

CEOs Plan More Layoffs While Most Employees Willing To Save Jobs With Schedule Change Or Pay Cut

JOB INSECURITY DOES LITTLE TO STOP USE OF WORK LIFE FLEXIBILITY BUT OVERWHELMING MAJORITY CHANGE THEIR EMPLOYMENT PLANS BECAUSE OF ECONOMIC DOWNTURN ACCORDING TO SURVEY

April 17, 2009 – As the latest state and regional unemployment figures are announced today, and last week CEOs at the nation's largest companies predicted more layoffs, a new survey finds 94 percent of full-time employees willing to save jobs by changing or reducing their schedule, or taking a pay cut. The finding is from the 2009 Annual Work+Life Fit™ Reality Check, a telephone survey of a national probability sample of 757 full-time employed adults, sponsored by Work+Life Fit, Inc. and conducted by Opinion Research Corporation March 26 - 30.

The Work+Life Fit Reality Check, which has a margin of error of +/- 4 percent, also found:

- Nine in ten employees (90%) reported the recession has forced them to change their employment plans including nearly half saying they're less likely to take a career break, for example to care for children or aging relatives.
- But what has not changed during the economic downturn is work life flexibility. Most companies continue to offer the same or an increased amount of opportunities, and most employees reported their flexibility use has either increased or stayed the same during the past year.
- More than half of those surveyed are optimistic that during President Obama's administration there will be new national legislation or programs that would make it easier for organizations to offer, and for individuals to have, more work life flexibility.

"Regardless of economic boom or doom, work life flexibility is here to stay," said Cali Williams Yost, CEO, Work+Life Fit, Inc. "Now we have to figure out how to use flexibility to help manage our businesses and our lives, both of which are forever changed by this recession."

Key Finding: Change My Schedule, Cut My Hours or My Pay Before You Cut My Job

In order to save their jobs and help their employers reduce costs, nearly 8 in 10 employees would be willing to work a compressed work week, while nearly 60 percent would take additional unpaid vacation days or furloughs (several weeks off without pay). Nearly half would share their jobs with colleagues (48%), or take a cut in both pay and hours (47%). A little more than 4 in 10 would take a pay cut but work the same amount of hours or switch to a project-based contractor employment status (41%). Just under a third say they would take a month or more unpaid sabbatical.

"Organizations, who looked first at who we can cut instead of how we can change by using workplace flexibility, have missed an opportunity to reduce operations, equipment, real estate and health care costs. Future revenues are at risk, too, if organizations are not fully staffed when the economy improves," said Yost. "The mortgage industry was one of the first to shed jobs. Now they can't keep up with refinancing demands."

CEOs at the nation's 61 largest companies last week reported they expect more job cuts. That's the highest level noted since 2002 when the Business Roundtable began the quarterly CEO survey.

2009 Work+Life Reality Check/2

“Layoffs will always be a possibility. It’s not an all or nothing choice—flexibility or layoffs,” Yost added. “Hopefully those 61 CEOs and others planning job cuts will learn that a five percent layoff can sometimes cost more than a five percent pay cut. All options need to be considered.”

The same kind of flexibility that can be used to manage labor costs can also save other expenses. BDO Seidman, LLP, a national professional services firm, sees workplace flexibility as more than a way to minimize layoffs. Flexibility is the way BDO runs their business.

The firm’s CFO, Howard B. Allenberg, estimates, “If our BDO Flex strategy allows us to reduce our space requirements or not take on as much additional space by just five percent going forward, we could save more than \$1.7 million per year in office and equipment rentals and related occupancy costs.”

Key Finding: The Recession Has Minimal Effect on Work Life Flexibility Offerings or Use

Only 2 percent reported they currently do not have any work life flexibility. Of the 98 percent who do, nearly 20 percent reported they have more work life flexibility now than at this time last year while 62 percent said they have the same and only 17 percent reported less. These respondents noted that 90 percent of them work at companies who offer flexibility and 85 percent of them noted the amount of flexibility provided has either increased (19%) or stayed the same (66%) during the past year.

“Workplace flexibility has repeatedly demonstrated a remarkably tenacious streak during previous economic downturns,” according to Kathie Lingle, Executive Director of Alliance for Work-Life Progress. “Erroneously labeled ‘soft’ by the uninformed, flexibility practices appear to be holding their own in these particularly tough times. Flexibility requires little to no monetary investment because at its core, it’s a management philosophy. It may morph and adapt, but it will most definitely survive”

Job insecurity, for an overwhelming majority, has not scared employees away from flexibility. Despite record levels of layoffs, 85 percent said there was either an increase (11%) or no change (74%) in the likelihood they would use work life flexibility.

Key Finding: The Recession Forces Dramatic Changes in Employment Patterns but Working More Doesn’t Have to Mean Less Flexibility

While the recession has had little effect on work life flexibility, it has forced 90 percent of those surveyed to change their employment plans. Nearly 60 percent expect to stay with their current employer longer than first planned (58%) and do some form of work during retirement (58%). More than half (56%) reported saving more and spending less in anticipation of future job changes. And, in what could have significant consequences for child and elder care, 47 percent are less likely to voluntarily leave the workforce for a period of time. Women (56%) were significantly more likely than men (40%) to say they are less likely to voluntarily leave the workforce.

“Both businesses and individuals face unprecedented financial demands, but that doesn’t mean there has to be less workplace flexibility. In fact, it’s the opposite,” said Work+Life Fit’s Yost. “We need to learn how to structure and use flexibility so it meets personal and business goals. Flexibility is not about working less, it’s about working differently. That’s what most people want, and business needs.”

When employees were asked about the type of workplace flexibility they would like to use in the coming year, 8 in 10 wanted the “occasional” opportunity to adjust their schedule (71%) or work from a location other than their office (57%). And even of the 73 percent that said they’d like to make their work life flexibility arrangement “official,” only 12 percent wanted to work fewer hours.

2009 Work+Life Reality Check/3

Key Finding: Employees are Optimistic about President Obama's Support

More than half (56%) of those surveyed are optimistic that during President Obama's administration there will be new national legislation or programs that will make it easier for organizations to offer, and for individuals to have, more work life flexibility. Women (62%) are significantly more optimistic than men (51%), and more women (67%) than men (55%) believe there should be such legislation or programs.

For additional findings from the 2009 Work+Life Fit reality check, please click <http://tr.im/iXt7>.

#

Work+Life Fit, Inc. develops innovative business-based work-life flexibility strategies for organizations and individuals. Clients include BDO Seidman LLP, the United States Navy, Ernst & Young, Barclays Global Investors, and Quaker, as well as thousands of individuals. CEO Cali Williams Yost has been a flexibility consultant since 1995, starting at the Families and Work Institute and then at Bright Horizons Family Solutions two of the industry's leading organizations. She is the author of Work+Life: Finding the Fit That's Right for You (Riverhead/Penguin Group 2005), blogs for Fast Company magazine and is a frequent speaker, including recent engagements with the Department of Labor and the United Nations.

Contact: Pam Kassner, 414-510-1838, pam@superpear.com