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Work-Family Balance and the Talent War:  
Conclusions from the  
IESE Family-Responsible Employer Survey 2006  
Manila, Philippines

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**ZMG**  
EXECUTIVE SEARCH  
Member of Signium International

Research Paper No. 1  
Master of Science in Management Program  
University of Asia and the Pacific  
Manila, Philippines

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## Presentation

We analyzed the responses from 57 companies in the IESE Family-Responsible Employer Survey conducted in the Philippines in 2006, the second year of the survey. The response rose by 78%, from the 32 respondents in 2005 when we launched the survey in the Philippines. The Banking and Financial Services sector was the industry most represented in the 2006 survey (14% of the total number of respondents).

Perhaps the most interesting discovery from the 2006 survey is the emergence of a significant family-related work problem: the difficulty in hiring personnel for key positions. This means companies are finding it difficult to keep the good people they have, they cannot keep the pipeline of key positions with talented people, or they have a short supply of talent to recruit. Back in 1998, a McKinsey report referred to this problem as “a war for talent.” It is a war many companies are not prepared to wage especially if HR-related problems are the least of their priorities.

Research by the Families and Work Institute in the U.S. reveals that dual-earner couples have increased, men are more involved in child care, both men and women are downshifting their career aspirations, and younger employees are more family-focused than older ones.<sup>1</sup> Countless studies around the world agree that family-friendly programs result in lower family conflicts, reduced employee turnover, reduced stress, higher loyalty, increased job satisfaction, and enhanced productivity.

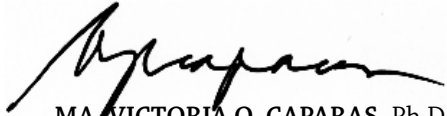
How does the Philippines fare in terms of work-family balance programs? The 2006 survey shows we have very few policies in place that are accessible to most or all of the employees. Flexibility policies are more common, but professional support in terms of training has substantially decreased. Fewer leaders seem aware of work-family

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<sup>1</sup> From the PowerPoint presentation of Prof. Ellen Galinsky, President of Families and Work Institute, at the IESE Inaugural Conference of Work and Family Interface, held in Spain in July 2005.

issues and of being exemplary in family-responsible behavior. As regards strategy and execution, we have remained at the initial phase of implementing work-family policies. If no one is assigned to a company's work-family balance program, it would seem the company has other more important agenda. In disseminating our work-family policies, we have limited our attempts to official communication channels.

Our society values the family. Many companies claim to support work-family balance. However, there seems to be a gap between what companies claim and what they deliver. We hope this report will help companies to fill in the gap, spot their weak areas, ask the right questions from the employees who leave as well as those who stay, and offer benefits that are of real value to their employees.



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## The Origin of a Global Study

IESE Business School (*Instituto de Estudios Superiores de la Empresa*) was founded in Spain in 1958 and now ranks as one of the top business schools in the world. With campuses in Barcelona and Madrid, IESE offers a full-time MBA, Executive MBA, Global Executive MBA, PhD in Management, and several executive education courses. Its values-driven approach to business education reflects its belief that managers must aim to serve people and society.

In response to the changing realities in society and the workplace, IESE's International Center of Work and Family in Spain (IESE-ICWF) initiated research in 1999 on family-friendly policies. Women were entering the labor force in large numbers, the birth rate was falling, the divorce rate was increasing, and so was the number of single-parent families.

In spite of these changes, the workplace was still designed for male employees. The long working hours were incompatible with caring for dependents and having a family life. IESE-ICWF saw the need to help companies improve their competitiveness while alleviating the pressures of employees in balancing work and family demands.

As a consequence, the IESE Family-Responsible Employer Index (IFREI) was developed. The family-responsible employer is committed to flexibility and work-family balance at all levels of the organization. Such employer has formal policies in place to facilitate work-family balance that in turn influences productivity, job satisfaction, and employee commitment. Its supportive culture is founded on a comprehensive strategy, consistent leadership, effective communication, and clearly defined accountabilities at all levels. Such culture encourages employees to identify obstacles to work-family balance and to suggest ways of improvement.

An IFREI survey was created to determine the extent to which work-family practices have been implemented in Spain and to monitor their development over time. Launched in 1999, the IFREI has been adapted for use in other countries such as Portugal, Mexico, Guatemala, Colombia, Ecuador, Peru, Chile, Argentina, Uruguay, Brazil, Nigeria, and the Philippines.

Research data from these countries will expand knowledge about work–family programs outside the U.S. and Europe. It means greater accumulated proof about the impact of work–family policies on productivity, profitability and reputation in the labor market. It will provide more answers to how and why work–family policies are implemented across cultures. It will redound to a buildup of innovative best practices in work–family balance around the globe.

Is being family-responsible identical to being socially responsible? There is a huge movement across the world to make companies socially responsible. Corporate social responsibility, or CSR, is about being profitable and ethical at the same time—effectively managing the business while making a positive impact on the workers’ families, the local community, and the society. CSR is commendable, and there seems to be a lot of interest for CSR to go beyond cosmetic marketing, a healing of corporate reputation tarnished by scandals, or mere compliance with regulations.

To be family-responsible, a company must go beyond adopting formal HR policies simply to meet the minimum legal requirements or to give the company a sort of face-lift. The centrality of the family in a business’s CSR agenda is underscored in these words from IESE:<sup>2</sup>

*We all know that the family is the basic nucleus of our society. The time a person spends with his or her family is important to organizations. Why? Simply because the family is the school where people acquire and develop competencies ... competencies that all companies need such as helpfulness, teamwork, negotiation, delegation, empathy, leadership.*

## The Framework and Concepts

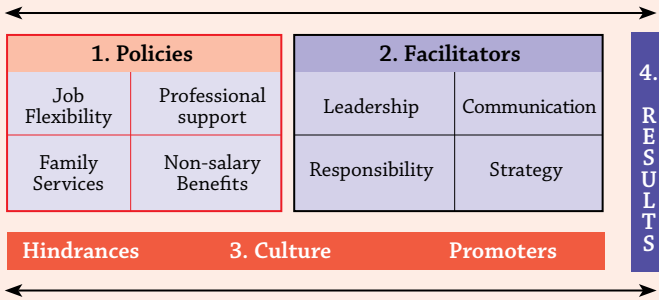
IESE has proposed a comprehensive framework of a Family-Responsible Employer (FRE). Each element of the FRE model provides information that will enable a company to diagnose its level of work–family balance and its performance over a period of time. Present and future employees

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<sup>2</sup> Why Become a Family-Responsible Employer, IESE Occasional Paper OP-06-03-E, p.2

will also find the FRE model useful in determining if a company's work-family initiatives are supported by an adequate management structure and corporate culture.

### The Family-Responsible Employer Model



Let us look at the four basic elements of a Family-Responsible Employer. The organization's *results* reflect a flexible and responsible culture. These results cannot be achieved solely by implementing formal *policies*. These policies, as well as the whole work-family balance program, must be supported by certain *facilitators*, which are essential to bring about a real cultural change. During this change, there will be certain hindrances and promoters of the organization's *culture* which must be identified, monitored and improved. The following table summarizes the objectives for identifying the four elements:

Element	Objectives
1. Policies	Determine the availability and degree of formalization of various policies classified in four major categories: work flexibility, professional support, family services, and non-salary benefits
2. Facilitators	Identify how the company uses the four pillars (leadership, communication, responsibility and strategy) to develop and implement family-responsible policies
3. Culture (promoters and hindrances)	Recognize the existence or absence of practices that commonly hinder an organization's progress toward a family-responsible culture
4. Results	Measure the impact of the other three elements in order to establish areas for improvement

There is not one best mix of these elements just as there is not one best solution or action plan for a company to become family-responsible. Each company will have to find its own solution, knowing that becoming a family-responsible employer, like all cultural changes, is a gradual process that takes time.

### Stages of Development of a FRE employer

	Contaminating	Enriching
Systematic	D	A
Discretionary	C	B

- A. It has a family-responsible culture
- B. Has policies translated into family-responsible practices
- C. Has few policies and these are not widely implemented
- D. Lacks Family-Responsible policies

## The Methodology and Sample

The study was made via a self-administered questionnaire distributed to a sample of 60 companies. The sample companies were chosen on the basis of convenience.

Survey questionnaires were sent to companies which are classified either large or small. Companies are classified large (LCs) if the number of employees equals or exceeds 250. Companies with less than 250 employees are classified as small or medium enterprises (SMEs).

The questionnaires were sent to the companies as follows:

- Questionnaires were enclosed in invitation flyers for the Work-Life Balance Forum held on October 26, 2006 at the University of Asia and the Pacific (UA&P). Companies were identified using a database of managers.
- A link to an Internet site containing the online survey was included in the faxed invitation flyers for the same Work-Life Balance forum). The link was also announced in a brief press release

- published on January 18, 2007, in the Philippine Daily Inquirer.
- Questionnaires were included in the handouts for the Work-Life Balance Forum rerun held on January 24, 2007, at the UA&P. Participants were given handouts, and prizes were raffled off to respondents.

The survey forms for both the LCs and the SMEs were divided into five major issues: Policies, Facilitators, Culture, Results, and Respondents' Information.

The **Policies** section contained 28 and 31 questions for the SMEs and LCs, respectively. The total number of questions differed.<sup>3</sup> The questions in this section referred to the number of employees having access to certain family-friendly perks. Questions were answerable by *None*, *Some*, *Most*, and *All*. Analyses in this section include both the overall results analysis as well as an analysis on each category: Flexibility, Family Services, Professional Support, and Non-Salary Benefits.

The **Facilitators** section aimed to test whether the factors (leadership, responsibility, communication, and strategy) essential to developing and implementing flexible and responsible policies are present, to some degree, in the companies.

The first part of the Facilitators section was designed to determine the number of executives in the companies who are sensitive to the importance of work-family balance and those who are examples of family-responsible behavior. These two questions were answerable by *None*, *Some*, *Most* or *All*.

The remaining part of the Facilitators section inquired on:

- The current stage or level the companies find themselves in as to the design and implementation of family-friendly policies;
- Whether the respondents' respective companies allocate a budget for family-friendly policies;
- Whether and how family-responsible initiatives are made known;

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<sup>3</sup> Some of the questions asked of large companies (e.g, video conferencing, gym facilities, etc.) do not apply to small companies.

- Who is or are in charge, if any, of the family-responsible initiatives, and;
- Whether there is trade-union support, and to what extent.

The section on Culture aimed to verify whether the culture that prevails in the respondent companies are family-friendly. Questions were answerable by *Never*, *Occasionally*, *Often*, and *Always*.

This section on **Results** also examines some of the more common problems in the respondents' companies. The questionnaire provided a checklist from which respondents can choose and indicate the most significant problems. The respondents can choose more than one answer to this question. The problems indicated in the checklist were:

1. Whether employees resist moving to other cities
2. Absenteeism
3. Difficulty hiring for key positions
4. Difficulty balancing work and family
5. Stress-related leaves of absences
6. Lack of employee commitment
7. Lack of employee initiative.

**Respondent's Information**, the last section on the questionnaire, focused on the characteristics of the company. Questions included whether the company is privately owned or listed, to which industry sector it belongs, percentage of women on its staff, etc. Basically, this section was used to classify the companies into various groupings.

Of the 60 companies, only 57 responses were tabulated and analyzed since there may have been possible biases in the other three responses. Two of these three did not provide any personal information, which could mean the survey was not truthfully answered, while the last one was the second response in two months of the same respondent of the same survey, in which case the first response was chosen for tabulation.

Since the respondents were not screened, the distribution of the companies across industries was not pre-determined. An initial analysis of the 57 companies reveals that there were 35 LCs and 22 SMEs.

Of the 35 LCs, 35% have 250 to 500 employees, 29% have 501 to 1,000 employees, 14% have between 1,001 and 5,000 employees, and 17% have more than 5,000. Two, or 6% of the respondents for LCs, indicated they have less than 250 employees. Companies with less than 250 employees should have been classified as SMEs. However, these two could also be multinational companies with only 250 local employees.

On the other hand, of the 57 respondents, 22, or 39%, are SMEs. The mean number of employees is 111, with a maximum of 247 and a minimum of 15.

As regards the type of ownership, 32 of the LCs and 19 of the SMEs are private firms. The rest represent the public sector.

The following table shows the distribution, together with the relative frequency percentages of the respondents, classified according to their respective industries:

	Count	%
Banking, finance and insurance	8	14
Distribution and Logistics	7	12
Others	6	10
Chemicals, petroleum, gas, rubber and plastics	4	7
Software industry	4	7
Telecommunications	3	5
Health Care	3	5
Education	3	5
Automobile Industry	3	5
Call Centers	3	5
Other business services	2	3
Entertainment	2	3
Electronics Industry	2	3
Food, beverage and tobacco	2	3
NGOs	2	3
Hotel & Restaurant	1	2
Transportation	1	2
Advertising and media	1	2
	57	100

About 14% of the total number of respondents came from the Banking and Financial Services sector, making it the most represented. The Distribution and Logistics industry followed next, with 12% representation. The companies classified under “Others” include those into beauty and wellness, as well as holding firms with businesses representing multiple industries.

The survey results were analyzed using various frequency distributions and descriptive statistics. Correlations among variables were not tested for significance due to the number of variables and questions included.

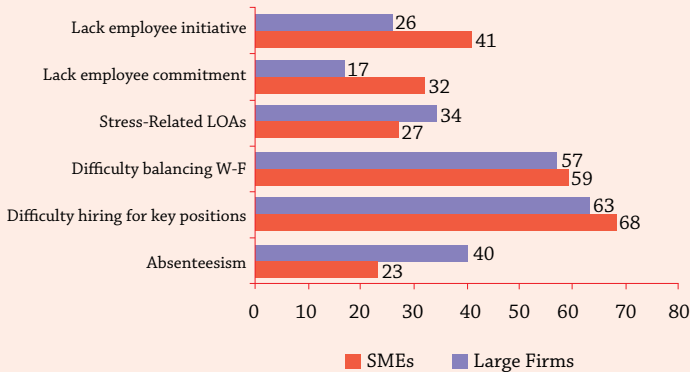
Lastly, the results on selected sections were compared with and analyzed vis-à-vis the 2005 results, to provide analyses on the trend of these companies with respect to becoming family-responsible.

It might be worthy to note that the number of respondents in the 2006 survey increased by 25 from the 32 companies who participated in the initial 2005 survey. The reason for this might be the following:

1. The 2005 survey was a self-administered 14-page questionnaire in Microsoft Word format. Many respondents found it inconvenient and time-consuming to fill out.
2. The 2006 survey was shorter by 10 pages compared with that of the 2005 survey. Moreover, the 2006 survey had an online version which rewarded the respondent with a free assessment and diagnosis after answering the survey.

## The War for Talent

Perhaps the most interesting result of the 2006 survey is the most frequently cited problem: the difficulty in hiring personnel for key positions. The results show it is the most significant problem of LCs and SMEs alike. The following chart shows the comparative relative frequencies of answers in percentages.



Twenty-two of the 35 LC respondents, or roughly 63%, have admitted that the difficulty in hiring key personnel is a significant problem. Fifteen of the 22 SME respondents, or 68%, share the same realization. This adds to a total of 37 out of 57 companies, or a significant 65% of the respondents, confirming that this factor is a significant problem.

Numerous literature points to the key role of work–family balance in talent retention:

- Flexible workplaces attract and retain talent, as asserted by Friedman and Greenhaus (2000) in their book *Work and Family: Allies or Enemies?*:

*Employers are realizing that to attract and retain the best and the brightest, they will have to adjust to create more options and more flexibility for how, when, where and with whom work gets done.*

- Many talented people would have not have resigned if they had been given options to effectively navigate between work and life. A study of 1,400 men and women in Canadian law firms<sup>4</sup> has found out that the balance between work and personal demands is strongly connected to the associates’ intentions to stay:

<sup>4</sup> Beyond a Reasonable Doubt: Creating Opportunities for better Balance, Catalyst 2005

*About 66 percent of men associates and 84 percent of women associates report that “an environment more supportive of my family and personal commitments” is an important factor to consider in choosing to work at another firm.*

- Four out of five employees in the U.K. say that work-life balance considerations play a crucial role in deciding whether they will stay with their current employer or leave, according to research from Watson Wyatt.<sup>5</sup>

The problem on the difficulty of hiring key personnel is closely followed by the issue on the difficulty of balancing work and family responsibilities. According to the survey results, this is a source of concern for 33 out of 57 company respondents, or 58%. Breaking the results down to company size, it is a major concern for 57% of the LCs and 59% of the SMEs.

The third most significant concern of respondent companies, in terms of combined proportion, is the lack of employee initiative. A total of 47% of the 57 respondents said that employee initiative is one of their significant problems. Further analysis shows that this concern is more significant, in terms of proportion to respondents, for SMEs rather than for LCs. Only nine of 35 LC respondents (only 26%) indicated this problem as significant to them, while a much larger proportion of 41% of the SMEs said the same.

Other difficulties faced by respondent companies, in order of total significant responses are absenteeism (33%), stress-related LOAs (32%), and lack of employee commitment (23%).

Further analysis was done on the significant problems encountered by company respondents, by cross-tabulating results with the percentage of women on staff.

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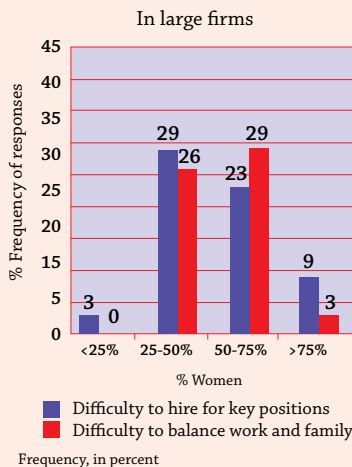
<sup>5</sup> From Personneltoday.com, Work-life balance plays key role in staff retention. Accessed in September 2007 from <http://www.personneltoday.com/Articles/2005/06/08/30226/work-life-balance-plays-key-role-in-staff-retention.html>

	Percentage of Women			
	<25%	25-50%	50-75%	>75%
Absenteeism		14%	16%	
Difficulty in hiring for key positions	4%	26%	30%	5%
Difficulty in balancing work and family	5%	21%	30%	
Stress-related LOAs		14%	16%	
Lack of employee initiative	4%	14%		

The foregoing table shows that female-dominated companies have equal difficulty in hiring for key positions and in balancing work and family (both at 30%). On the other hand, the difficulty in hiring for key positions is more of a problem in male-dominated companies than the difficulty in balancing work and family.

Results were further cross-tabulated with the percentage of women on staff and the company size. The chart on the left shows the frequency of the LC respondents' answers on whether they encounter significant problems in hiring key people and balancing work and family. These answers were further classified by the percentage of women on their staff to show any relationship between the variables.

The significant problems by firm size



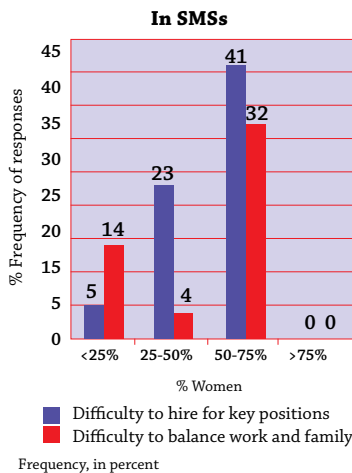
Result shows that for LCs most feel the difficulty in hiring for key positions when women account for 50% or less of the total company workforce. Twelve of the 35 respondents had females comprising 25 to 50% of their workforce. Of this 12, 10 (or roughly 29% of total LC respondents) considered difficulty in hiring key personnel a significant concern.

The difficulty in balancing work and family seems to be more acutely felt in female-dominated workforces. Fifty-two percent of those who have predominantly female employees said their companies experience problems in balancing work and family. This translates to a total of 31% of total LC respondents.

The above analysis shows that for LCs, the problem on hiring key personnel seems more apparent in male-dominated companies while the problem on work-family balance seems more likely in female-dominated workforces.

In SMEs, as shown on the chart on the left, the difficulties in hiring key personnel and in balancing work and family are most felt in female-dominated companies.

The significant problems by firm size

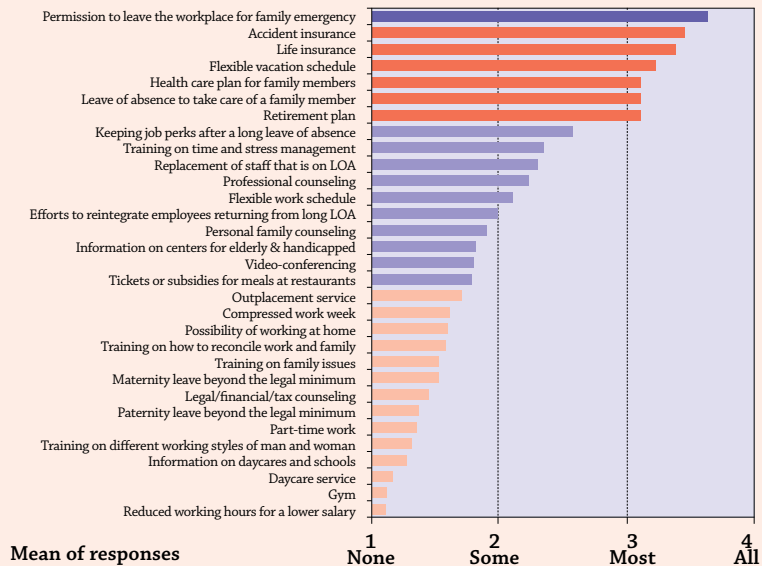


Let us look at the other elements of the FRE model to find out what could be contributing to this “war for talent.”

## Policies

Analysis was done on the policies by assigning a number to each possible answer. Four (4) was assigned to the answer All, 3 to Most, 2 to Some, and 1 to None. The answers were then tabulated and analyzed by computing for the mean response per question.

The following chart illustrates the mean responses per benefit:



**Permission to leave the workplace for family reasons** is the most popular policy. Since Filipinos are known to have close family ties, the managers and supervisors are often very understanding when it comes to family emergencies. The usual conditions for permitting an employee to leave the workplace to attend to family needs are:

- The reason is valid; the situation is urgent.
- The quality of work will not suffer: either the petitioner will

make up for the work when he or she comes back or he or she has asked a colleague from the same team to cover for him or her.

- The supervisor is aware of the situation, and he or she approves the leave.

**Accident and life insurance** come next in line. The survey results show that most of the employees have access to these benefits envisioned in the Labor Code.

Examples of policies that are accessible to some employees are:

**Keeping job perks during a long LOA.** Depending on the reason for the leave and how such leave will redound to the benefit of the employee as well as the company, the employee retains his or her perks and benefits.

**Replacement of staff on LOA.** Usually the employees or team members left behind cover for the person who is absent from work for a long period of time. Some companies who can afford the costs outsource a replacement in the form of temporary hires or project employees.

**Training on time and stress management.** Such training is given depending on the requests of employees, their feedback through surveys initiated by management, and availability of training budget. Sometimes, training is included in a teambuilding seminar or workshop.

**Personal and family counseling.** Companies who can afford formal programs on mentoring (with a third party, such a counseling company or professional experts) may include counseling on issues such as personal relationships, marriage and family, mental health, violence and crisis, work-life balance, etc. Usually, the HR department provides counseling services to the employees. In informal settings, employees can seek advice from their immediate supervisor, a fellow employee, or teammate.

Examples of policies that are hardly accessed by anyone are:

**Maternity/paternity leave beyond the legal minimum.** The Labor Code stipulates 60 days of maternity leave for normal delivery and 78 days for caesarian delivery. The fathers are entitled to a week-long or seven-day leave. Beyond this period, any other leave is either unpaid or covered by vacation or sick leaves.

**Possibility of working at home.** From our interviews with companies, we learned that working at home is allowed (for example, for people in key positions) although it is not encouraged. A manager of a commercial bank disclosed, “As much as possible, we want all work done within the office and within office hours.” Because of confidentiality concerns, working at home is discouraged except for those at the managerial level. When companies do allow working at home, they also incur costs in providing their people with laptops, cell phones, PDAs, subsidy for Internet connection, etc.

**Outplacement services.** Companies may provide training, like starting a business or endorsing an employee to other business units or to a headhunter.

Least available policies focus on providing **daycare centers, a gym, and reduced work hours for a lower salary.** An owner of a daycare center informed us many companies who contacted her showed real interest in this benefit but the issue of the cost involved has derailed many negotiations. From interviews with managers, we also learned that it is not the usual practice to provide daycare centers, given the Filipino propensity of leaving the children to nannies and relatives. To show their support to working parents, some companies offer summer programs for children and teens, awards or prizes for children’s school achievements, as well as parenting seminars.

Keeping a gym for employees is a benefit that can be afforded only by large companies due to the costs involved, whether the gym is in-house or the fees paid by employees to use external gyms are subsidized. Alternative measures taken by companies to encourage the employees to look after their health are seminars on disease prevention, smoking cessation, obesity programs, nutrition and diet assistance.

Finally, hardly any company allows a reduced-hours schedule among its regular employees, who usually work from 40 to 48 hours a week. Employees who would like to work for a 30-hour schedule are often reclassified from full-time to part-time staff.

*How do the results compare with the 2005 survey outcomes?*

The relative frequency of responses per category of the 2006 survey has been compared with the results of the 2005 survey. The objective is to find out whether the policies mentioned exist in some way in the respondent companies. This was done by adding up the *Some*, *Most* and *All* responses.

The following table summarizes the comparative relative frequency of those who said that the policies on job flexibility exist and are being implemented in their companies:

### Policies on Job Flexibility

Policies (in % frequency of responses)	2005	2006	
Flexible work schedule	56	70	+
Part-time work	23	30	+
Compressed work-week	41	44	=
Reduced working hours	28	7	-
Maternity leave beyond legal min.	55	28	-
Paternity leave beyond legal min.	42	19	-
LOA to take care of family member	72	88	+
Flexible vacation schedule	63	93	+
Permission to leave workplace due to family emergency	97	100	=
Keeping job perks after long period of LOA	47	75	+
Replacement of staff who is on LOA	62	77	+
Efforts to reintegrate employees on long LOA	60	56	=
Possibility of working at home	36	47	+
Video-conferencing	62	25	-

The 2005 and 2006 comparative frequencies of respondents asserting that there are professional support policies in their respective companies are as follows:

### Professional Support

Policies (in % frequency of responses)	2005	2006	
Professional Counseling	94	63	-
Personal/family counseling	66	49	-
Legal/financial/tax counseling	61	19	-
Training on family issues	41	32	-
Training on balancing work & family	36	35	=
Training on Time/Stress management	88	75	-
Training on men/women different styles	46	23	-

The same comparative examination was done for the Family Services category and the resulting frequencies are shown below:

### Family Services

Policies (in % frequency of responses)	2005	2006	
Information on daycare centers	28	18	-
Information on centers for elderly and handicapped	12	39	+
Day care centers (in house or subsidized)	7	9	=

Lastly, the 2005-2006 comparison for the Non-Salary Benefits category is summarized in the following table:

### Non-Salary Benefits

Policies (in % frequency of responses)	2005	2006	
Gym	81	7	-
Life Insurance	88	88	=
Accident Insurance	79	91	+
Health care plan for family members	84	75	-
Outplacement services	63	37	-
Retirement Plan	87	77	-
Tickets or subsidies for meals @restaurants	24	42	+

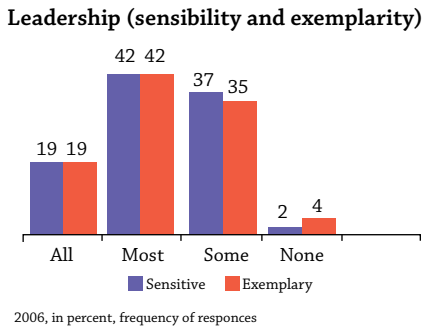
## Facilitators

The facilitators are called such because these are the factors that support the policies. They are the four pillars essential to developing and implementing flexible and responsible policies: the leadership who totally buy in to the idea of work-family balance, clear-cut lines of responsibility, clear and open communication, a well-defined strategy, as well as a budget for work-family balance programs.

When companies pay attention to these pillars, their employees will realize that the work-family balance programs which have been installed are not simply empty gestures or a show. These facilitators give life to the policies so they do not remain mere written norms.

## Leadership

The following chart shows the frequencies of the responses to questions on whether the executives or their respective company leaderships are sensitive to the importance of work-family balance and whether the leaders themselves are examples of family-responsible behavior.

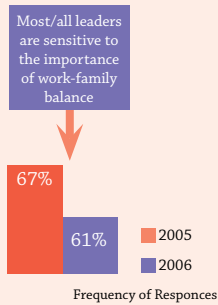


The survey results show that 98% of the total respondents' leaderships are, in some way, aware of and responsive to the importance of work-family balance to their employees' wellbeing. In fact, 61% have assured that all or most of their company executives are sensitive. Only one of the 57 respondents answered there are no executives in the company who are aware of the importance of such balance.

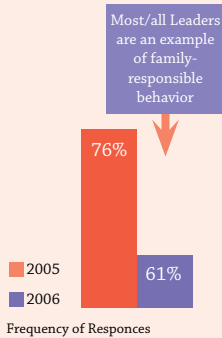
As to the question on how many executives are good examples of responsible behavior when it comes to family life, 96% said that at least some of their executives have exemplary profiles. Just like with the question on sensitivity to the importance of family-life balance, 61% have likewise confirm that all or most of their company executives are good examples of family-responsible behavior. It can be concluded that sensitivity may well bring about exemplary behavior when it concerns work-life balance.

As was mentioned above, there were four possible answers to the question on whether executives are sensitive to the importance of work-family balance and whether they are examples of family-responsible behavior. The results of the 2005 survey were compared

with the results of the most recent survey (2006) by getting the sum of Most and All responses. The results on whether executives are sensitive to work-life balance are indicated on the chart below:



The following chart, on the other hand, shows the 2005 and 2006 comparative results for the question on executives being examples of family-responsible behavior:

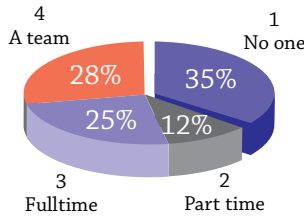


### ***Responsibility***

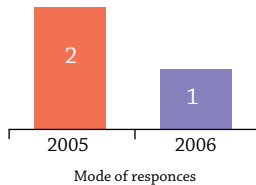
For cultural change to be managed in the direction that leadership has defined, specific responsibilities must be assigned and their performance must be evaluated and rewarded.

The following pie chart classifies the respondents' answers about the person in charge of their respective company's family-responsible initiatives:

### Who is responsible?



A comparative analysis on the foregoing answers shows a slight deviation between the answers for the 2005 survey and for the 2006 survey. The mode of the responses in 2005 is that a part-time employee is in charge of the family-responsible initiatives. However, the mode of the responses in 2006 reflects a step backward: no one is responsible for work-family policies.



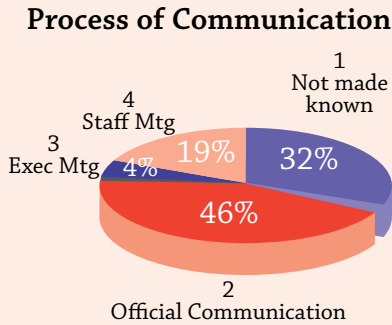
### Communication

Is work-family balance a well-communicated reality in the organizations?

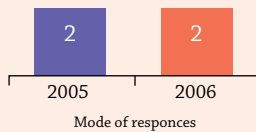
Communication is a very important tool of a company to make known to its managers and employees what is given to them and what is expected in return. Not only does top management communicate specific policies but also their motives and objectives in embarking on a work-family balance program.

Family-responsible companies realize that written, formal, and internal communications are not sufficient. A rigorous communication plan sustained by fluid dialogue with everyone concerned will reflect leadership’s conviction that work–family balance is a priority and that feedback must be gathered to improve program implementation.

Asked how family-responsible initiatives are communicated to the employees the respondents answered: (1) initiatives are not made known, (2) via official communication media, (3) through executive meetings, or (4) through staff meetings. The relative frequency of responses is given in the following pie chart:



The 2005 and 2006 surveys show that the means of communicating these family-responsible initiatives did not change over the two-year period. Both surveys show that initiatives are often communicated via official channels. The comparative graph is shown below:



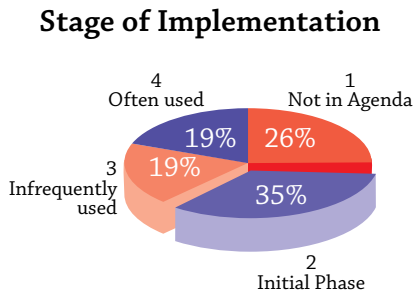
**Strategy**

By the term itself, balance connotes a certain trade-off. An individual has to choose among multiple objectives: which ones will be prioritized and which ones will be sacrificed.

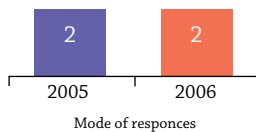
The same thing happens at the level of organizations. The leadership determines which are the priority areas of the organization in a certain period and allocates resources towards achieving the objectives.

In this regard, a leadership that truly considers work-family balance as important will incorporate respect for individuals' personal and family lives in the company mission, vision and values. In addition, it will dedicate executive time and effort to strategizing how to make it happen. Then it will provide the organization with the resources to make work-life balance a reality.

The following pie chart provides a visual description of the distribution of the respondents' answers on the question on the implementation of family-friendly policies:



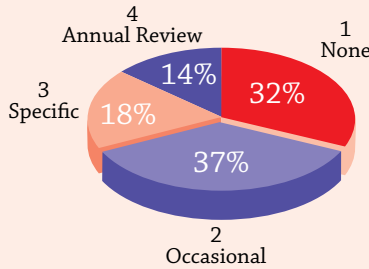
Comparison between the 2005 and 2006 responses shows that there is no change in the mean responses. It would seem that the companies have not advanced beyond the initial phase in these two years.



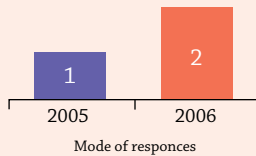
It is equally important to determine the method of allocating budget to develop family-friendly policies. In this section of the survey,

respondents were asked how the company allocates the budget for these policies. The distribution of answers is given below:

### Budget of FR Policies



The difference in the mode of responses in 2005 and 2006 is shown by the bar chart below. It shows an improvement in budget provision.



We gathered from interviews that due to lack of funding there are very few programs dedicated to work–family balance.

- From a multinational chemical company: “There are plans to create one, but there are budget constraints and priorities are given to improvements in technical work.”
- From a large, local consumer company: “We used to have programs for the employees’ children, such as seminars, theater training, and storytelling sessions. That was before we engaged in cost-cutting.”

## Culture

We have come to the last element in the FRE model: the culture that either promotes or hinders any progress to achieve greater work–family balance.

Culture is a difficult concept. It is not something one can pinpoint to like external communication paraphernalia or the amount of funding for work–family balance program.

Culture permeates the entire company. It is a set of shared beliefs. It lies in taken-for-granted implicit assumptions that are externalized in actions and decisions. It can be reflected in the inertia of people who do not want progress or in their dominant values against change.

Any cultural shift from an inflexible to a supportive culture is never easy. As former IBM chief Lou Gerstner wrote, culture is very difficult to change:

*Changing the attitude and behavior of thousands of people is very, very hard to accomplish ... You can't simply give a couple of speeches or write a new credo for the company and declare that a new culture has taken hold. You can't mandate it, can't engineer it. What you can do is create the conditions for transformation, provide incentives."*<sup>6</sup>

What kind of culture do we have as regards work and family? Are we workaholic to the detriment of family time? Or are we responsive to the family concerns of the employees?

### Culture

In % frequency of responses		Never	Occasionally	Often	Always
Hindrances	Employees are expected to take work home.	26	72	2	0
	Rejecting a promotion or transfer for family reasons might affect one's career in the firm.	49	40	11	0
	Going on leave or reducing work hours for family reasons means less commitment to the company.	47	33	14	5
Promoters	Employees are encouraged to go home after a certain time of day.	11	30	32	28
	HR decisions take an employee's family/personal situation into account.	5	32	28	35
	Executives/managers are understanding when employees put their families first.	2	26	44	28

<sup>6</sup> Lou Gerstner's Turnaround Tales at IBM, Knowledge @ Wharton, Published December 18, 2002. Downloaded in May 2007 from <http://knowledge.wharton.upenn.edu>.

In the table above, we show the frequency of the responses to the six sentences provided in the Culture section of the questionnaire. In this section, the respondents were asked to assess to what extent the statements are true about daily life in their companies. They may answer *Never, Occasionally, Often, Always*.

A high of 72% of all the respondents perceive that occasionally employees are expected to take work home. A little below majority think that there are career penalties to availing family-friendly policies and rejecting a promotion or a transfer due to family reasons.

As regards the statements denoting a family-responsible culture, the answers are more lukewarm in that they are distributed among *Occasionally, Often, and Always*.

## The Future

Our business world has made substantial strides in its responsibility towards the community through its corporate social responsibility programs. However, it has no known framework yet on how to fulfill any responsibility towards the employee's family life.

There are organized efforts to make an employee civic-minded through volunteerism, a healthy being through fitness programs, a team player through sports fests, or career-orientated through trainings. But there is no overarching formula to transform the company into a family-responsible enterprise.

In this light, work-family balance is a very tough goal. As one female executive noted:

*"You know, honestly, there is [an incongruity between being family-oriented and at the same time working hard in the office] because it is really difficult to balance work and family. It takes a superwoman, or else [we are forced to choose between] one or the other.*

We envisage the proliferation of family-responsible employers in the country as a function of the labor market. Around the world, family-friendly programmes are adopted as a way to compete for scarce labor resources and to create a committed workforce.<sup>7</sup> There are more and more challenges for companies in the knowledge-based economies to adopt successful work-life balance to address shortage of talents.

For Prof. Jeffrey Pfeffer, global expert on people and organizations, a high-performance firm in today's highly competitive environment has a differentiated people-based strategy:

*[A company's] ability to generate those exceptional returns in a knowledge-based economy is dependent, in large measure, upon its ability to attract, retain and develop the right work force—and whether it succeeds in unleashing their mental capacities.*<sup>8</sup>

What are the local trends that point towards the direction of employment-driven work-family initiatives?

About 60% of the 2005 IFREI survey respondents see themselves as operating in a difficult and competitive labor market for hiring key personnel. Seventy percent of the companies are “extremely” reliant on knowledge workers.

A relatively good number—about 47%—expect that in the next five years family issues on work performance would cause more difficulties than they do today.

In contrast, a total of 46% believe they would have the same or few difficulties in the next five years. Only seven percent expected much fewer difficulties in the future than what they are experiencing at present.

The future may just be lurking on the corner.

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<sup>7</sup> For a review of relevant literature, see Poelmans, Chinchilla and Cardona (2003), The Adoption of Family-friendly HRM policies: Competing for Scarce Resources in the Labour Market, *International Journal of Manpower*, 24 (2), pp 128-147.

<sup>8</sup> From Joel Kurtzman, An interview with Jeffrey Pfeffer, in *Thought Leader*. Downloaded from <http://www.strategy-business.com/press/16635507/19215?tid=230&pg=all>