

Redesigning Work

Enlightened employers are trying to make office life more creative, more flexible, less stressful -- even fun

PATRICIA CHISHOLM with D'ARCY JENISH in Toronto, JULIAN BELTRAME in Ottawa and JOHN DEMONT in Halifax

An enormous log cabin is under construction in the employee lounge, destined to become an in-house theatre. In the nearby kitchen area, a handful of employees are helping themselves to a late breakfast -- Froot Loops for one, bagels with cheese for another, all provided at company expense (at least (\$20,000 a month). On the other side of the airy, light-flooded space, another



The 'winter carnival' at MDS Nordion: a profound cultural change

employee is taking a 10-minute time-out on a generously proportioned couch, one of several provided for the purpose. Staff who prefer to speed up when they relax can head for a fully equipped gym, and take a shower afterward. Or for those who like to dream with their eyes open, there is the spectacular view of the Coast Mountains from the building's top floor.

At Radical Entertainment's new eight-storey building on the eastern edge of downtown Vancouver, taking care of employees gets as much consideration as taking care of business. That, says CEO Ian Wilkinson, is because the two are inextricably linked. A youthful 42, Wilkinson says the new digs are integral to the company's identity -- and thus the success of its product, video games for clients like Sony Corp., Fox Interactive and Microsoft Corp. Working up a sweat on a stationary bike while he talks, Wilkinson says most of the people who work at Radical are just big kids, including himself. Nurturing that kind of energy and creativity is crucial to keeping the company competitive, he says. "We spend money when there is value to it, in human capital or revenue," Wilkinson says. "If creating a good place to work means that the people who work here will be inspired and that they will stay with us, then it's worth the cost."

Work. It soaks up more time and energy than just about anything else we do, and yet, for the vast majority of employees, it remains a tiresome necessity rather than a source of pride or satisfaction. Sure, many companies make an effort to offer help for the most common problems facing today's workers: high stress, low morale and difficulty balancing the demands of home and office. But employees -- often rightly -- tend to dismiss such programs as window dressing. The human resources department's seminar on work-life balance doesn't carry much weight when frontline managers can't or won't ease up. And while options like working at home, maybe even in bed, may be available, all too often a workaholic boss is sending a different message: sign up for

telecommuting and forget about promotions. "The policies are often in place but they are not practised," says Linda Duxbury, a professor of business at Carleton University who is conducting a national study of how Canadian companies are dealing with such issues, with results due in September. "Data from this study show that, despite the appearance of progress, almost all types of employees -- men and women in all age-groups -- are experiencing more stress in the workplace than they were a decade ago."

The fallout hits employees, companies -- and the economy -- every day. Working hours are up substantially in North America and Europe, with Americans spending the equivalent of an extra month a year on the job. And this is so even though employees have said in surveys they would be willing to give up a fifth of their salary in exchange for more free time. There are telltale signs of rebellion, however, such as increased absenteeism and a trend towards refusing promotions. As Duxbury puts it: "People's lives are already nuts and they don't want them to be nuts-er." The incidence of work-related illness is also spiralling upward in Canada: employers report that the costs of employment assistance programs like counselling, drugs for depression and anxiety-related illnesses, as well as stress leaves, are skyrocketing.

A growing number of companies, especially in hard-to-staff sectors like high tech and financial services, are taking notice. That is because changing demographics and years of strong economic growth have tipped the laws of supply and demand sharply in favour of employees. Now, when skilled workers don't like the boss's rules, they head for the competition down the street. Increasingly desperate to hold on to valued staff, employers are beginning to ask the hard questions: what do employees want, and why are so many companies so poor at meeting their needs?

What they are discovering, says Vancouver consultant John Izzo, is not just dissatisfaction with mediocre benefits or long hours, but a profound cultural change, one that has individuals of virtually every age questioning what they want out of work -- and what they are willing to give up to get it. Although women with young children and twentysomethings are loudest in their calls for change, Izzo, co-author of *Values Shift: The New Work Ethic and What It Means for Business*, says he is regularly approached by employees of both sexes in every age-group who say they want a better deal out of work: less stress, more stimulation, better professional development, increased recognition and a bigger say in how the job gets done.

At the same time, he adds, more people say they are determined to keep the office in its place -- and keep a fence around their personal time. "It's a real paradox," says Izzo. "Work is more important than ever -- people are looking to it for fulfilment, it's part of their identity -- but they also want to get away from it. Sixty-six per cent of college grads say they would never allow corporate life to be more important than family life."

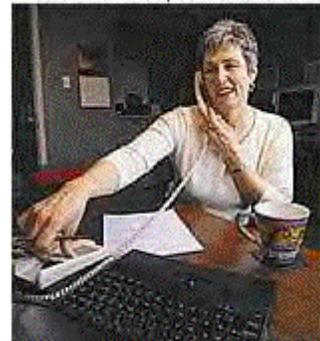
Faced with making changes or watching key resources head out the door, some businesses are rethinking almost everything about their work environment. At Radical Entertainment, which was recently named one of the country's 50 best-managed private companies, the hours can be long but there are tangible -- and unique -- benefits for employees who give the job their best efforts. Besides the more predictable perks of flexible hours and enriched maternity leaves, there are innovations like new ways for

dealing with intellectual property issues. Dreamed up by an employee who spotted a problem -- that creative staff might be reluctant to float new ideas for fear they would lose the rights to them -- Radical's system encourages employees to bring ideas forward by protecting their property rights. If an idea is not accepted, the employee still has the right to sell it to another company. "It's smart business for Radical because we get to see the best coming out of people," says art director Hamo Djoboulian. "And it's smart for the staff because there is something in it for them. There aren't many other companies who think this way."

Of course, software companies have become known for great perks and the royal treatment of staff, but what about other industries? Most people in full-time jobs don't expect to strike it rich through stock options or big salaries. The payoffs they are looking for tend to be much more prosaic: greater control over their time and decision-making, the opportunity to do work they enjoy, enough time and energy to "have a life" when work is over. At the Royal Bank of Canada, a sea change in personnel policies has been under way for about five years, partly because senior managers began to realize that the traditional banking approach -- rigid schedules, faceless hierarchies and inattention to people's personal preferences -- was driving staff away and potentially compromising customer service. Now, the bank is in the forefront of change, offering its staff job-sharing, telecommuting and compressed workweeks, among other innovative arrangements.

Mary Ellen Newell has worked at the Royal for 25 years but only recently carved out a niche for herself that meets her own needs, as well as the bank's. An energetic 52-year-old grandmother who lives in Mississauga, just west of Toronto, Newell started out as a receptionist in a Regina district office. She has been a teller in London, Ont., a customer service representative in Toronto and a sales representative for the bank's credit-card operations in Hamilton. Now, she is doing just what she wants: since April, 1999, she has worked full time from home, selling credit-card services and debit machines to small and medium-sized businesses. The transition out of an office didn't happen overnight: at first, she worked only one day a week at home, increasing the amount of time over a two-year period.

Photo: Peter Thompson for Maclean's



Newell working at home: I don't ever want to do anything else

Newell, who may not see her manager in downtown Toronto for weeks at a time, says having control over her own schedule gives her more energy and flexibility to do the things she wants. She heads out at 7 o'clock every morning to her fitness club, where she works out for 45 minutes on a weight machine and treadmill. After a shower and a Starbucks coffee, she is ready for the office -- in her case, a desk equipped with a phone, a laptop computer, a printer and a fax machine in a spare bedroom of the two-storey brick home she shares with her husband, Allan. She sets her own agenda daily, which is usually a mix of phone calls to potential clients and face-to-face meetings to pitch the company's services. And Newell can begin or end her workday when it suits her. "If I'm coming home at 3 o'clock from a sales call, I don't feel guilty about stopping at the supermarket for groceries," she says. "But I'm usually still working at 7."

There are drawbacks. Newell says she misses going for lunch with fellow workers, or being able to turn to them for advice. Still, it's clear from Newell's relaxed demeanour that chronic stress does not seem to be an issue in her life. "I enjoy this so much," she says, "that I don't ever want to do anything else."

But creating a workplace culture where managers are flexible and empathetic towards their self-motivated, committed employees takes more than a few new rules for flextime and telecommuting. Change must come directly from the top, points out David Stum, a senior vice-president with international human resources firm Aon Consulting, who has studied workplace issues for more than two decades. "The problem is not individual managers, as many people think," he says. "It's the whole system." The proper hiring and training of managers is the first step in achieving change at all levels. "Managers pick up from the culture whether they can be flexible in managing people," he says. "And employees know right away whether they can be candid, or whether it's best to keep their mouths shut."

Fear of speaking up, along with complaints about basic fairness, are usually signals that a company's culture is seriously troubled. At MDS Nordion, an Ottawa-area company that is a leading producer of medical isotopes for the diagnosis and treatment of cancer and heart disease, a rash of union grievances in the early 1990s sparked a massive overhaul of personnel practices. In the space of only a year, about half the company's managers were replaced (most were reassigned). Intensive training programs were instituted, including role-playing exercises to help new managers learn how to communicate assertively without becoming aggressive. They also receive help with techniques for dealing with conflict, tips on delegating and on giving feedback -- without giving offence.

The process of change, says Debi King, vice-president of human resources, has been "a whole series of big and little steps." The company has, for instance, instituted what it calls "speak-ups": any employee, at any time, may submit anonymous questions to management, which are answered on the company's intranet. The exercise, often attempted without success at other companies, is more than pro forma, King says. About 45 such queries were received in November and December, ranging from issues like salaries to the company's decision to hold the annual Christmas party in January. "Once you start letting people speak their minds, and others see that they don't get burned, word spreads," King notes. "There's a real grapevine out there."

The company, which received the National Quality Institute's Healthy Workplace Award in 1999, is also zeroing in on the issue that employees identified as their No. 1 concern in a recent survey: achieving balance between their work and personal lives. A committee, which includes non-managers, is looking at changes in areas ranging from fast-tracking new hires -- so that existing staff are not doubling up on work loads for too long -- to flexible hours, with the aim of lowering stress for all employees. And then there is stuff that is just fun. The company nurse, charged with employee well-being, often organizes events designed simply as a brief time-out. At a recent lunch-hour "winter carnival," drinks and chili were served on the company's on-site rink, there were races, a mock sumo wrestling event and sleigh rides, provided courtesy of a staffer who

keeps Belgian draft horses. "There's always something fun like that going on," King says.

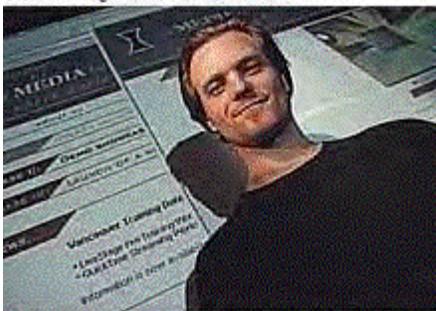
If there is one group that has pushed more aggressively than any other for both structural and cultural workplace change, it is probably mothers with young children. For them, the revolution can hardly come fast enough, as they watch their kids fly through childhood while they battle entrenched employer resistance. At some companies, however, real change is taking place. Jane Davies, a senior communications specialist in retail marketing for Maritime Life Assurance Co. in Halifax, works a 30-hour week instead of the usual 37.5, spreading her time off over two afternoons a week. She spent a recent morning, for instance, learning about one of Maritime's new financial products. She then segued into an afternoon in front of a bank of computers in the library at Rockingham School trying to help her son, Jeffrey, 9, and another Grade 3 student do research on the Internet. "Note to self," Davies, 39, mutters while trying to field questions from both boys, "next time ensure they are both working on the same project."



Davies with son Jeffrey (left) and students at Rockingham: "You only have one chance to be a parent"

Davies does not use the on-site day care or health club provided by Maritime Life. But she has made extensive use of another company perk -- a fund allotted for career advancement expenses. Davies has taken courses, attended conferences and bought educational software. But flextime remains her favourite benefit. "You only have one chance to be a parent," says Davies, who also has a 13-year-old daughter. "You get thousands of chances to have a career."

Photo: Craig Chivers for Maclean's



Gratton: 'there are so many layers in a big company, and that can be frustrating'

Then, of course, there is the classic solution to workplace angst -- quit and design your own work environment. After 10 years as a highly successful trader for the overseas investment banking arm of a large Canadian institution, David Gratton took the plunge. In early 1999, he left behind a six-figure salary and headed back to Canada, determined to set up an Internet-based business. Still only 33, Gratton now heads up an eight-employee shop that works out of his two-storey loft condominium in east Vancouver. His company, ici Media Inc., develops interactive videos for the likes of Apple Computers and pollster Ipsos-Reid.

Despite the fact that his compensation "is not even in the same park" as his old job, he has no regrets. The best part, says Gratton, is seeing a project through from start to finish. "We have created a small company, so that when we come up with an idea, we can see it immediately get implemented. There are so many layers you have to deal with in a big company, and that can be frustrating. Here, I work with like-minded individuals who I can throw an idea out to, and if it works, we jump on it right away." Gratton has even found a solution for the fact that, with his employees in his home,

work had literally taken over his life; next month, he's moving into another, smaller condo just down the road where he can put his feet up, read the paper and forget about work for a while.

WORK NUMBERS

According to studies:

- Productivity increases by about 20 per cent after companies implement work/life balance programs.
- Staff turnover falls by up to 50 per cent when employees are offered benefits such as child-care subsidies, elder-care programs and flexible hours.
- The cost of losing and replacing an employee can range from 50 per cent to 150 per cent of his or her annual salary.
- Forty-three per cent of junior managers value home over work time, compared with 20 per cent of top executives.
- Forty-eight per cent of employees feel guilty when they leave on time.

(Source: Values Shift: The New Work Ethic and What It Means for Business, by John Izzo and Pam Withers)