



**STATEMENT OF CHINA MINER GORMAN  
CHIEF GLOBAL MEMBER ENGAGEMENT OFFICER  
SOCIETY FOR HUMAN RESOURCE MANAGEMENT**

**SUBMITTED TO  
HOUSE COMMITTEE ON EDUCATION AND LABOR  
SUBCOMMITTEE ON WORKFORCE PROTECTIONS**

**APRIL 22, 2010**

Chairwoman Woolsey, Ranking Member McMorris Rodgers, and distinguished members of the Subcommittee, my name is China Miner Gorman. I am the Chief Global Member Engagement Officer of the Society for Human Resource Management (SHRM), the world's largest association devoted to serving the needs of human resource professionals and to advancing the HR profession. On behalf of our approximately 250,000 members, I thank you for the opportunity to appear before the Subcommittee as we discuss workplace flexibility and H.R. 4855, the Work-Life Balance Award Act.

SHRM's members are the professionals responsible for designing and implementing organizations' benefit plans, programs and policies that enable employees to meet the dual demands of their work and personal life. HR professionals are continuously exploring ways to design policies that improve employee morale, engagement and retention—essential elements in developing and maintaining a productive and competitive workforce. Given the practical experience SHRM and its members possess, we believe we are uniquely positioned to provide insight on this legislation and the issue of workplace flexibility.

### **H.R. 4855, the Work-Life Balance Award Act**

The focus of today's hearing is on H.R. 4855, the Work-Life Balance Award Act. This legislation would create the Work-Life Balance Award within the Department of Labor (DOL) to recognize employers that have developed and implemented innovative policies to enable employees to achieve a satisfactory work-life balance. The bill establishes a nine-member, independent Advisory Board within the DOL composed of representatives of employee and employer groups to develop award criteria and select recipients.

SHRM commends both Chairwoman Woolsey and Ranking Member McMorris Rodgers for their leadership in developing this legislation. We appreciate the bipartisan approach you undertook in negotiating the details of this bill and your willingness to incorporate changes based on the input from SHRM and other stakeholder groups. SHRM believes that this type of bipartisan approach to developing legislation, with open dialogue and input from both employee and employer groups, results in fewer unintended consequences and better workplace public policy.

SHRM and its members support the Work-Life Balance Award Act, a common-sense bill to recognize and showcase those public and private organizations delivering benefit plans and policies that truly help their employees better balance their work and personal life obligations. We believe this measure is complementary to the philosophy of SHRM and its members, and highlights the importance of workplace flexibility. H.R. 4855 affirms a key SHRM principle with regard to workplace flexibility public policy—encouraging organizations to be innovative and flexible in the ways they offer flexible workplace benefits and policies can ultimately enable employers to better meet the needs of their workforce while also contributing to an organization’s success.

Certainly, recognizing employers for innovative work-life programs is nothing new, with many successful awards initiatives in existence today. For example, many are familiar with *Forbes* magazine’s “100 Best Companies to Work For,” *Working Mother* magazine’s “Working Mother 100 Best Companies” and the leading national organizations awarded a coveted member of these exclusive lists.

A pioneering program in the workplace flexibility arena funded by the Alfred P. Sloan Foundation is When Work Works. The program, a project of the Families and Work Institute in partnership with the U.S. Chamber of Commerce’s Institute for a Competitive Workforce and the Twiga Foundation, recognizes employers, including small and mid-sized organizations, for their workplace flexibility programs with the influential Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility. All of these outstanding initiatives have contributed to raising the profile of the important business implications associated with being an “employer of choice.”

Since there are many thriving awards programs currently in place, some may question the need to establish another award of this nature within the DOL. SHRM appreciates this concern and believes H.R. 4855 would complement these other awards programs. We also encourage policymakers to consider these other award initiatives as this legislation moves forward. There may in fact be opportunities to learn from and/or collaborate with existing awards programs that could ultimately strengthen this type of federal award. In addition, we believe that the Work-Life Balance Award Act will be helpful in shining a national spotlight on an issue of societal importance. Congress, in 1987, took a similar approach to address concerns over the quality and productivity of American business as it faced increased global competition by creating the Malcolm Baldrige National Quality Award. The award program, which is housed at the National Institutes of

Standards & Technology, recognizes those companies and organizations that take steps to improve the quality and productivity of their businesses.

### **SHRM's Commitment to Workplace Flexibility**

Workplace demographics are changing. More employees, especially younger workers, are demanding flexible workplace arrangements. In addition, according to the Families and Work Institute, men are also experiencing an increased amount of work-life conflict. In response, companies are implementing workplace flexibility programs as part of a business strategy to enhance productivity and profitability. Many leading organizations have already implemented successful workplace flexibility programs. The results: more loyal employees, improved employee retention, better customer service, and increased productivity.

Our profession believes in the competitive advantages gained by any employer who offers a truly flexible workplace environment. HR professionals believe that many of the successful programs and policies that are in the workplace today have been developed through local initiative and innovation responding to employee needs in balancing work and family obligations, not from imposing a government mandate.

At SHRM, we strive to lead our members by example when it comes to workplace flexibility by offering a number of flexible work options, paid leave, and important policies that convey a message to our employees that we value and support their life outside of work. A significant amount of our roughly 350 employees utilize compressed work weeks, flex scheduling, telecommuting options, and part-time work. In addition, SHRM's standard work week is 37.5 hours. These policies are available to be requested by all SHRM employees, but the specific work arrangements are left to the individual supervisor and employee to finalize. For example, employees in SHRM's HR Knowledge Center, who answer questions from our members on a host of HR issues, almost exclusively work from home. SHRM's Regional Field Directors, whose job it is to serve as liaisons between our state councils and chapters, have their home as their principal office. Our Regional Field Directors conduct most of their business virtually, through conference calls and web conferences.

## **The Importance of Workplace Flexibility: A New Approach**

Based on both our experience and the experience of our members, SHRM believes it's time to give employees choices, and to give employers more predictability when it comes to workplace flexibility public policy. We believe employers should be encouraged to provide important work-flex options, including paid leave, that their workforces need. Although not the only solution, your bipartisan bill, the Work-Life Balance Award Act, moves in the right direction by serving as a catalyst to encourage more employers to adopt flexible workplaces. It will help foster expansion of the kind of creativity and innovation in the design of benefits plans that reflect employee and employer preferences.

At SHRM, we are committed to leading a new dialogue on workplace flexibility, one that incorporates employee and employer perspectives. Last month, SHRM hosted a Global Diversity and Inclusion Thought Leaders' Summit which brought together 100 senior-level public and private sector executives to explore innovative solutions to address several of the world's most pressing talent management challenges, including workplace flexibility. Many of the best and brightest minds in the field noted the positive bottom-line impact of flexible work arrangements. For example, when employers utilized new innovations and technologies to promote flexibility – focusing on output and results versus hours worked and/or face time – productivity rose, turnover declined, and employee engagement and morale increased.

In recognition of our leadership on this important issue, SHRM was invited to participate in the recent White House Forum on Workplace Flexibility. This historic event helped highlight the many unique and innovative approaches employers are implementing to address employees' work-life needs. During a breakout session on the changing American workforce, Mike Aitken, SHRM's Director of Government Relations, noted that many employers encounter challenges with outdated labor laws when designing innovative, 21<sup>st</sup> Century workplace policies and programs. In addition, we were heartened to hear that under Director John Berry, the United States Office of Personnel Management will pilot several flexible work arrangements, including a Results-Only Work Environment (ROWE), telecommuting and other flexible work arrangements. This is a positive development and we look forward to the federal government's leadership in this area.

SHRM's efforts to broaden the dialogue on workplace flexibility are ongoing. We continue to work with family advocates, including the National Partnership for Women and Families, Workplace Flexibility 2010, the American Association of People with Disabilities, as well as other stakeholder groups, to highlight the importance of Flexible Work Arrangements (FWAs) to both employers and employees. SHRM and these diverse stakeholders partnered in late 2009 to hold congressional briefings to emphasize our belief that flexibility is the key to meeting the varied needs of the 21<sup>st</sup> Century workplace. We are currently exploring elements of common ground on policy ideas for expanding FWAs in U.S. workplaces, with the hope that FWAs will be more widely accessible in more workplaces around the country in the not-so-distant future.

We are also hopeful that the effort mentioned above will lead to more dialogue about workable public policy in this critically important area. To be effective, workplace policies must work for both employers and employees, which is why government-mandated imposition of so-called flexibility won't work. Instead, employers need to not be restricted by proscriptive government rules, so that they can create innovative and more flexible ways to meet the needs of their employees. Accordingly, SHRM continues to advocate an alternative approach that—for the first time—reflects the different needs of individual workers, plus the differences in work environments, union representation, industries and organizational size.

SHRM, and the HR profession it represents, believe that employers—not the government—are in the best position to know the benefits preferences of their employees. When you impose a mandate, you remove or restrict an employer's flexibility in shaping policies that don't create undue hardships for *either* of the two parties in the equation. But when customized situational policies are in place, everybody wins. Employees get support in balancing work and life outside work, and employers get stability and predictability. The type of recognition provided by the Work-Life Balance Award would be a step in the right direction in encouraging more of those win-win scenarios.

## **SHRM's Principles for a 21<sup>st</sup> Century Workplace Flexibility Policy**

SHRM has developed a set of five principles to help guide the creation of a new workplace flexibility public policy. I have outlined our principles below:

**Shared Needs**—SHRM envisions a “safe harbor” standard where employers voluntarily provide a specified number of paid leave days for employees to use for any purpose, consistent with the employer’s policies or collective bargaining agreements. A federal policy should:

- Provide certainty, predictability and accountability for employees and employers.
- Encourage employers to offer paid leave under a uniform and coordinated set of rules that would replace and simplify the confusing—and often conflicting—existing patchwork of regulations.
- Create administrative and compliance incentives for employers who offer paid leave by offering them a safe-harbor standard that would facilitate compliance and save on administrative costs.
- Allow for different work environments, union representation, industries and organizational size.
- Permit employers that voluntarily meet safe harbor leave standards to satisfy federal, state and local leave requirements.

**Employee Leave**—Employers should be encouraged voluntarily to provide paid leave to help employees meet work and personal life obligations through the safe-harbor leave standard. A federal policy should:

- Encourage employers to offer employees with some level of paid leave that meets minimum eligibility requirements as allowed under the employer’s safe-harbor plan.
- Allow the employee to use the leave for illness, vacation, personal and family needs.
- Require employers to create a plan document, made available to all eligible employees, that fulfills the requirements of the safe-harbor.
- Require the employer to attest to the U.S. Department of Labor that the plan meets the safe harbor requirements.

**Flexibility**—A federal workplace leave policy should encourage maximum flexibility for both employees and employers. A federal policy should:

- Permit the leave requirement to be satisfied by following the policies and parameters of an employer plan or collective bargaining agreement, where applicable, consistent with the safe harbor provisions.
- Provide employers with predictability and stability in workforce operations.
- Provide employees with the predictability and stability necessary to meet personal needs.

**Scalability**—A federal workplace leave policy must avoid a mandated one-size-fits-all approach and instead recognize that paid leave offerings should accommodate the increasing diversity in workforce needs and environments. A federal policy should:

- Allow leave benefits to be scaled to the number of employees at an organization; the organization's type of operations; talent and staffing availability; market and competitive forces; and collective bargaining arrangements.
- Provide pro-rated leave benefits to full- and part-time employees as applicable under the employer plan, which is tailored to the specific workforce needs and consistent with the safe harbor.

**Flexible Work Options**—Employees and employers can benefit from a public policy that meets the diverse needs of the workplace in supporting and encouraging flexible work options such as telecommuting, flexible work arrangements, job sharing and compressed or reduced schedules. Federal statutes that impede these offerings should be updated to provide employers and employees with maximum flexibility to balance work and personal needs. A federal policy should:

- Amend federal law to allow employees to balance work and family needs through flexible work options such as telecommuting, flextime, part-time, job sharing and compressed or reduced schedules.
- Permit employees to choose either earning compensatory time off for work hours beyond the established work week, or overtime wages.
- Clarify federal law to strengthen existing leave statutes to ensure they work for both employees and employers.



## **Conclusion**

The Work-Life Balance Award Act is commendable in its intent, and it has the support of SHRM's 250,000 members. This is a common-sense bill to recognize and showcase those public and private organizations delivering benefit plans and policies that truly help their employees better balance their work and personal life obligations. We believe this measure is complementary to the philosophy of SHRM and its members and highlights the importance of workplace flexibility.

I also pledge to this subcommittee that SHRM is committed to working with you and other members of Congress in crafting workplace flexibility public policy that *works*—one that is designed for the workplaces of this century, not those of the past.