiplace initiatives can improve productivity and lower costs. For example, the Equal Employment Opportunity Commission found that productivity among investigators, measured by the number of interviews conducted, had increased under the program. Similarly, allowing Defense Investigative Service special agents and industrial security specialists to work out of their homes has eliminated office space at government facilities and thus has produced cost savings.

There are also indications that federal employees find flexible workplace arrangements desirable. Nearly 50 percent of federal workers we surveyed in 1991 said they had a "great" or "very great" interest in working under a flexible workplace arrangement; another 17 percent expressed "moderate" interest. If allowed to participate, nearly 40 percent of the respondents said flexiplace would make them more likely to stay with the government.

Leave Policies

By law, full-time federal employees accrue from 1/2 to 1 day of paid time off (i.e., "annual leave") each biweekly pay period, depending on their years of service with the federal government. Employees may generally carry over up to 30 days of unused annual leave from 1 year to another.[22] The law also states that full-time federal employees accrue 1/2 day of sick leave each biweekly pay period, and unused sick leave accumulates without limit for use in succeeding years.[23] Annual and sick leave accruals are pro-rated for part-time employees. No specific statutory authority exists regarding parental or family leave.

Federal leave policies are, in some ways, both conducive to and at odds with achieving work and family balance. For example, the amount of annual leave provided to federal workers is more generous than for employees in most medium and large private sector firms.[24] Federally

[22]See 5 U.S.C. 6303-6304.

[23]See 5 U.S.C. 6307.

[24]According to BLS, employees in medium and large private sector firms in 1989 averaged 9.1 days of vacation at 1 year of service, 16.5 days at 10 years, 20.4 days at 20 years, and 21.9 days at 30 years. Full-time federal employees generally receive 13 days of annual leave in their first 3 years of service, 19.5 days between 3 and 15 years of service, and 26 days for 15 years or more of service.

employed women who become pregnant are allowed to use sick leave during the period in which they are unable to work. Federal workers (i.e., both women who become pregnant and their husbands) may be able to use accumulated annual leave and take leave without pay if approved by agency officials. In fact, federal personnel policy encourages federal agencies to provide employees with parental leave for the birth or adoption of a child.

However, federal employees are generally not guaranteed unpaid leave or the use of their accrued annual leave for parental or family purposes. Agency heads have discretion over the circumstances in which annual leave and/or leave without pay can be granted.[25] Although OPM officials said federal workers are generally granted the parental and annual leave they require, there have been some instances where employees have been denied requested leave without pay.

In some states, federal employees are the only workers who are not guaranteed parental or family leave. According to the Families and Work Institute, eight states and the District of Columbia require all employers above a certain size to provide a set amount of unpaid leave for birth, adoption, or family illness.[26] In six other states, state employees are guaranteed family leave. Other states guarantee female employees maternity leave or provide other leave guarantees. Proposed legislation has been introduced in Congress that would guarantee unpaid leave to federal employees for family emergencies.[27]

Some federal agencies have guaranteed their employees the right to take parental or family leave. For example, employees in GAO are guaranteed the right to take up to 6 months unpaid leave for the birth or adoption of a child in addition to any sick or annual leave they take, with the same or comparable position assured them upon their return. The Tennessee

[25]See 5 U.S.C. 6302 (d), which says that accrued annual leave "may be granted at any time during the year as the head of the agency concerned may prescribe." The Federal Personnel Manual (Chapter 630, subchapter 3-4) says that annual leave is provided in part to "provide periods of time off for personal and emergency purposes." Thus, annual leave can be granted for maternity or paternity reasons, but agency heads can determine allowable circumstances. Subchapter 12 of Chapter 630 of the Federal Personnel Manual specifies only two situations where there is a right to leave without pay: (1) disabled veterans undergoing medical treatment pursuant to Executive Order 5396; and (2) military reservists and members of the National Guard involved in military training pursuant to section 2024(d) of Title 38, United States Code.

[26]The eight states are California, Connecticut, Maine, New Jersey, Oregon, Rhode Island, Washington, and Wisconsin. The maximum length of leave required varies from 6 to 16 weeks, commonly within a 2-year period.

[27]H.R. 2 (introduced January 3, 1991) and S. 5 (introduced January 14, 1991).

Valley Authority's (TVA) family leave policy entitles full-time employees with 1 year of service to take up to 10 weeks of unpaid leave during a 24-month period for a child's birth or adoption, or because of a child's, spouse's, or parent's serious illness. TVA continues to pay the employer's share of benefits while its employees are on family leave.

In general, accrued sick leave can be used only for an employee's own illness. However, OPM regulations do allow it to be used to care for a family member who is ill if the family member has a contagious disease. This policy can create some odd situations. For example, if a federal employee's child has chicken pox, the employee is permitted to use accumulated sick leave to care for the child. However, if that same child were to break his or her leg or contract cancer, the employee would not be able to use sick leave to care for the child.

The Federal Employees Leave Sharing Act of 1988 authorized two experiments—leave transfers and leave banks—for expanding the federal leave program.[28] Leave transfers allow employees to donate annual leave (but not sick leave) to a co-worker whose leave balance has been exhausted and who has a "medical emergency" (i.e., a medical condition of the employee or a family member requiring extended absence from work and loss of income due to lack of paid leave). Leave banks, done on a more limited basis in six agencies, permit employees to donate annual leave (but, again, not sick leave) to a pool from which participants can later draw for medical emergencies.[29] A 1990 OPM study indicated that 77 percent of all federal installations surveyed had implemented leave sharing programs, and of these nearly 60 percent allowed leave donations to employees whose family members were ill. The leave sharing and leave bank experiments are scheduled to end in October 1993, at which time OPM is to recommend to Congress whether either or both should be continued.[30]

One experimental leave program expired and has not yet been reauthorized. The Treasury, Postal Service, and General Government Appropriations Act for fiscal year 1991 allowed federal employees to use sick leave to attend to matters related to the adoption of a child (e.g., to

[28]Public Law 100-566.

[29]The six agencies are the Internal Revenue Service, the Environmental Protection Agency, the National Gallery of Art, the Occupational Safety and Health Review Commission, the Farm Credit Administration, and the Defense Nuclear Agency.

[30]Many federal employees are amenable to changes in this program. Over 50 percent of the respondents to our 1991 survey of federal workers who had a spouse or other immediate family member working for the federal government said they would donate annual leave to those family members within the next year if the leave sharing program were changed to allow such transfers.

meet with attorneys, adoption agencies, or social workers). OPM surveyed agencies' experiences in the program and found that 526 federal employees were granted sick leave for adoption in fiscal year 1991, with an average of 53 hours used by each employee. Sixty percent of the program participants were women.

Child Care Programs

The federal government has long been involved in child care issues, with a number of programs and policies affecting child care providers and facilitators across the country.[31] Federal child care programs for its own employees are heavily weighted toward on-site centers, although some initiatives have been undertaken in other child care program areas.

On-Site/Near-Site Child Care Centers

As of February 1992, there were 80 child care centers in building space controlled by GSA. There were dozens more in space controlled by individual civilian agencies (e.g., the Department of Veterans Affairs and the Forest Service) and hundreds at military installations.[32] Child care center consortiums or collaborations between federal agencies also appear to be fairly common. A 1990 OPM study indicated that most non-Defense installations with child care facilities shared their facilities with other federal organizations. For example, GSA officials said the Interstate Commerce Commission did not have sufficient demand to establish a child care center of its own, so it provided money for renovation of space in a center operated by the Department of Transportation in return for slots in the center and preference on the waiting list.

The growth of federal on-site child care centers for civilian employees is a relatively recent phenomenon, spurred largely by the passage in 1985 of what has become known as the "Trible Amendment."[33] Before that

[31]See, for example, Sharon Stephan and Susan Schillmoeller, Child Day Care: Selected Federal Programs, Congressional Research Service, The Library of Congress, April 7, 1987; Anne C. Stewart, Child Day Care, Congressional Research Service, The Library of Congress, December 4, 1990; and Child Care: Government Funding Sources, Coordination, and Service Availability (GAO/HRD-90-26BR, Oct. 13, 1989).

[32]Child care centers at military installations are primarily for military personnel, although civilian workers can use the centers if space permits. We were told that space at such centers is rarely available for use by civilian employees. For more on this issue see Military Child Care: Extensive, Diverse, and Growing (GAO/HRD, 89-3, March 8, 1989). See Bureau of National Affairs, Federal Initiatives for Work and Family in 1989: Analysis and Perspective (Washington, D.C.: Bureau of National Affairs, Inc., December 1989) for case studies of child care centers at the Central Intelligence Agency, the Department of Defense, the U.S. Congress, and the Department of Housing and Urban Development.

[33]Public Law 100-202 (1987), initially enacted as section 139, Public Law 99-190 (1985), codified at 40 U.S.C. 490b.

amendment was enacted, it was unclear whether federal agencies could use appropriated funds to provide space and other services to child care centers serving federal employees. The Trible Amendment specifically allows (but does not require) federal agencies to provide space and services in federal buildings for child care if (1) space is available, (2) at least 50 percent of those using the centers are federal employees, and (3) federal employees are given priority in allocation of available child care slots.[34]

According to GSA officials and other information we obtained, the 80 centers in GSA-controlled space have a capacity of about 5,600 children, with about 4,900 children enrolled as of February 1992. The centers provide care for about 3,450 children of federal employees who work in about 30 different agencies located across the country.[35] About 1,450 children of nonfederal employees are also provided care in these 80 centers. GSA officials expect about 12 more centers will open in GSA-space by December 1992. The centers are overseen by officials in GSA's Office of Child Care and Development Programs, with day-to-day operation of each center by nonprofit boards of directors (which are often the parents of children in the centers) or private vendors. The boards of directors were originally established to distance the agency from legal liability.

GSA officials told us that even though improvements have been made in the child care centers' programs, the federal child care system needs stronger management. They had visited 71 of the child care centers in GSA space at the time of our review and found a general "lack of expertise and business sense" on the part of those responsible for the operation of the centers. The officials also told us that GSA and the agencies that house the centers may not have the authority to require better management. However, they said new licensing agreements with child care center operators will give them that authority, which hopefully will resolve this problem. Some agencies have agreements with those responsible for the operation of federal child care centers which allow them that authority. Other reported problems with federal (and nonfederal) child care centers include low salaries, weak employee benefits, and high turnover rates for child care workers.

[34]A 1991 Comptroller General decision (70 Comp. Gen. 210) concluded that the Trible Amendment allowed GSA to lease space or construct buildings specifically for child care facilities if sufficient space was unavailable for such purposes in its existing inventory.

[35]No estimates were available as to the number of children of federal employees served by the child care centers in non-GSA space.

Despite the large number of federal child care centers, they may not be meeting the needs of all federal workers who need child care assistance. Our 1991 survey of federal employees indicated that about 14 percent of all respondents, or about 175,000 federal workers, had children under the age of 6 for whom they were responsible and who needed care some time during the work day.[36] Of these employees with children under the age of 6, 68 percent said if their agency provided day care it would help them meet their families' dependent care needs.

The cost of on-site child care may also be prohibitive for lower income federal workers. For example, we noted instances where infant care in federal centers cost $160 a week, care for "toddlers" (children under age 2) was $150 a week, and care for older children was from $110 to $140 a week. A federal employee at grade 5 in the General Schedule earns about $340 per week before taxes.

Other Child Care Initiatives

In addition to on-site or near-site centers, other child care initiatives have been tried in certain federal agencies. A 1990 OPM study indicated that 42 percent of the installations surveyed provided some type of information or referral services to address child care needs. However, the report did not indicate the nature or quality of those services. Federal personnel officers responding to MSPB's 1991 survey indicated that a significant number of employees in the Department of Commerce, the Equal Employment Opportunity Commission, the Department of Health and Human Services, the National Aeronautics and Space Administration, OPM, and the Department of Transportation had access to child care resource/referral services. OPM officials told us that several federal agencies (including OPM) had contracted with resource/referral consultants to provide child and elder care information and referral services to their employees, but they had discontinued those contracts because the expense could not be justified in light of low employee usage levels.

OPM is developing a child and elder care resource handbook that agencies can distribute and use as they see fit. The handbook lists names, addresses, and telephone numbers of child and elder care resources within each state, and it also provides users with information on how to identify

[36]Eighteen percent of the respondents said they had children between the ages of 6 and 12, and 9 percent had children between the ages of 13 and 18. These numbers cannot be added together to derive the total percentage of federal workers with children, however, because some respondents' children were in more than one age category. Overall, 30 percent of federal workers had children age 18 or younger.

quality child care providers. OPM officials said the handbook would be available to agencies later in 1992.[37]

Other types of child care assistance vary across federal agencies and installations. GSA surveyed the 80 child care centers in the space it controls to determine the types of programs they offered. Of the 78 responses received as of March 1992, 42 had emergency or "drop-in" child care capabilities, 37 had summer child care programs, 11 had before-and-after-school programs, and 4 had sick-child care facilities. Defense Department agencies (but no other agencies we are aware of) help their employees find child care in private homes that offer day care.[38] The Department of Transportation is the only agency we are aware of that has arranged discounts with nationwide child care providers. We are unaware of any efforts by federal agencies to develop new child care resources in communities specific to where their employees live or to pay part of employees' child care expenses. (As noted below, payment of employees' child care expenses may be a violation of federal law.)

Child care has also become an increasingly important issue in federal union contracts. As of January 1992, there were reportedly 68 child care provisions in 1,732 union contracts—twice as many as in 1984. The provisions mentioned on-site facilities, creation of committees to study the feasibility of centers, provision of information and referrals to employees, and other matters.

Elder Care

Elder care is sometimes described as an issue of the future, but for many federal workers elder care is already a reality. Our 1991 federal employee survey indicated that about 65,000 federal civilian employees had at least 1 dependent age 65 or older for whom they were responsible and who needed care at least part of each work day.

Some federal agencies have assisted their employees with their elder care responsibilities by offering resource/referral programs. About 23 percent of the civilian and military installations surveyed by OPM in 1990 indicated that they provided some type of elder care information and referral services to employees (compared to about 42 percent for child care). However, the report did not indicate the precise nature or quality of those

[37]The Department of Transportation developed a similar child and elder care resource/referral guide for its employees in 1990.

[38]As of 1990, the Department of the Air Force provided civilian and military employees equal access to 5,000 licensed day care homes. The Department of the Army provided access to 8,000 licensed day care homes.

services. As noted above, OPM is developing a resource/referral handbook that will provide agencies with some information on elder care resources in each state.

Some agencies were considering the development of on-site elder care facilities at the time of our review. The Internal Revenue Service plans to establish pilot on-site elder care centers at various locations throughout the country. The centers would provide respite day care for employees' elderly dependents who have conditions such as Alzheimer's disease. The Social Security Administration was putting its headquarters employees in contact with elder care resources in the Baltimore, Maryland, area. Ultimately, an agency official said, this could include inviting local senior centers to provide programs for employees' elderly dependents at certain Social Security worksites. However, it was unclear whether these agencies could provide space or use appropriated funds for elder care purposes. (The Trible Amendment allowed agencies to provide space for child care, not elder care.) We are unaware of any agencies helping to organize long-term care insurance for its employees or their dependents.

Other Work/Family Programs

A number of federal agencies provide counseling, training, and publications to their employees about work/family issues, commonly through their EAPS. A 1990 OPM study of federal dependent care programs found that most agencies had EAPS, counseling employees about a variety of personal problems that affected job effectiveness. OPM has encouraged agencies to use EAPS to provide counseling and support to employees who have dependent care responsibilities. However, the OPM study also indicated that "a significant percentage of employees are not well aware of the availability, location, and program coverage for services offered by their EAPS."[39] OPM also found that employee confidence in the confidentiality and the provision of services could be improved.

On occasion, agencies have been more proactive in their approach to work/family education and counseling. For example, the Department of Justice sponsored a "Dependent Care Fair" for its Washington, D.C., employees in November 1990, which over 300 Justice employees attended. The fair featured child and elder care community resources, with about 40 such organizations staffing exhibit booths and passing out materials. Justice sponsored another such fair in March 1992.

[39]Employee Assistance Programs, (OPM GWR 90-5, March 1990), p. 19.

We are not aware of any school match or dual career couple programs for federal employees.[40] Adoption assistance is not available for federal civilian employees, but it is available to military personnel. The National Defense Authorization Act for Fiscal Years 1992 and 1993 provided members of the armed services (but not civilian employees) up to $2,000 reimbursement for each adoption, with a maximum reimbursement of $5,000 a year. Qualifying expenses include adoption agency fees, placement fees, legal fees, and medical expenses related to the adoption of a child under 18 years of age.

OPM's Work/Family Leadership Efforts Have Been Limited

OPM is responsible for providing central leadership and guidance to federal agencies on human resource issues. However, OPM has played a limited role in the development and facilitation of work/family programs in the federal government. Its efforts have generally been confined to issuing policy statements and responding to congressional initiatives for new programs.

Although OPM has characterized dependent care initiatives as a "high priority," its November 1990 Strategic Plan for Federal Human Resources Management does not mention work/family programs. No single office within OPM or elsewhere in the federal government is responsible for all federal work/family efforts. What coordination or locus of responsibility exists is in OPM's Employee Health Services Branch. However, work/family programs are only one of several duties assigned to this unit. Organizationally, the Employee Health Services Branch is part of the Employee Relations Division, which is under the Assistant Director for Employee and Labor Relations, which is part of the Personnel Systems and Oversight Group, which is one of six operating groups in OPM.

Agencies such as the Internal Revenue Service (IRS), the Department of Justice, the Department of Agriculture's Animal and Plant Health Inspection Service (APHIS), and the Department of Transportation have taken a more active role than OPM, developing and implementing coordinated work/family strategies within their agencies.

OPM's Work/Family Activities

In the past 6 years, OPM has produced a series of policy statements that have generally described or restated federal leave, dependent care, and

[40]In fact, some federal employment policies create difficulties for dual career couples. For example, the Defense Logistics Agency has ruled that employees whose spouses work for the same contractor the employee monitors are violating a conflict of interest law, even if the spouse's job is unrelated to the federal worker's job. To remedy the situation the employee must change jobs or quit.

other work/family-related policies. For example, in July 1986 OPM issued policy guidelines that clarified agencies' authority to grant leave to their employees for dependent care purposes.[41] The guidelines said agencies should develop leave policies that are "compassionate and flexible for the employee," but that do not "adversely affect mission accomplishment." In most circumstances, agencies were advised to use annual leave and leave without pay to allow employees to care for family members.

In June 1988, OPM issued Federal Personnel Manual Bulletin 792-43, Addressing the Dependent Care Needs of Federal Employees. After stating that "(d)eveloping and implementing programs to assist Federal employees who are working parents has been a top OPM priority during the past several years," the bulletin primarily recounted federal policies and programs (e.g., the 1986 leave policy guidelines and agency EAPS) employees could use to meet their work/family needs. Noting that OPM supported GSA's efforts to develop on-site child care centers, the bulletin listed GSA's telephone number and encouraged agencies to call GSA if they wanted assistance.

In October 1988, OPM published a description of federal programs entitled Helping Federal Employees Balance Work and Family Life. The listed programs included flexible and compressed work schedules, parental leave, part-time employment, job sharing, leave transfer program, employee assistance programs, dependent care referral and information services, and on-site child care centers.[42]

Also in October 1988, OPM reported to the president on Addressing the Family Care Needs of Federal Employees. In that report, which was also sent to the heads of federal departments and agencies, OPM said, compared to other employers, the federal government's "long-standing personnel policies in the areas of leave, health benefits, job security, and workforce re-entry have given the federal government a competitive advantage in the dependent care area." The family-friendly policies OPM said gave the federal government this advantage included

- sick leave (which employees may use "for periods when they are temporarily disabled");

[41] Federal Personnel Manual, Chapter 630, Subchapter 13.

[42] The publication said these programs had been "initiated" and "developed" by OPM. However, most of the programs were established by law before OPM existed (e.g., annual and sick leave policies, holidays, health insurance, part-time work, flexible work schedules, and job sharing). Also, as noted previously, OPM has had little involvement in federal child care initiatives.

- annual leave ("which may be used for vacations, personal business, family care, etc.");
- paid holidays;
- "generous amounts of leave without pay" (available "when their agencies are able to grant employee requests"); and
- family health insurance coverage under the Federal Employee Health Benefits Program.

OPM's report to the president also noted the availability of flexible and compressed work schedules; referred to its 1986 memo encouraging federal managers to be flexible in granting leave; noted the availability of part-time employment and job sharing; and cited the leave transfer program, EAPs, dependent care referral programs, and child care centers as examples of recent federal initiatives. The report also said OPM planned to review agency dependent care referral programs and, if they were found successful, would encourage other agencies to establish such programs and would provide agencies with guidelines and model contracts for use in procuring referral services.[43]

In February 1990, OPM updated its October 1988 directory of federal agency dependent care programs, listing the names, addresses, and telephone numbers of child and/or elder care contacts in 33 agencies. (OPM officials said this directory would be updated using the results of its congressionally required survey of federal agencies' work/family programs.) In April 1990, OPM published an overview of private sector and federal child and elder care resource and referral services. The paper provided basic information about such services and briefly described certain organizations' programs.

In 1991, OPM initiated several work/family studies in response to congressional instructions in the conference report on its fiscal 1992 appropriations act. These efforts included (1) a work/family survey sent to about 80,000 federal workers across the country; (2) a survey of agencies' work and family programs; and (3) on-site visits to at least 25 federal installations around the country. OPM expects to report the results of these studies in April 1992.

OPM has also developed a brochure on work/family programs, which OPM officials said is a revised version of the 1988 compilation of federal work/family programs. OPM officials said the brochure would be sent to all

[43]However, OPM officials told us that this survey, which focused on five agencies' experiences with contracted resource/referral programs, revealed that they were not cost effective. Thus, no such guidelines or other material were published.

federal personnel directors and interagency advisory groups and would be available to agencies at a cost of about 50 cents a copy. As noted previously, OPM was developing a dependent care resource and referral handbook at the time of our review that they hoped would be distributed to agencies later in 1992.

GSA Has Assumed Leadership in Federal Child Care Centers

GSA has assumed a leadership role in the development and oversight of federal child care centers. In 1987, the GSA Administrator established the Office of Child Care and Development Programs to oversee child care programs housed in GSA space and to give the Administrator a better sense of program quality and the types of programs being pursued. The office gathers information about the centers through site visits and through annual written surveys, with semiannual updates on the centers' operations. The office also provides federal agencies with consultation and guidance in planning and operating the centers, opportunities for information sharing, and policy clarifications on such issues as fundraising and procurement of equipment.

GSA has also

- developed a nationwide network of child care coordinators within federal regions;
- instituted an initiative to improve salaries, health, accreditation, partnerships, and equity (known as the "SHAPE" program) in federal child care centers;
- organized national conferences on federal child care in 1990 and 1991, which were attended by representatives from federal child care centers in numerous agencies; and
- established an Interagency Task Force on Federal Child Care.[44]

Other Federal Agencies' Work/Family Initiatives

Several federal agencies have established their own work/family initiatives. For example, IRS established a "Work and Family Programs" section within the agency's Human Resources Division in 1985.[45] Staffed by a dependent care specialist, an early childhood development specialist, a telecommuting specialist, and other professionals, the section works closely with the National Treasury Employees Union to let employees know what IRS offers to ease work and family conflicts. The work of the section is viewed as part of the agency's mission and in fact grew out of its

[44] OPM is a member of this group and has helped sponsor and publicize its meetings.

[45] This section was known as the Employee Programs Section until December 1990.

strategic planning process. IRS runs 11 child care centers of its own and supports 25 other multiagency centers. As previously noted, IRS also plans to establish pilot on-site elder day care centers at several locations throughout the country to provide respite care for employees' dependents with such conditions as Alzheimer's disease.

The Department of Justice established a "Worklife and Family Issues" program in 1990 in response to an Attorney General task force recommendation. This action was seen as a means of addressing basic worklife concerns that were raised by employees in the Department and anticipated recruitment and retention challenges. In May 1991, the Attorney General issued a policy statement on employee work/life issues that enunciated the Department's policy on family leave, part-time employment, job sharing, and flexiplace.[46] He also said day care facilities would be incorporated "wherever possible in future building acquisitions."

The worklife program manager for the Department of Justice told us her duties included working with interagency groups on worklife issues; exploring, developing, and implementing initiatives in the Department as a whole; and working with divisions and bureaus within the Department. She said each division and bureau has different needs, so each may develop its own program within the context of the Department's "umbrella" program. Each Justice organization was asked to designate one person as a contact point to work with the worklife program group to coordinate activities throughout the Department. The FBI established its own worklife position primarily to develop and oversee its programs.

The Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has also been active in developing a work/family strategy. APHIS established a Dependent and Family Care Council in 1991 to guide the agency in developing a range of programs to help employees meet their family care needs. Like IRS, the agency got into these issues because of its strategic plan.

A focus group-based needs assessment study of APHIS employees in seven locations indicated the employees had five major areas of concern: (1) flexible leave policy; (2) flexible tours of duty (i.e., work arrangements); (3) flexible day care; (4) flexible benefits; and (5) culture and climate change. Suggested remedies included abolishing the distinction between annual and sick leave, redefining it as personal leave; changing the leave

[46]The Attorney General encouraged the granting of up to 6 months family leave, called upon managers to identify opportunities for part-time work and job sharing, and encouraged supervisors to consider the benefits of flexiplace to their staffs and to the organization as a whole.

transfer program to allow donation of sick leave as well as annual leave to fellow employees; child care subsidies; and greater use of alternative work schedules. Proposals in each of these five areas were submitted to APHIS management in February 1992, with a recommendation that they be tied to the agency's strategic plan. At the time of our review APHIS was also developing a four-color brochure describing all of the agency's work/family programs.

The Department of Transportation has been active in developing child care programs for its employees, with the first child care center for its headquarters employees opened in 1985.[47] As of March 1992 the Department had 14 on-site centers throughout the country and planned to open 3 to 4 more centers in each of the next several years. In 1990 the Department developed a resource/referral directory to help its employees find appropriate care for their children. It also developed a child care handbook that describes how to establish on-site centers and how to administer a quality child care program. A 1990 survey of Transportation employees' child care needs indicated their biggest concern was the cost of care. Using that information, the Department obtained discounts of up to 10 percent with several nationwide child care providers and provided its employees with a state-by-state directory of those providers.

These agencies notwithstanding, other agencies' dependent care programs appear to suffer from a lack of focus and/or organizational commitment. A 1990 review by OPM's Agency Compliance and Evaluation Office concluded there was often a "lack of central coordination, resulting in some duplication of effort, gaps in program content, and/or confusion among employees and supervisors as to where to obtain services." The report also said when dependent care responsibilities were assigned to installation personnel offices they were "not always accompanied by sufficient additional resources to get the job done well."

Agency Officials Want OPM to Take Leadership of Federal Work/Family Issues

All of the officials we spoke with at IRS, Justice, APHIS, and Transportation said OPM should have a stronger role in the work/family area. One official said he thought the classic example of OPM's lack of leadership was the fact that GSA is overseeing the federal child care system. In his opinion, federal child care management should be OPM's responsibility; he said OPM should be doing studies, issuing guidelines, and serving as a clearinghouse for information. He said OPM's lack of action in the work/family area was "extremely frustrating," forcing other agencies to attempt to fill the

[47] The U.S. Coast Guard has had on-site child care centers at various locations since the early 1970s.

vacuum. Another official pointed out that a number of federal representatives have attended private sector conferences on work/family issues, but OPM has not developed such a conference specifically for federal managers. One official said OPM needs to change some of its regulations to be more family friendly, such as broadening the use of sick leave to care for family members.

Several officials told us OPM should establish a unit specifically responsible for work/family programs. As they envisioned, that unit would seek statutory changes as necessary, rewrite regulations to permit agencies more flexibility, help agencies develop work/family programs, and publish information and models for agencies to use in administering the programs.

Barriers to the Adoption of Work/Family Programs in the Federal Government

Our discussions with officials at OPM, GSA, and other agencies led us to conclude that there were at least three types of barriers to the adoption or expansion of work/family programs in the federal government: (1) a lack of clear statutory or regulatory authority for certain programs, (2) the cost of some programs, and (3) what we have termed a "political/philosophical" barrier. Although some of these barriers cut across all types of work/family programs, others are more pertinent to particular initiatives.

Statutory/Regulatory Barriers to Federal Work/Family Programs

Some work/family programs may not be permitted in the federal government without changes in federal statutes or regulations. For example, a change in federal law would be needed to (1) establish a flexible benefits program for federal employees in lieu of the standard set of employee benefits now authorized by statute, (2) allow federal employees to establish flexible spending accounts,[48] or (3) require agencies to guarantee employees the right to use leave without pay or to use their accrued annual leave for the birth or adoption of a child. Federal law also prohibits supplementation of federal employees' salaries; paying part of their child care expenses could violate that prohibition. At least a change in OPM's leave regulations would be required to guarantee employees unpaid maternity, parental, or family leave. OPM could also change its regulations in order to allow employees to use their sick leave to care for immediate family members who are ill but who do not have a contagious disease.

[48]In a 1986 memo to the IRS Labor Relations Branch, a branch chief in the IRS General Legal Services Division concluded that federal employees may not participate in salary reduction agreements such as flexible spending accounts. Since federal employees' salaries are set by law, IRS said "any variation in rates of pay by a federal agency would violate the pay statutes."

In some cases it is unclear whether certain work/family programs can be adopted by federal agencies without express statutory authority. For example, although the Trible Amendment clarified that federal agencies can use appropriated funds to provide space and other support for child care centers, GSA's General Counsel has ruled that the amendment does not authorize such support for elder care.[49]

GSA officials we met with mentioned several ways the Trible Amendment can act as a disincentive to federal-nonfederal child care consortium arrangements. For example, they noted that although a number of federal child care centers are used by nonfederal employees, the Trible Amendment does not permit agencies to require nonfederal employers to contribute to the costs of the centers. This, in effect, allows those employers to obtain government-subsidized child care assistance.[50]

On the other hand, the GSA officials said nonfederal employers can be reluctant to contribute to the cost of federal centers because the Trible Amendment gives federal workers' children preferential admission. Therefore, nonfederal employers cannot be assured they will receive a certain number of child care slots in return for their contributions. Furthermore, they said federal agencies are concerned that requiring nonfederal employers to contribute to a child care center's costs could be in violation of appropriation laws.

Similar legal concerns could arise in the opposite circumstance, when federal agencies want to purchase slots in private companies' child care centers. As noted previously, the Trible Amendment only allows agencies to provide space, utilities, and equipment for child care centers in federal buildings; it does not authorize agencies to purchase slots in other organizations' centers, even if the cost would be less than providing space for their own centers. GSA officials noted, for example, that air traffic controllers might place their children in centers operated by airlines at airports, but the Federal Aviation Administration cannot subsidize or even organize that activity on behalf of the controllers.

[49]At the time this report was being prepared, IRS was working with OPM to obtain statutory authorization so that IRS could go ahead with the development of on-site elder care facilities. IRS also asked our Office of General Counsel whether it could use appropriated funds for some preliminary work on this effort. IRS officials said the lack of clarity on the appropriateness of elder care expenditures was a major stumbling block to their elder care efforts.

[50]They mentioned one private sector company whose employees have used federal child care centers extensively, but the company has contributed nothing to the costs of those centers.

Cost as a Barrier to Federal Work/Family Programs

To the extent that work/family programs increase federal employment expenses, the added costs represent an obvious impediment to adopting the programs. For example, extending the current system of on-site child care centers, assisting with elder care needs, or paying part of employees' dependent care expenses could be costly.

Another kind of "cost" could be incurred if flexible spending accounts were adopted for federal employees. As previously discussed, nonfederal employers view the accounts as money savers because they and their employees do not pay taxes on the salary amounts used to fund the accounts. However, such tax savings represent lost tax revenues to the federal government. Use of flexible spending accounts by federal employees will increase the tax losses the government already incurs.[51]

A Political/Philosophical Barrier to Federal Work/Family Programs

The third type of barrier to federal work/family initiatives is "political" or "philosophical" in nature. While not as tangible as the statutory/regulatory or cost barriers, this type of impediment may be more pervasive. It lies in the attitude that the federal government should not use taxpayer funds to provide benefits to federal employees that nonfederal employees in general do not have. OPM officials said that anticipation of adverse reaction to work/family initiatives based on this attitude can not only make federal agency officials unwilling to pursue new initiatives, it can also make them hesitant to publicize existing programs.

For example, even though the nonfederal organizations we visited found employer-supported child care assistance to be appropriate, BLS data show that 95 percent of employees in medium and large private companies did not enjoy this benefit in 1989. Further, although the percentage of employees eligible to use flexible spending accounts increased from 5 percent in 1986 to 23 percent in 1989 in medium and large private companies, and from 5 percent in 1987 to 31 percent in 1990 in state and local governments, most nonfederal workers in America are not eligible to participate in this benefit option.[52]

This political/philosophical barrier is similar to an issue raised in the MSPB report—whether the federal government should be a "role model" for other employers in the work/family area. MSPB noted that some could argue the government should follow whatever private employment practices are

[51]According to the Joint Committee on Taxation, the use of flexible spending accounts by nonfederal employers and employees in fiscal year 1992 will result in a tax expenditure of $2.6 billion.

[52]As noted in chapter 1, however, large employers more commonly offer work/family benefits.

most common, while others would maintain that the government has historically been a leader in human resources issues, setting examples in policies ranging from the employment of persons with disabilities to alternative work schedule initiatives. MSPB said "strong consideration should be given to the adoption of a 'Federal Government as a Model Employer' orientation" so long as that orientation does not conflict with the government's primary duty—"to accomplish its mission in a fiscally responsible way."[53]

In a March 1991 speech at the Department of Transportation's Diversity Summit, the Director of OPM indicated that the federal government is not a model employer and can do better in the work/family area.

We are somewhat behind some in the private sector who have already figured out that the only way they are going to be successful is in recognizing who, in fact, is coming into the workforce. That if they do not hire and promote women and minorities and disabled Americans they are not going to have a workforce. Two-thirds of the new entrants in the workforce are going to be women. . . (M)ajor corporations have already figured this out and they are way ahead of the Federal Government—those of us who think we are the model employer. Major corporations are way ahead of us in understanding what they must do to develop a diverse workforce . . .

(A) very large number of (women who enter the work force) will be single-heads of households or part of two-wage earner families . . . (That) means that we are going to have to move from the rhetoric of changing the way in which we organize work to actually changing the way in which we organize work. We are going to have to seriously move to job sharing, to flexitime, and flexiplace. We are going to have to seriously consider child care and the importance of providing care.

The Federal Government has a few good programs here and there, and that is extremely important. GSA and OPM and various agencies have worked out a number of on-site child care programs, but we are not taking care of the numbers. We are not taking care of the size of the problem that will exist as more women move into the workforce. And the other thing we are not doing with our child care program is that we really are not providing opportunities for the lower-income employees, and if we are serious about providing benefits that are competitive to those of the private sector, we are going to have to address the issue of providing child care for employees at all levels.

[53]Balancing Work Responsibilities and Family Needs, p. 82. At least one federal agency has already taken this position. In May 1991, the Department of Labor announced its "Model Workplace Program" to ensure that the Department is a model for other employers. One element in that program is to build a "flexible workplace that helps balance work and family." Also, in 1983, the National Governors' Association adopted a policy position on work and family that said "federal and state government should serve as a model employer . . ." According to the Families and Work Institute, 23 state governments see themselves as "model employers," responsible for setting standards for the private sector.

Conclusions and Recommendation

The tremendous growth in the number of women in the workforce during recent decades has dramatically changed the world of work. No longer is the workplace a male-dominated arena. Work and family life are no longer separate entities. Because most husbands and wives are working, there is often no caregiver in employees' homes during working hours to take responsibility for children and the myriad of other family responsibilities. Traditional employment programs designed for an age when men went to work and women stayed home cannot accommodate today's work and family circumstances. According to BLS, a rapidly increasing number of employers are redesigning their human resources policies and programs in recognition of this new environment.

The work/family issue is of increasing relevance to federal policy makers and human resources managers. As noted in chapter 1:

- The demographic changes that served as an impetus for the development of work/family programs in the nonfederal sector have also occurred in the federal workforce. The female proportion of the federal workforce is increasing, particularly in professional and administrative occupations, and most federal workers have spouses who are also working.
- Work/family programs and policies may yield cost savings by improving the government's recruitment, retention, and employee productivity.
- Work/family programs can enhance the government's posture as an attractive employer. As more and more nonfederal employers offer work/family programs, it will become increasingly important for the federal government to offer them to remain competitive.

The leading nonfederal organizations we visited offered a range of programs to help employees balance their work and family responsibilities, from child care assistance to long-term care insurance for the elderly. The officials we interviewed offered many valuable insights regarding how employees' needs could be assessed and how the programs could be implemented and evaluated.

Conclusions

This study indicated that the work/family efforts of the federal government and selected nonfederal organizations differed both in terms of the policies and programs available to employees and in the manner in which the work/family issue is viewed and administered by the two sectors. If the federal government wants to fully respond to the demographic changes it has experienced, take advantage of potential cost savings, and effectively compete for quality employees, it must offer competitive work/family programs and effectively implement and market those programs.

Federal Work/Family Programs and Policies Can Be Improved

The federal government offered an array of "family-friendly" programs and policies, ranging from on-site child care facilities to flexible work place initiatives. In each of the five work/family areas discussed in chapter 2, some type of federal program or policy existed. Thus, in at least some respects, the federal government's human resources policies can be seen as "family friendly."

However, some work/family programs common in the nonfederal organizations we visited, such as flexible benefits and flexible spending accounts, were generally not available to federal employees. Neither were federal employees permitted to use even a portion of their accumulated sick leave to care for family members who had a noncontagious disease or an injury. Flexible work schedules, although permitted in the federal government for more than 10 years, were not available to many federal workers who wanted them. Although the composition of part-time workers changed somewhat, about the same percentage of federal workers were on part-time schedules in 1989 as in 1978 when legislation was enacted to encourage more part-time employment. Some programs, such as job sharing and flexiplace, were still in their infancy. Other programs that appear to have wide applicability (e.g., adoption assistance or sick-child care) were available only in a few agencies or for certain employees. In its 1991 report on work/family issues, MSPB concluded that the federal government "finds itself lagging behind both what many other major employers provide and what many employees need."[1]

Work/Family Issues Should Be Viewed Strategically

However, having a set of family-friendly human resources policies and programs is not enough. The principal difference we saw between the federal government's work/family efforts and those of the nonfederal employers we visited was how the issue was approached rather than their programs and policies. The nonfederal employers, particularly the private companies, viewed their work/family programs "strategically."

In such a strategic framework, work/family programs are seen as important to recruitment, retention, and productivity enhancement. A strategic approach also considers the organization's work/family programs as more than the sum of their individual parts. Therefore, the programs are

[1]MSPB, Balancing Work Responsibilities and Family Needs, p. xiv.

marketed to both current and prospective employees as a package. Work/family offices or positions may be created and specifically charged with coordinating and advancing these programs, thereby demonstrating organizational commitment to accommodating employee needs.

The federal government, on the other hand, has generally not viewed its work/family programs strategically. Existing federal work/family programs have not been effectively marketed to either current or prospective employees so they are able to realize the extent to which the federal government is "family friendly." New programs often come about as a result of congressional initiatives (e.g., flexible work schedules, leave sharing, use of sick leave for adoption, and job sharing), not as part of an overall work/family strategy linked to workforce planning. As noted in chapter 4, OPM did not mention work/family programs in its November 1990 Strategic Plan for Federal Human Resources Management. Neither is there a single office within OPM or elsewhere in the federal government responsible for all federal work/family efforts.

As chapter 1 points out, organizations tend to develop their work/family programs in stages. "Stage I" organizations develop programs one at a time, do not view them as a "business issue," and lack a locus of responsibility. In "stage II" organizations, the programs are integrated and policies are periodically reviewed and revised. Responsibility for the programs is placed at a visible, strategic level in the organization. "Stage III" organizations change their work culture and link work/family issues to strategic planning. Our work suggests that with the possible exception of certain agencies, the federal government is at "stage I."

We believe the federal government needs to move beyond its current stage of work/family development. Although the evidence suggests there is no "one best way" to help employees balance their work and family needs, we believe the federal government can do better both in implementing "family-friendly" programs and policies for its employees and in how those programs and policies are perceived and marketed.

Recommendation

We recommend that the Director of OPM ensure that OPM will play a stronger leadership role in dealing with federal sector work/family issues. Specifically, OPM should (1) approach work/family-related programs strategically, emphasizing to federal agencies and managers their potential importance to workforce planning, recruitment, retention, and productivity enhancement; (2) review and, if necessary, revise governmentwide work/family programs; and (3) help federal agencies as they review work/family programs under their control. The following paragraphs illustrate the kinds of actions OPM could take in each of these three areas.

As part of its strategic view, OPM could market work/family programs to current and prospective employees, using them as a recruitment and retention tool. OPM could also stress the potential "bottom line" payoffs to managers and supervisors who can affect their usage. OPM could organize itself strategically to serve in this leadership capacity, perhaps by establishing a visible office to help coordinate federal work/family programs. As mentioned in chapter 3, the establishment of such an office can serve as a clear symbol of an organization's commitment to these programs.

In reviewing governmentwide work/family-related programs, OPM could look for ways to improve their operation or better utilize them. OPM could systematically investigate the need for new programs and, where necessary, propose legislative changes and revise its own regulations to help employees achieve a better work/family balance. In doing so, OPM can heed the advice the nonfederal employers offered in doing needs assessments and implementing the programs. In sum, OPM should ensure there is a base level of work/family support throughout the government.

Many work/family programs are under the control of individual agencies. As we noted in our prior report on the changing workforce, each agency is different in terms of its demographic characteristics, the rate at which demographic changes have occurred, and its recruitment and retention experiences. Therefore, each agency will need to tailor work/family programs to its own workforce within the context of the overall, governmentwide system. OPM can help agencies by providing them with information from the public and private sectors about what programs are available to meet particular needs and how those programs can be successfully adopted and implemented. Serving in this technical assistance and coordinative role, OPM can prevent unnecessary "reinvention of the wheel" by federal agencies.

Agency Comments

We discussed this report with officials from OPM. They said they agree that work/family issues are very important to an employer who wants to recruit and retain a quality workforce. They also said they agree that the current status of federal work/family efforts needs additional attention, and they said OPM would be doing so in the future. However, they also said that they believed the federal government's work/family programs are among the best in the country. They noted that any significant changes, especially those that would require new legislation or regulation, should be based on an assessment of the needs of employees and an analysis of the costs and benefits of various approaches.

Objectives, Scope, and Methodology

The objectives of this study were to determine (1) the kinds of programs that selected nonfederal organizations have implemented to help their employees balance work and family responsibilities; (2) how these organizations assessed the need for such programs, implemented them, and evaluated their effectiveness; (3) how federal work/family programs and approaches compare with those of the nonfederal organizations; and (4) any barriers that exist to the adoption or expansion of work/family programs for the federal workforce.

To accomplish the first two objectives, we identified a number of nonfederal organizations that had adopted work/family programs and visited 16 of those organizations for in-depth interviews about their work/family efforts. To accomplish the third and fourth objectives, we reviewed published material on federal work/family programs and policies and interviewed federal officials in six agencies. Our methodology is described in greater detail below.

Selection of Work/Family Programs

To identify the work/family programs in nonfederal organizations, we first did an extensive computer-assisted literature search. It became evident through this review that certain programs were designed specifically to help employees with work/family needs (e.g., child care centers, elder care information services, and leave policies such as maternity or paternity leave), while other programs served work/family as well as other needs. For example, flexible work schedules, which allow employees to vary the time they report for and leave work (within certain parameters), can help both parents and nonparents accommodate their scheduling preferences and nonwork responsibilities. Similarly, flexible benefits can allow all employees to design their benefits programs to fit their needs, whether they have families or not.

We defined work/family programs broadly to include any programs that could help employees balance their work and family situations, regardless of how specifically targeted on work/family issues the programs might be. We compiled a preliminary list of these programs and then discussed the list with officials in four nonfederal organizations we contacted to pretest one of our data collection instruments (see below). Some refinements were made to the list as a result of these discussions, but, in general, the officials agreed with our listing of work/family programs.

Five categories of work/family programs are covered in this report—flexible work arrangements, child care programs, elder care programs, leave policies, and "other." In total, the report addresses 25 specific programs, which are listed below by category and are defined and described in Chapter 2.

Table I.1: Work/Family Categories and Programs

Flexible work arrangements	Child care programs
Part-time work	On-site/near site child care centers
Job sharing	Facilitating access to family care
Flexible work schedules	Resource and referral programs
Flexible benefits	Developing child care resources in the community
Flexible spending accounts	Child care consortium with other employers
Flexible work places ("telecommuting")	Paying part of child care costs
	Sick-child care programs
Elder care programs	Emergency child care programs
On-site/nearby day care	School-age child care
Resource and referral programs	Child care discounts
Long-term care insurance for employees/dependents	
	Leave policies
	Parental and Family/Personal Leave
	Use of sick or other leave for family illness
Other work/family programs	
Counseling, training, and publications on work/family issues	
Adoption assistance	
School match programs	
Dual career couple programs	

Selection of Nonfederal Organizations

To identify which nonfederal employers to focus on in our study, we used three sources of information: (1) a computerized database we developed to catalog literature references to organizations pursuing work/family programs; (2) a computerized database maintained by the Department of Labor's Women's Bureau that profiled the work/family efforts of selected organizations; and (3) the results of an earlier survey we had made of employment practices in large companies including their work/family programs.[1] We selected certain organizations as candidates for further study from each data source as follows:

- Our literature database included newspaper articles, books, research reports, and journal articles that mentioned organizations' work/family programs. Out of more than 200 nonfederal organizations identified in our

[1]Workforce Issues: Employment Practices in Selected Large Private Companies (GAO/GGD-91-47, Mar. 13, 1991).

literature search, we chose 42 that generally had a number of different work/family programs as candidates for study.

- The Department of Labor's Women's Bureau identifies organizations reported to have good work/family reputations and profiles them in the Bureau's "Work and Family Clearinghouse," a database established in January 1989. As a precondition for being profiled, each organization must be willing to share information about its programs with other employers. Bureau officials gave us profiles for 50 organizations, and we selected 21 of them with a number of different work/family programs as candidates for study.
- In 1990 we administered a questionnaire survey to 130 private companies asking about their employment practices. These companies each had at least 25,000 employees and 10 or more employment locations. From the 83 usable responses we received, we selected 26 organizations whose survey responses indicated they had a number of work/family programs in place.

We used the three different data sources to minimize any selection biases and to take advantage of the strengths of each source. The literature database included organizations of all sizes that had received publicity for their work/family efforts. However, by definition, any organization that had not been recognized in the literature for its work/family programs could not be included. Similarly, although the Women's Bureau viewed all of the companies in its Clearinghouse as having good work/family reputations, the Clearinghouse did not include organizations who had not come to the Bureau's attention or preferred not to be listed. Finally, our survey of large companies stressed size and geographic dispersion, so that organizations who did not publicize their work/family programs could still be included in our study. The drawback to this source was that the survey excluded medium- and small-sized companies.

We identified a total of 69 organizations as candidates for our study from across the three sources. (Some organizations were mentioned by more than one source.) We then narrowed this list to 25 "finalists"—21 organizations from the private sector and 4 from the nonfederal public sector—and contacted each of them to learn more about their work/family programs. Table I.2 lists the 25 organizations and the data source(s) from which they were identified.

Table I.2: Nonfederal Organizations Included in Our Review and the Data Sources Used to Identify Them

Organization	Data source: Literature database	Data source: Women's Bureau	Data source: GAO private sector survey
Private sector			
1. 3M*	x	-	x
2. Aerospace*	x	-	-
3. Aetna*	x	-	x
4. American Express*	x	x	-
5. AT&T*	x	x	x
6. Bureau of National Affairs	x	x	-
7. Control Data	x	-	-
8. Corning, Inc.	x	-	-
9. Digital Equipment	x	-	x
10. Du Pont*	x	-	-
11. Gannett Company, Inc.	-	-	x
12. Grumman Corporation*	x	-	-
13. Hewlett-Packard*	x	x	-
14. Honeywell*	x	x	x
15. IBM*	x	x	x
16. Levi Strauss & Co.*	x	x	-
17. Marriott Corporation	x	-	-
18. Merck & Company	x	-	-
19. Prudential*	-	x	x
20. Transamerica Life	-	x	-
21. Travelers*	x	x	-
Public sector			
22. Arlington County, Va., School System	x	-	-
23. State of California*	x	-	-
24. State of New York*	x	-	-
25. Ventura County*	x	-	-

Note: The "*" indicates the organizations we visited to discuss their work/family programs. The "x" indicates the data source used to identify the organization. The "-" indicates the data source was not used for that organization.

A primary consideration in our final selection of the 25 organizations was their locations. We picked organizations in different geographic areas in case the approaches to work/family issues varied from one part of the country to another. We also selected organizations that were located relatively close together to allow us to make optimal use of our travel resources.

Development and Administration of Data Collection Instruments

After identifying the 25 organizations we wanted to contact, we developed three data collection instruments to guide our efforts: (1) a questionnaire on work/family programs sent to each organization, (2) a list of questions for making follow-up telephone calls to the organizations after we received their questionnaire responses, and (3) a more extensive list of questions to be asked during our visits to the organizations.

The questionnaire was designed to confirm information we had obtained from our data sources about the work/family programs each organization offered, find out how long each program had been in place, and determine if the organization had done a needs assessment before adopting each program. Four of the 25 organizations completed early versions of the questionnaire as a pretest, and they offered suggestions that led us to make minor changes to the instrument before we finalized it. The remaining 21 organizations completed the final version of the questionnaire.

After the completed questionnaires were returned to us, we made follow-up telephone calls to each organization. The follow-up calls clarified the questionnaire responses as needed, obtained additional information about the organizations' experiences with their work/family programs, and determined whether the organizations' officials would be willing to meet with us to discuss the programs in greater depth. Of the 21 organizations completing the final version of the questionnaire, we ultimately visited 16 of them and completed structured interviews regarding their work/family programs.[2] These organizations are denoted by an asterisk in table I.2.

In almost all the organizations we visited, we met with human resources officials who had completed the questionnaires and answered our follow-up questions. In some cases, other officials also attended the meetings. Those interviewed included directors of human resources,

[2]We did not complete work/family interviews with the remaining five organizations for various reasons. One company did not permit us to visit because it had been inundated with requests for information about its programs. Scheduling conflicts kept us from meeting with officials at three companies. We did visit the fifth company, but we discussed other issues, such as cultural diversity, which may be presented in a future report.

work/family (or work/life) managers, and other senior administrators. The interviews addressed the following topics:

- how the organizations administered their work/family programs and the reasons they decided to address work/family issues;
- the kinds of assessments the organizations did to determine that work/family programs were needed, how the assessments were made, and the results of those assessments;[3]
- the steps involved in going from program design to implementation, including any obstacles that had to be overcome, the methods used to communicate with employees, and program costs; and
- the types of evaluations that were done to assess program results (i.e., impact on recruitment, retention, and productivity) and what the evaluations showed about the effect of work/family programs on the organization.

During our visits we also obtained any available documentation regarding the organizations' programs, such as work/family mission statements, program descriptions, brochures, and the results of any needs assessments and evaluations. We visited the 16 organizations between August and November 1991.

Steps in Identifying Federal Work/Family Programs and Barriers

Other objectives of our study were to understand the extent to which the federal government was already using different work/family programs and to identify barriers to the adoption and expansion of such programs for the federal workforce. We decided not to do a comprehensive audit to identify all federal work/family program activities because this information was largely available, or was being developed, through other sources. For example, the Merit Systems Protection Board (MSPB) issued a report in November 1991 describing federal work/family efforts,[4] and at the time of our review OPM was surveying federal agencies and employees to develop similar information.[5] We also had access to work being done on another GAO assignment that surveyed federal employees about a range of issues that included the availability of work/family programs. Therefore, we

[3]We considered a "formal" needs assessment to be an effort to systematically gauge the level of employee interest in, and need for, a specific program or programs through the use of a structured approach (such as a written survey) designed specifically for that purpose.

[4]MSPB, Balancing Work Responsibilities and Family Needs: The Federal Civil Service Response, Government Printing Office, November 1991.

[5]In October 1991, House and Senate conferees on OPM's appropriations legislation required OPM to survey federal agencies to "assess the use of profamily employee programs governmentwide..."

decided to rely upon these sources as well as other publications and interviews with selected agency officials to gain a general understanding of the use of family-friendly benefits in the federal government and to identify barriers to the adoption of the programs in the federal sector.

We interviewed officials at OPM with responsibility for, or knowledge about, federal program efforts in the work/family area. These included officials from the Employee Health Services Branch of the Office of Employee and Labor Relations and the Office of Systems Innovation and Simplification. At the General Services Administration we met with officials in the Office of Child Care and Development Programs to discuss federal child care policies and programs. We also interviewed officials in other federal agencies that OPM officials identified as being the leading federal organizations in the work/family area. They included the Chief of Work and Family Programs at the Internal Revenue Service; the Dependent and Family Care Specialist in the Department of Agriculture's Animal and Plant Health Inspection Service; the Program Manager of Worklife Programs at the Department of Justice; and the Child Care and Work/Family Program Manager at the Department of Transportation.

We also researched the statutory and administrative authorities for federal employment programs to identify any legal or regulatory impediments to implementing work/family programs in the federal government.

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