THE AMERICAN WORKER: CHANGES IN THE WORKPLACE

By Andrew B. Borinstein and David Meer

The revolutions in the Soviet Union and Eastern Europe command our attention, but the quieter, more gradual evolution that has been occurring in the American workplace is in its own way of great importance. Using data from the DYG Environmental Scanning Program℠, results from proprietary research and relevant publicly released survey material, we will summarize some of these workplace changes and describe the shift in the values orientation of the US workforce.

Women in the Workplace

The demographic compostion of the workforce has undergone profound change since the 1950s. The single biggest event, of course, has been the increasing number of employed women. In the last three decades, the number of working women has nearly tripled — from 21 million in 1958 to 56 million in 1989. Women now comprise over 45% of the total labor force, compared to only 30% in 1950. It is estimated that by the year 2000, women will make up more than 47% of the labor force. This increased labor force participation of women has had a significant effect on the family. According to DYG Environmental Scanning Program data, fewer than 10% of all households now fit the traditional notion of the "classic" family with a working father, homemaking mother and children under 18. Over 6 million families are headed by women; over 25 million two-parent families have both spouses working outside the home.[1] About three-fourths of employed mothers with children under 18 work full-time.

This changing demographic reality has changed the way women view working conditions and their employers. Much has recently been written about the "mommy vs. career track" issue. DYG Scan data clearly show that working women want to be able to do both — raise a family and pursue a meaningful career. Many, however, cite the inability of the employer to address this women's "dilemma." At present, only a few large US corporations are experimenting with personnel policy innovations to help workers balance job commitments with family responsibilities. These policies include family leave, child and elder-care options, alternative career paths, and flexible work schedules. DYG believes there will be increased pressure on American businesses in the 1990s to accommodate women — both profesionals and service workers — who want to work part-time or at home. Mothers who have to or want to work full-time will demand day-care solutions, as will their spouses. As expected labor shortages become more acute, enlightened companies will become more responsive to these demands, in hopes of retaining well educated and experienced women employees.

The Values Transformation

The number of baby boomers in the labor force is another significant demographic development. Over 74 million Americans were born between 1946 and 1964, and these "boomers" now make up about half of the working age population.[2] Although survey results show that, overall, workers are generally satisfied with their jobs, the relatively affluent and better educated baby boomers have been a catalyst in the transformation of the American work ethic and the values orientation of the US workforce. Boomers have turned the traditional Protestant work ethic — which stresses hard work, sacrifice and delayed gratification — on its head. They view work as an avenue to self fulfillment, not as a duty or obligation. The workplace is seen as an arena for self expression and personal identity.

DYG's chairman, Daniel Yankelovich, recently concluded that, "the new focus is shaping a new kind of work ethic. Instead of emphasizing sacrifice, the ethic now stresses skill, challenge, autonomy, recognition and the quality of work produced, because the product of an individual's work is an intimate expression of the self. Work is once again valued for something beyond mere commercial transaction." Thus, America's workers want a good income and a continually improving standard of living — without sacrificing their autonomy and self-expression. This represents a values orientation very different from that of workers of the 1940s and 1950s.

Troubled Work Relations

A "social contract" of sorts prevailed between employers and employees in the 1950s. It promised job security from the employer in exchange for job commitment from employees. This contract was especially characteristic of large corporations and flourished in certain regulated industries, particularly the financial services, telecommunications, and utilities industries. The first breaches occurred during the 1960s, when work became less central to many employees who had become more self expressive and interested in fulfillment away from the job. Later, pragmatic MBA-types, computer programmers, and other professionals pursued a strategy of rapid advancement through job-hopping, cultivating professional standing and the "network" above loyalty to any one firm.

Now, however, it is corporations who are viewed by many workers as having violated the social contract. The drive to revive corporate profitability has dramatically shrunk middle management, required give-backs on employee benefits, and encouraged a turn to "outsourcing" at the expense of domestic manufacturing — in short, all the elements of a "lean and mean" management style. At the same time, the mergers and acquisitions explosion of the 1980s has resulted in a fundamental shakeup of the corporate landscape. While in many cases necessary and desirable, these developments have had a detrimental effect on employee commitment and productivity. DYG Scan and other proprietary research data show that a more mercenary attitude toward work has developed — particularly among white collar workers. Ironically, this comes at a time when the workplace is one of a shrinking set of arenas in which needs for personal fulfillment and satisfaction can be played out. The underlying support for organizational commitment exists, but real and perceived corporate actions have eroded employee loyalty and productivity.

The Older Worker

Workplace diversity and the troubled state of work relations are especially relevant to the situation facing workers over age 50, some of whom are being forced to take early retirement despite predicted labor shortages. In the fall of 1989, DYG completed a follow-up tracking study for the American Association of Retired Persons (AARP) on the perceptions of 400 corporate human resource decisionmakers concerning employees 50 years and older. A similar study had been conducted for AARP in 1985. The follow-up study — "Business and Older Workers: Current Perceptions and New Directions for the 1990s" — revealed that positive attitudes toward older workers remain high. It found that human resource decisionmakers show increased appreciation for the "work ethic" characteristic of these employees — namely, commitment to quality, loyalty, punctuality, and dedication to the company. Older employees also received higher marks than in 1985 on other desirable characteristics such as coolness in a crisis and practical knowledge.

Despite these positive attitudes, however, the study found two obstacles which impede the full utilization of older workers. These are lingering questions about their adaptability to new technology, and the cost issue — particularly health insurance costs. The first of these obstacles was detected in the 1985 study, but the situation appears to have intensified since then. Human resource decisionmakers now see older workers as somewhat more comfortable with new technologies (22% are now viewed as more comfortable with new technologies compared with only 10% in 1985), but these gains are overshadowed by the increased emphasis placed on the need for technological adaptability. On the health issue, human resource executives 5 years ago were most concerned about insurance costs for young employees with dependents. But in 1989, with many young household heads enrolled in less expensive Health Maintenance Organizations (HMOs), these concerns have abated. The focus has shifted to the cost of retirees' health benefits. In addition, in large companies, older male employees are now considered more expensive to insure than young employees with dependents.

As the workforce ages and shortages of skilled labor loom, one would expect greater utilization of older workers. Our study shows, however, that companies have made little or no progress in implementing programs to utilize older workers more fully. For example, skill training for older employees has been adopted by only 3 companies in 10, the same proportion as in 1985. And commitment by senior management to older worker utilization, as reported by human resource decisionmakers, has actually declined. Although there has been a modest rise since 1985 in part-time work arrangements for older employees, the relatively positive attitudes expressed by the human resource decisionmakers have not been translated into corporate policy.

Finally, human resource decisionmakers in *large* companies continue to display less positive attitudes toward older workers than do their counterparts in mid-sized and small firms. They give older workers less credit for their work ethic, and are more critical of their ability to adapt to technology and to deal with other competitiveness demands. They are also more sensitive to perceived higher health insurance costs for older workers. This mindset has encouraged a widespread adoption of early retirement programs, and an increase in part-time work arrangements without benefits.

[1]"Council on Competitiveness, Family-Oriented Policies Become Competitiveness Advantage," *Challenges* (May 1990), p. 1.
[2]Daniel Yankelovich and Sidney Harman, *Starting with the People* (Boston: Houghton Miflin Company, 1988), p. 237.

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