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the innovative workplace

a white paper on developing an innovative workplace

abstract

Human capital is an organization's number one asset, which becomes especially obvious in economic distress. During such times, it becomes critical for organizations to support their workforce by making tactical decisions, leveraging workforce strengths and investing in development strategies that optimize employee results. In order to maximize investments, thoughtful organizations look to research to inform their practice. The Institute for Workplace Innovation (iwin) conducts and culls research to build inclusive, responsive and workforce-focused work environments. Through research, iwin has developed the Innovative Workplace Model with eight dimensions that are shown to improve recruitment, retention and engagement. This white paper will define the Innovative Workplace Model, describe its importance within the changing nature of work and demonstrate the Model's relevance to business results.

introduction

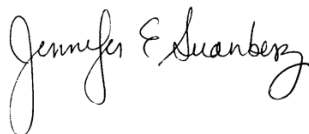
Recent economic trends suggest that the U.S. may be coming out of a recession. Many employers in Kentucky, however, still suffer the effects of the economic slowdown. Income reductions, stock market losses, and fewer-than-expected retirements have forced employers to make difficult decisions. Some businesses, especially small enterprises, have shut down operations, while others have reduced costs through employee layoffs, reduced contributions to employee healthcare plans, and slashed budgets for development and travel. There is no doubt; these are hard times. However, if history is any indicator of the future, we will eventually move out of this recession. Organizations that use this period to rethink and maybe even reinvent the way their work is done will find themselves at an advantage.

From operation hours to beliefs about face-time, the work processes established during the industrial era remain present in workplace practices today. However, over the past three decades we've evolved from an industrial economy to a knowledge and service economy, and technology has significantly influenced how, when and where work is done. During this same time period, family life has dramatically changed. There are more single parents, more households with dual-earners, more men who participate in child and elder care, and more grandparents who are actively involved in raising their grandchildren. The demographics are also changing. We now have more workers over than under 45 years of age, more women are being hired into management roles, workers of greater ethnic and racial diversity are reshaping both the workplace and marketplace, and Millennials—who prioritize work-life balance over the corporate ladder—are entering the workforce, and challenging conventional ideals.

In fact, a growing trend of exchanging high-stress jobs for greater work-life balance continues. According to research by Watson Wyatt WorldWide, two of the top five reasons people leave their companies are stress and lack of work-life balance.¹ Why? Work-trend data suggests that the average employee works harder, longer hours and for less money than in years past. In addition, those workers who have been spared from recent downsizing efforts are saddled with the workloads of those who were not. Both studies and anecdotal reporting from our employer partners show that this increased burden leads to higher stress and lower morale, which is ultimately damaging to the organization.

Though the road ahead may seem unclear, there is no going back. The idea of reinventing how business is done can be daunting. For this reason, University of Kentucky President Lee Todd established the Institute for Workplace Innovation (iwin) to create a link between research about work environments and the practices that shape them. iwin is among the first research centers of its kind in the United States to engage regional employers in learning about and creating an organizational culture that is good for both the organization and the individual. iwin does this by conducting rigorous academic research, translating it into applied tools and resources, influencing policy makers, and helping employers develop their workforce. Most of these tools and resources are based upon iwin's Innovative Workplace Model, which will be described in detail in this white paper. The research demonstrates that it takes a multi-faceted approach to increase recruitment, retention and engagement. The Model provides this.

Ultimately, iwin wants to see a Kentucky where more employers want to locate and where people want to live and work. We want organizations and workers who thrive and creatively respond to local and global challenges. We want Kentucky to become a state-of-choice. I hope that after reading this paper, you will visit iwin's website (www.iwin.uky.edu) for more information and resources pertaining to innovative workplace processes and culture.



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background

The heightened need for innovative workplaces is predicated on the unquestionable change in the context of work. Shifts in demographics will leave employers jostling to attract talent from a smaller pool of more diverse workers. In the next ten years, non-white racial groups are projected to account for 21% of the labor force, women's participation is projected to equal men's, and older workers' participation is expected to grow ten times faster than the total labor force.² The diversity of the workforce will broaden in the coming years across all aspects, not just gender, race or age. Workforce diversity is a tremendous advantage to the employer, who can benefit from its array of experiences and perspectives. However, with it comes a host of non-work interests and responsibilities that make the structures inherent to many jobs difficult for employees to manage.

Unfortunately, many organizations still operate based on obsolete assumptions about their labor force. Workplace structures and processes rooted in the industrial era do not fit the demands of the 21st century, nor do they fit with the expectations and preferences of the contemporary workforce. When the expectations of the worker clash with that of the organization, employee engagement suffers. According to recent research,³ only 14% of employees globally are highly engaged in their work and under half of all employees are satisfied with their jobs.⁴ In order to harness their employees' creativity, organizations must first understand who their employees are...and what motivates them. iwin's Innovative Workplace Model recognizes and responds to the following changes in work and the worker.

demographics: an increasingly diverse workforce

Older workers are one of many demographics who are changing the way we work. The percentage of the population aged 50 and older is expected to surpass 35% in 2020.⁵ Of workers aged 50-70 who have not retired, 73% report they plan to work into their retirement years or never retire.⁶ Not only are older workers more likely now than in the past to want to remain working, but their participation in the workforce will be more intensely needed as the labor force growth rate dwindles⁷ and organizations vie for talent. Many organizations have not considered the impact that this shift will have on their business. According to a recent study, 77% of organizations have not properly analyzed the projected retirement rates of their employees, though 40% stated that the aging of the workforce will negatively impact them in the next 3 years.⁹ With a decline in the growth of the labor force, not only will this demographic's contribution be important to retain, but the institutional knowledge they provide can balance the technological savvy and multitasking ability of an organization's younger workforce (who may be less likely to follow one career path).

In Kentucky, four in ten employers say that they have an employee who has provided care or assistance to an older person during the last two years.⁸

The needs and desires of an older workforce may differ from those of other workers, even if they have worked at the same organization for most of their careers. As the workforce ages, older workers must balance their careers with caregiving responsibilities. Nationwide, one in five employees currently provides eldercare and one in two expects to provide eldercare within the next five years.¹⁰ In Kentucky, a recent study suggests that four in ten (43%) workers provide care or assistance to an older person.⁸ In addition, nearly two-thirds (65%) say they are "looking for ways to better balance work with my personal life."¹¹

Work-life balance is not solely an older workers' issue, and is strongly sought by all generations in the workforce due to changes in family composition, labor force participation and expectations of the younger generation. Already there are almost as many women workers as there are men,² creating more dual-earner families trying to juggle the responsibilities of both work and family. Women, having earned more higher education degrees since 1982,¹⁰ will likely increase their participation in leadership roles. With more women in management roles, more men are sharing or taking the lead in household and caregiving tasks. In fact, in the *2008 National Study of the Changing Workforce*, **men** reported higher levels of work-life conflict than women.¹⁰ With more women in management and more men leading households and caregiving,

The number of dual-earner couples has increased from 66% in 1977 to 80% in 2008.^{10, 12}

the schedules, benefits, and work attitudes of the 20th century are simply no longer relevant for many of today's workers.

And then there are the Xs and Ys. The younger generations expect a much different working environment than Boomers and Traditionalists, and gravitate toward organizations that offer work-life balance, rapid advancement, increased responsibility, meaningful work, and a workplace that is a socially responsible partner in the community.^{13, 14, 15} Although they are key assets due to their high collaborative abilities and future-oriented approach to work, Gen Xers and Yers are not afraid to job surf until they find the right fit.¹³ In fact, when asked about their turnover intentions after the recession, 22% of Gen X respondents reported that they have been or are currently job hunting, and 33% of Gen Ys plan to look within 12 months.¹⁴ The top reason cited for intent to turnover in the next year for Gen Yers was new opportunities in the market—for Gen Xers, lack of career progress. Employers who understand and offer the culture, challenge, flexibility and development opportunities that younger workers desire will be much more likely to engage and retain them.

economic climate

The undeniable background behind any workplace-based initiative or policy is the recent economic decline. The recession itself may be receding, but its influence persists. In 2009, 64% of companies reported that economic conditions of their business operations were “much worse/worse” than they were a year ago.⁹ A weakening economic climate presents innumerable challenges to organizations seeking to maintain their niche in an ever-competitive market, but it also presents a tremendous opportunity to revisit and renovate old assumptions that have been guiding them. Times of turmoil are often realized later to be hotbeds of innovation.

Many employers have found ways to leverage their workforce instead of cutting it. Cali Yost, author of *Work+Life Fit* and *Fast Company* blogger, reports about organizations that have retained their workforce by offering part-time in lieu of lay-offs. Sigma, a full-service advertising agency in New Jersey, asked its employees to consider part-time hours or monthly sabbaticals as a way to avoid layoffs. “When given the choice, Sigma found employees were more than willing to take time and a reduction in pay, rather than leave the company,” said Yost.¹⁶

Kentucky organizations have reached similar conclusions. When the Kentucky Personnel Cabinet faced strict budget cuts last year, they looked to their workforce. The Cabinet found that employees appreciated efforts to avert layoffs through furloughing practices. Everyone shouldered a bit of the burden and prevented the organization from losing valuable employees.

the changing way of work

Not only are we witnessing change in the way of work, but the rate of that change is increasing. The *workplace* almost seems a misnomer these days as work can be accomplished in a myriad of new ways and locations. Advances in technology expand the distance over which meetings can be held, products can be marketed and people can be managed. Time is no longer as important an indicator as results in measuring productivity. Organizations that are able to inspire their employees and harness their creativity, no matter where they are, will find themselves at a tremendous advantage.

Each industry and organization will offer a different approach to innovation. Through a telework pilot project, Cisco Systems, Inc. found they were able to slash their real estate, travel, energy and labor expenses by completely eliminating the office. To assess the social, economic and environmental impacts of telework, they performed an in-depth study with 2,000 employees and found that greenhouse emissions and employee fuel costs decreased while levels of work-life balance, productivity and overall satisfaction increased. The company saved \$277 million annually by allowing employees to telecommute and telework.¹⁷

By integrating open communication, respect and solicitation of employee input when developing new policies, each organization can uncover practices that are best suited for its own unique culture. That is where *iwin* and its Innovative Workplace Model come in.

defining an innovative workplace

The Institute for Workplace Innovation (iwin) created the Innovative Workplace Model in order to inform organizational practice through its workplace-based research. Eight dimensions comprise an Innovative Workplace and work to create dynamic work environments that support employees while meeting business objectives. Though the model dimensions appear segmented, they are dependent upon one another, and only together do they create the underlying fabric of an innovative workplace. Research



According to one study, the four strongest predictors of job turnover were workplace relationships, job meaning, schedule control and contribution.¹⁸

demonstrates that practices within each of these categories are associated with improved recruitment, retention and employee engagement. Each workplace has unique circumstances that drive priority areas and specific

practices will vary by industry, occupational category and demographic group. However, the core components of the model apply across industry and organization type.

innovative workplace dimensions

effective leadership & supervision

Dimensions of an Innovative Workplace are dependent upon each other, and are especially dependent upon effective leadership for success. “Effective” means that leadership utilizes management

Companies with strategic leadership development programs have 62% lower turnover among high performers.¹⁹

techniques that both respect and support a variety of work and thought styles while challenging and motivating workers to do their best. Recent research reports that strong leadership is not only an important retention tool, but that management greatly underestimates just how important it is to employees.¹⁴

In addition, a leadership style that emphasizes performance strengths improves employee productivity by 36%, while emphasis on weaknesses leads to a 27% decline in performance.²⁰ Effective leadership also fosters creativity and vision in the organization in order to build future leaders and develop its workforce. Critical elements of effective leadership include the abilities to: communicate well, develop employees, articulate a vision and motivate others, and create an inclusive work environment. Talent management practices, workforce planning, and even general support and inclusion are all hallmarks of effective leadership and supervision.



model practice effective leadership

Baptist Hospital East in Kentucky invested in a year-long research effort which identified the need for an in-house system to provide potential, new and existing leaders with tools and learning to contribute to the hospital’s leadership. From this research came the *Leadership College*, a three-phase program (a “Survival Skills” phase for those new in their career; “Core and Developmental Skills” for supervisors, managers, and selected talent; and “Life-Long Learning” for experienced supervisors, managers, directors, and executives). In addition to the increased morale, productivity and engagement that has been linked to the *Leadership College*, decreased turnover, higher retention and increased internal promotions have also been credited to the program’s success. More tangibly, the investment that Baptist Hospital has put into the *Leadership College* saved the company \$1.5 million in 2006.²¹

opportunities for learning & advancement

Successful talent management strategies promote tasks and projects that challenge employees, enabling them to perform and improve their skills on the job. When employees have opportunities for continuous learning on the job, not only are they engaged and invested in their work, but the organization becomes better poised to respond to global and local changes.²² By fostering talent within

Statistical Analysis Software (SAS) hires for the long term by investing in their workforce. This practice saves the company an estimated \$50 million annually through reduced turnover—they boast a 3% annual turnover rate.²³

their workforce, organizations can expand employees' skill sets while retaining their institutional knowledge. Challenge jobs can groom talented employees as well as foster commitment to the organization, especially when coupled with integrated workforce planning strategies. In a recent Watson Wyatt study,¹ lack of promotional and career development opportunities accounted for 49% of the top five

reasons employees leave their company. Such reporting only increases when looking specifically at the younger generation which is characterized by its desire for challenging work, development and advancement opportunities.^{13,14} When challenged by work and when offered career growth, professional development and supportive supervision, employees gain job satisfaction and confidence in their success.

While many organizational learning practices may focus on an organization's current workforce, many companies realize the benefits of developing their potential workforce. Through workforce development initiatives, some employers partner with various entities and institutions to help provide education or training so that current or potential employees may gain employment or advance their current position.



model practice learning & advancement

Due to the demographic shift of an aging nation, CVS/Caremark anticipates an upcoming rise in demand for pharmaceuticals coupled with a diminishing labor force. To fill the need in their workforce CVS realizes they have to be competitive and grow the future labor force's interest in a career in pharmacy. CVS proactively targets elementary and high school students to pharmacy careers through their "Pathways to Pharmacy" program. CVS sends pharmacists to elementary schools to promote pharmacy and offer mentorship to interested students. In high school, CVS offers paid eight-week summer internships where students can earn certification as pharmaceutical technicians; during the year, students work part-time at CVS and participate in mentoring activities. Participants may then enter two-year apprenticeships, combining coursework with field experience at CVS. Eligible students may qualify for forgivable loans to complete their education, and upon graduation are offered a lucrative position at CVS. Since its inception in 2002, the program has grown from 12 annual internships to 2,000.²⁴

promotion of workplace flexibility

Flexible work arrangements are, by definition, adaptable and can vary greatly depending on the needs of the organization and of the individual employee. Flexibility includes how, when, and where work is accomplished. The benefits of flexible work arrangements are persuasive: they help employees effectively manage their work and non-work responsibilities; they reduce stress; increase productivity,

In one firm, 41% of workers on a flexible schedule chose control over how they work over a 100% pay raise, and 75% of employees chose flexibility over a 50% pay raise.²⁵

engagement and satisfaction; and help retain talented workers who may want to gradually exit or re-enter their career to raise a family or ease into retirement. Younger workers who have a strong preference to have their performance evaluated solely on results versus time spent in the office are especially motivated by flexible work schedules.

Flexibility can also be a great way of cutting costs. Research has shown that workers on flexible schedules often prefer working flexibly over increased pay and report working in excess of 40-50 hours a week with greater satisfaction.²⁵ In 2005, the Alfred P. Sloan Foundation conducted flexibility pilots in 11 companies. All reported bottom line results including: Gannett, cutting backlogged orders by 81% in a

month; Pitney Bowes, reducing overtime costs by 80% in one month; Chubb, reducing unscheduled time off by 50% each month and overtime by 40% per employee; and Macy's reporting improved coverage and a 33% reduction in the use of sick leave.²⁶

Flexible schedules are easier to implement in some organizations than others, but even manufacturing firms have found ways to grant employees more control over their time. Kraft Foods, for example has replaced older, more rigid policies in their plants with job-sharing, shift-swapping, part-time hourly work for retirees, single-day vacations, and tuition reimbursement.²⁷ Though it is now widely lauded for its ability to offer work-life balance and job satisfaction at relatively low cost, there is significant room for growth in this dimension. According to recently published research, only 30% of organizations have established options for employees to work flexibly.⁹



model practice workplace flexibility

It is likely that one of the greatest impediments to utilizing flexible work arrangements may be in managing their implementation. In order to support and promote flexibility, Dinsmore & Shohl, formerly Woodward, Hobson & Fulton, out of Louisville, KY, cross trains staff members so that they become more familiar with each others' roles and therefore better able to cover for coworkers in the event of an unexpected absence. This practice makes flexible scheduling much more attainable and comfortable for the whole organization. In fact, Dinsmore is always looking for ways to make being out of the office easier. Recently, the organization purchased digital dictation software, enabling recordings to be sent remotely. Now, attorneys can send paralegals dictation for transcription from anywhere with an internet connection, meaning work can be achieved more quickly and employees can maintain their flexible schedules. Due to policies such as the above, 92% of employees say they have the flexibility they need to manage their personal lives, and the firm's turnover rate is only 7%, which is very low for the legal industry.²⁸

culture of inclusion

Diversity in the workforce is a goal for most organizations. Even in 1997, 74% of Fortune 500 companies had cultural diversity programs.²⁹ According to employers, business results affirm the logic behind a heterogeneous workforce. In fact, 75% of employers attest that diversity efforts contribute to the bottom line by improving performance and building new leadership. Yet, many admit they do not know how to implement inclusiveness initiatives.³⁰ Part of the difficulty is that diversity is more than meets the eye. In addition to the visible variations, such as race and gender, it comprises the invisible interests, ideologies and cultural background of what makes each individual just that. It extends across all personal, social, and organizational categories, including age, ethnicity, care-giving responsibility, job type, tenure, and even personal interests.

According to research conducted by Catalyst, Fortune 500 companies with higher representation of women on their corporate boards outperformed on three key financial measures compared to companies with lower representation of women on their boards.⁴⁹

Mentoring, coaching and training can support diversity, but have shown to have little effect if not implemented within a culture of inclusion.³¹ Likewise, the rewards of a creative, diverse and dynamic workforce will be stunted without an organizational culture that respects and responds to a variety of perspectives. Inclusion is a state of being valued, respected, and supported. It is based on an organizational culture, management practices, and interpersonal relationships that support the full utilization of a diverse workforce at all levels and in all functions of an organization. An inclusive environment strengthens everyone's capacity to commit full effort to the learning, performance, and development required for exceptional business results.



model practice inclusion

Lexmark Inc., of Lexington, KY makes a strong effort to promote inclusion of many different lifestyles as it determines benefits. An action team focused on work life—part of the company’s Diversity Council—charges a small group of employees to examine the company’s practices and to recommend ways to make the company’s culture even stronger in this area. As a result, its dependent care benefits encompass both child care and elder care and employees have access to adoption assistance, lactation programs, flexible spending accounts, cafeteria style benefits and paid time off for volunteer activities. In addition, floating religious holidays allow employees to choose which holidays they observe.²⁸

meaningful work

An increasing number of people seek jobs with purpose more than jobs with pensions. Jobs that challenge employees and offer them opportunities for accomplishment, creativity and a sense of purpose beyond task completion can promote job satisfaction, foster self-esteem and reduce stress. They also often lure talented and driven employees to a company and keep them there. Research

MonsterTRAK, a global career and recruitment service, reports 80% of young professionals want jobs that positively impact the environment, and 92% prefer environmentally friendly companies.³³

suggests that people with meaningful work are happier and score high on job satisfaction which translates into less turnover and strong performance.³² It is increasingly more common for work satisfaction—including meaningful or interesting work—to trump pay increases as motivating factors for job selection in the younger generation.¹³

Because “meaningful” work is subjective, enabling employees influence over the goals they wish to pursue in an organization is an important way of ensuring that they are fulfilled.



model practice meaningful work

The University of Kentucky has found a way to dovetail their environmental goals with improvements in the work environment and meaningful work for their custodial staff. In 2008, UK renovated old cleaning methods, replacing them with ones that reduced its custodial staff’s exposure to toxic chemicals. In addition, UK invested in microfiber towels and washing machines that use significantly less water than traditional methods. As of 2010, 90% of the university’s cleaning systems have been converted and each month, the university saves \$1,000 in towel savings alone. UK receives very favorable reports from its custodial staff for its efforts to reduce their exposure to toxic chemicals and fumes. Staff appreciates knowing that the new system returns fewer chemicals to the wastewater, but they still feel empowered by the new system’s ability to effectively clean.³⁴

cultivation of social supports & teams

According to research conducted by the HRI Institute,³⁵ it was found that employees will stay with an organization if they have a good relationship and open communication with their boss. Creating and fostering social supports and teams within an organization will help employees feel connected and supportive, which translates into longer tenure.³⁶ Effective teams understand their goals and communicate well to achieve them; individuals understand their roles and recognize that they need to be team players. Not only do teams and social supports help the organization operate more cohesively, but they help employees feel

In a study of how to retain the most productive employees, 7 of the 12 most important job elements noted by high performing employees pertained to social support at work.³⁶

connected, synergistic, and purposeful. Leveraging pre-existing or “heritage” relationships among employees can greatly decrease the amount of time it takes for teams to build trust and work collaboratively.³⁷ Effective team leaders are those that are able to transition between relationship- and task-oriented leadership styles, both earning trust and clarifying goals and objectives.³⁷ Research has

shown that leadership assignment greatly impacts how collaboratively teams function, and leadership that encompasses a balance of goal communication and relationship building is successful.³⁷ Supportive businesses provide career mentoring, encourage team decision making, applaud sharing ideas, and enhance social supports and friendships. These social supports grow out of mutual respect and care for individuals across all levels of an organization and can buffer the negative health consequences of high demands and stress.³⁸



model practice supports & teams

In addition to offering schedules that revolve primarily around the employee's needs, McCauley, Nicolas & Company, LLC of Louisville, KY has a formal support structure so that new team members can more easily acclimate to their job. Through its mentoring program, new team members are paired with an experienced staff person who serves as a professional coach and with whom they meet regularly. Although the accounting field normally experiences employee turnover averaging 20%, McCauley Nicolas has kept its turnover at 11% for the past four years and 6.5% in the past 12 months.²⁸

competitive compensation & benefits

Especially during times of economic duress, competitive compensation and benefit packages are persuasive recruitment tools. However, if an organization cannot afford to expend additional resources on compensation or benefits, it can be creative and responsive to the specific needs of its workforce or target workforce. For example, 59% of caregivers are employed outside the home.³⁹ For those that care for a loved one, access to referral, informational services or guidance can reduce the amount of stress and the amount of work-time spent sorting out caregiving details. A recent study indicates that at the University of Kentucky, 46% of caregivers who utilized UK's ElderCare program reported taking less time off work due to the service.⁴⁰ Other companies may find that by focusing on results rather than hours worked, they meet their business objectives while offering employees more control over their work schedules. Potter & Company of Louisville, KY (currently Blue & Company, LLC), offers its employees up to eight hours a week of professional time off, provided they can manage their workload and are on track to meet their goals. Potter also arranges an annual, "Potter College," a day-long offsite event featuring guest speakers on topics important to staff, such as health and wellness, business etiquette, marketing and business development.⁴¹ Such practices empower employees, demonstrate trust from management and incent them to work more productively. Combining benefits packages with more holistic health and wellness programs can also help to cut costs and increase engagement.

A 2008 survey of US employees found competitive base pay and benefits as the top two drivers that attract them to an employer.³



model practice benefits

United Way of the Bluegrass (UWBG) in Lexington, KY, has modeled its benefits packages to fit the priorities, mission and resources of the organization. Health benefits are offered to employees working 30+ hours/week and paid time off to employees working 20+ hours/ week. Employees can dedicate three or more hours of work time each month to participate in volunteer activities, and periodically employees work together on a community project. In addition, employees can pledge for days off if they choose, donating money to UWBG in exchange for up to three days off a year. In order to reduce the burdens of scheduling conflicts and high gas prices, UWBG offers flexibility in work location and hours. In addition, it offers its employees access to the community resources it provides, such as the 211 helpline—a toll-free line with information about healthcare, social supports, and basic needs.²⁸

promotion of health & wellness

One in three American adults today is obese, costing U.S. employers \$45 billion annually in medical expenditures and work loss.⁴ More than 100 million adults have borderline to high cholesterol,⁴² one in three has high blood pressure,⁴² and an equal number show signs of clinical depression.¹⁰ Sick employees translate into high medical costs, and employer-based health insurance incurs much of it. In response, some employers are reducing health benefits, increasing employee deductibles or are ceasing their employee healthcare plans. However, innovative companies understand that benefit packages and

Highmark Inc.—a Blue Cross Blue Shield licensee—reports that participants in its comprehensive wellness program had higher productivity, morale, job satisfaction and fitness than nonparticipants. The program estimates a savings of \$172/yr per participant, and \$1,335,524 over 4 years.⁴³

health and wellness programs not only help recruit and retain talent, but increase the commitment, efficiency, and productivity of their workforce. These companies support their employees by promoting health. However, this is not the norm; while almost three-quarters (74%) of employees agree that their employer has a role in helping them understand how to use their health plan, only 12% agree or strongly agree their employer has a role in helping them understand how to stay healthy.⁴⁴ Health and wellness programs are logical

components of a healthcare benefits package (wellness programs can achieve ROI of \$5 per \$1 invested),⁴ but they can also lead to enhanced satisfaction, productivity and can complement social support structures encouraged at the organizational level. Programs that integrate long-term strategies, short-term solutions, and targeted behavior modification and intervention into a holistic culture of wellness both attract employees and lower benefits costs.

Ill health can be caused by more than just exercise and diet; it can be caused by work itself. Numerous studies have shown stress and depression are linked to poor employee health, including cancer and heart disease.^{26, 45} Further studies have shown that jobs high in psychological demands and low decision latitude produce psychological strain and stress.⁴⁶ Alternatively, jobs low in psychological demands and high in decision latitude produce feelings of job satisfaction and motivation to learn new things, and resulting in minimal stress.⁴⁶ Support from supervisors and coworkers mediate these relationships and can actually reduce the risk of illness,^{38, 47} further strengthening the argument for integrating a culture of effective supervision and support into all aspects of an organization's practices.



model practice health & wellness

Anthem Blue Cross Blue Shield understands that health and wellness is not only an integral part of keeping healthcare costs down, but that a healthy employee can better contribute to the organization through increased productivity. Anthem offers a variety of health and wellness programs and activities to its employees from weight management, tobacco cessation, physical activity, preventative and condition care, nutrition, and general well-being. Many activities, such as group walking challenges and Weight Watchers enrollment combine the benefits of social support with the benefits of healthy behavior promotion. Anthem also applies metrics to its activities in order to track specific utilization rates as well as overall outcomes. As an example, Anthem subsidizes healthy eating habits in its on-site cafeterias through its Healthy Dining Discount program. In the first year of implementing the program, total sales of Healthy Food Options in on-site cafeterias increased from 19% to 24% in one year. Through all of the combined health and wellness efforts, Anthem projects \$4 - \$5 million cost savings due to lower medical claims.⁴⁸

innovative workplaces become employers-of-choice

A recent survey of U.S. employees asked what workplace characteristics attracted them to an organization, kept them there and motivated them to give more effort.³ The top three responses in each area are listed below, all of which are either represented in, or occur as a result of, components in iwin's Innovative Workplace Model.

drivers of recruitment, retention & engagement for US employees



recruitment

- competitive base pay
- competitive healthcare benefits
- work/life balance

retention

- organization retain people with needed skills
- opportunity to learn and develop new skills
- organization's reputation as a good employer

engagement

- sr. mgmt. interest in employee wellbeing
- improved skills & capabilities over last year
- organization's reputation as good employer

innovative workplace culture

An organization's human capital is its number one asset, which becomes especially obvious in economic distress. It becomes critical for organizations to support their workforce by making tactical employment decisions, leveraging workforce strengths, and investing in engagement and development strategies that optimize employee results. In order to maximize their investments, thoughtful organizations look to the research to inform their practice.

The process of communicating challenges and goals to employees and involving them in problem solving demonstrates the commitment on behalf of the management to a culture of support. When an organization does not fully integrate innovative and inclusive practices into their daily operations and organizational cultures, human capital inefficiencies, employee stress, and sub-optimal performances result. The benefit truly comes from the employee having control over how their time and workload is managed and knowing they are trusted and supported by their supervisor.

There are as many solutions to workplace obstacles as one's imagination is wide. Innovation comes from openness to new ideas, allowing employees to have a voice, and dedication to the process of reinvention when necessary. But when attempting to make policy changes, it is important to remember that piecemeal practices will not be effective if not woven into the underlying culture that unifies and defines an organization. Those organizations that make the effort to do so will grow a healthy future beyond these tumultuous times; they will become employers-of-choice.

how iwin can help

Is your organization faced with 21-century workforce challenges? Aging workforce? Multigenerational workplace? Issues involving employee engagement? Health and wellness? iwin offers solutions through its Innovative Employer Roundtable, consulting and trainings, and webinars and workshops. iwin's objective is to help workplaces become innovative employers-of-choice and to create environments that boost the bottom line, employee health and work-life fit.

innovative employer roundtable

The Innovative Employer Roundtable is a premier learning community for Kentucky business leaders. It provides members with cutting-edge research from national experts, researchers and fellow Partners that help enhance employee engagement, recruitment, and retention. It is a forum where Kentucky employers can learn, share and create knowledge in order to become employers-of-choice.

Roundtable benefits include:

- roundtable meetings twice yearly
- online partner learning network
- webinars & workshops
- monthly newsletter featuring best practices
- innovative employer issue briefs
- innovative workplace assessment with nationally benchmarked results
- free membership to UK's Hilary J. Boone Center

webinars and workshops

iwin offers an array of educational opportunities to employers in order to keep them up-to-date on national and local workplace innovations. Visit www.iwin.uky.edu for schedule of opportunities.

organizational consulting

iwin offers a unique combination of services developed by experienced workplace-based researchers and corporate practitioners. Whether your organization needs a cultural transformation through our full-cycle services or a specific issue addressed, we can assist in creating a work environment where productivity and employee engagement are cultural norms. Offerings include:

- targeted and custom trainings on: workplace flexibility, creating work-life fit, telework, leadership, development, diversity & inclusion, generational synergy, and more
- talent management/succession planning
- health and wellness promotion including assessments, program development, integration strategies, and stress management
- effective communications, conflict management, and team building
- hr functions including assistance with staffing & recruitment, organizational development, and benefits & compensation
- workplace cultural assessments
- management and executive coaching



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or contact Lynn Bertsch, Director of Employer Engagement, at lynn.bertsch@uky.edu or 859.323.0581

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