

# Workforce is Changing



Aging population in the industrialized nations  
 Multi-generational workforce with differing values  
 Global and highly diverse knowledge pool  
 Woman outpacing men in college enrollment

By 2010 in the U.S., the number of 35-44 year-olds will not grow but decline by 10%. The number of workers ages 45-54 will grow by 21%, and the number of 55-64 year-olds will grow by 52%. \*

In some other nations—The number of 35-44-olds will shrink by 19% in U.K., 27% in Germany, 9% in Italy, 10% in Japan, and 8% in China.

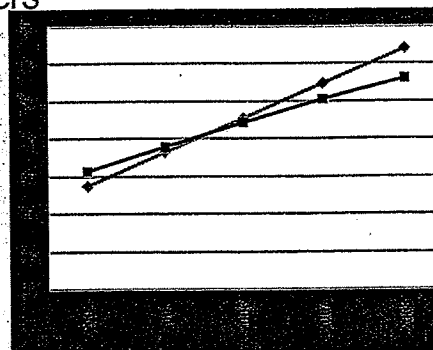
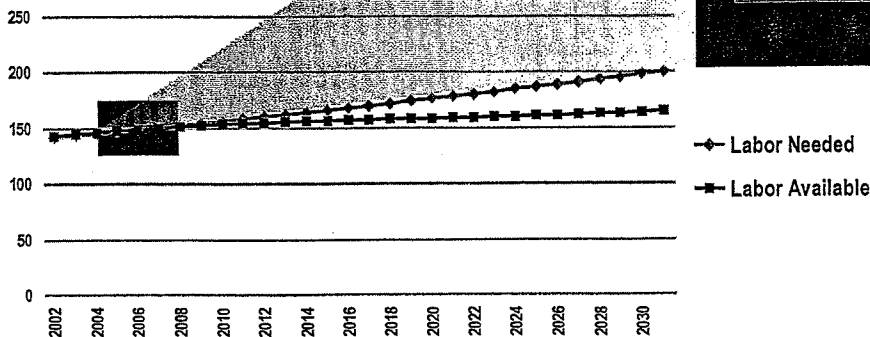
\*US Bureau of Labor Statistics, Feb 2004

# The Lines Are Crossing:

In the U.S., a Growing Shortage of Workers

## U.S. Expected Labor Force and Labor Force Demand

Millions of People



Source: Employment Policy Foundation analysis and projections of Census/BLS and BEA data.

## Projected Shortages in Critical Skills: U.S.

- Over the next decade:
  - > Less than 30% of U.S. twenty year olds will obtain a college degree
  - > Over 90% of the new jobs created in the U.S. will require a college degree
- Key skill sets will be in short supply:
  - > For example, the number of students that declared their major in computer science in the U.S. has declined for the past four years and is now 39% lower than in the fall of 2000
- Within the current U.S. adult population:
  - > 21% have only basic literacy skills
  - > 75% are estimated to require retraining to meet the job needs of the coming decade

Source: In part, *The Seventh-Annual Workplace Report, Challenges Facing the American Workplace, Summary of Findings*, Employment Policy Foundation, 2002; *India Daily*, October 12, 2005, citing McKinsey & Co. research; Computing Research Association, March 2005; *Information Week*, August 16, 2004

## Workstyles are Changing



Desire to balance work and leisure  
 Professionals rethinking career aspirations  
 Declining employee engagement  
 Pro-hierarchy giving way to independence and idealism

## Professional Women Rethinking the Path

- 37% of professional women leave the workforce at some point
  - > 44% of those leave primarily to address family responsibilities
    - 40% of married professional women say their husbands create more work around the house than they perform
  - > 23% leave for education or retraining
  - > 17% leave because their job is not stimulating or enjoyable
  - > Only 6% leave because the job is too demanding
- 93% want to return to their careers
  - > Only 5% want to re-join the companies they left
- 74% who want to rejoin the ranks do
  - > Only 40% return to full-time professional jobs
  - > Women lose 37% of earning power if out for 3 years or more

Source: "Off-Ramps and On-Ramps," Harvard Business Review, March 2005

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## Women May Not Be Alone In a Desire to Rethink

### Senior Male Executives in Fortune 500 Firms:

- 84% say they'd like job options that let them realize their professional aspirations while having more time for things outside work
- 55% say they're willing to sacrifice income
- Half say they wonder if the sacrifices they've made for their careers are worth it
- 73% believe it's possible to restructure senior management jobs in ways that would both increase productivity and make more time available for life outside the office
- 87% believe that companies that enable such changes will have a competitive advantage in attracting talent
- The younger a male executive is, the more likely he is to say he cares about all of this

Source: Fortune, 2004

## The Challenges of the 21<sup>st</sup> Century Workforce

- To meet the need for skilled workers, managers need ways to access, attract and retain global talent
- To stay competitive and grow, companies need ways to attract, do business with, and retain customers worldwide
- Employees want more flexibility and work-life balance
- Add to these: “real-world” reasons to distribute the workforce
  - > Business continuity/disaster planning and recovery
  - > High cost of underutilized real estate

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Business Imperative  
**Business  
Continuity:**  
Insulating the organization  
from unforeseen and sudden  
disruption

## Disaster Strikes: Your Systems Survive. But Where Are Your Employees?

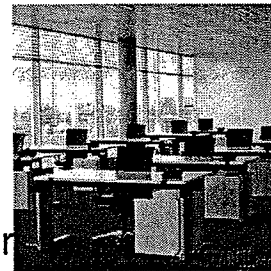
Traditional BCP/COOP addresses

- Systems – Uptime, data recovery, distribution, mirroring, etc.
- Facilities – Safety, locations, etc.



But during a disaster/epidemic, what about

- People – Who do the work?
  - > Can they travel to work?
  - > Are they allowed to travel?
  - > Do they need to care for family member



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## Gartner

- Avian Flu Demands a New Kind of Business Continuity Planning

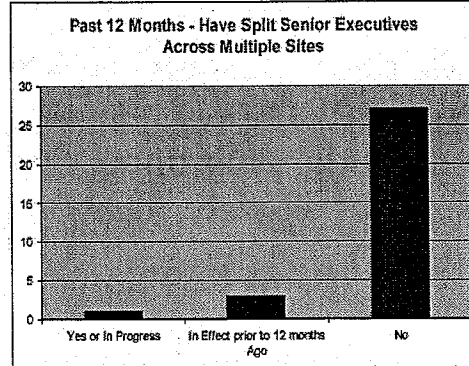
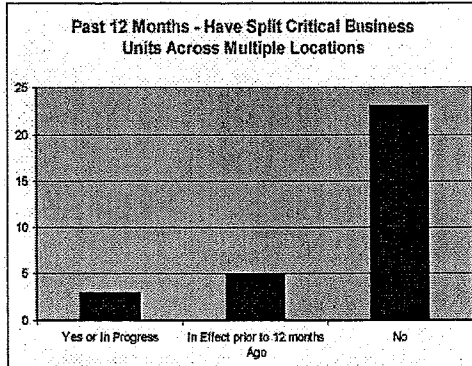
13 December 2004. ID Number: G00125389

- Among recommendations:

“Establish or expand policies and tools that enable employees to work from home, with broadband access, appropriate security and network access to applications.”

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# Companies Fail to Adequately Distribute People & Facilities:



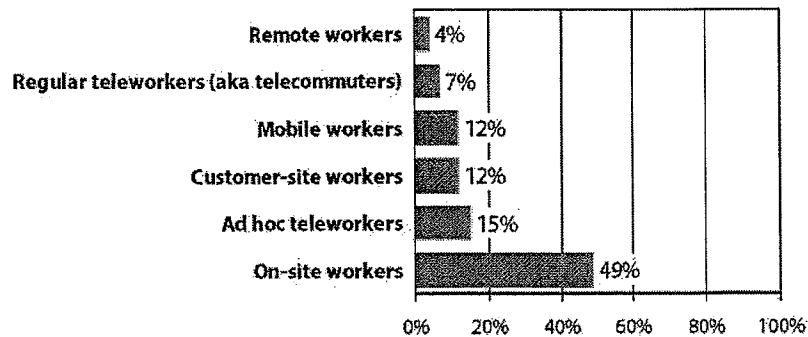
Source: Securities Industry Association – 2005 Small Firms BCP Benchmark Survey

- Critical Facilities: 75% of firms have not made changes to business unit location
- Critical People: 87% of firms have not split senior execs across multiple sites

# Where Your Workers Work

**Figure 3. Where Workers Work**

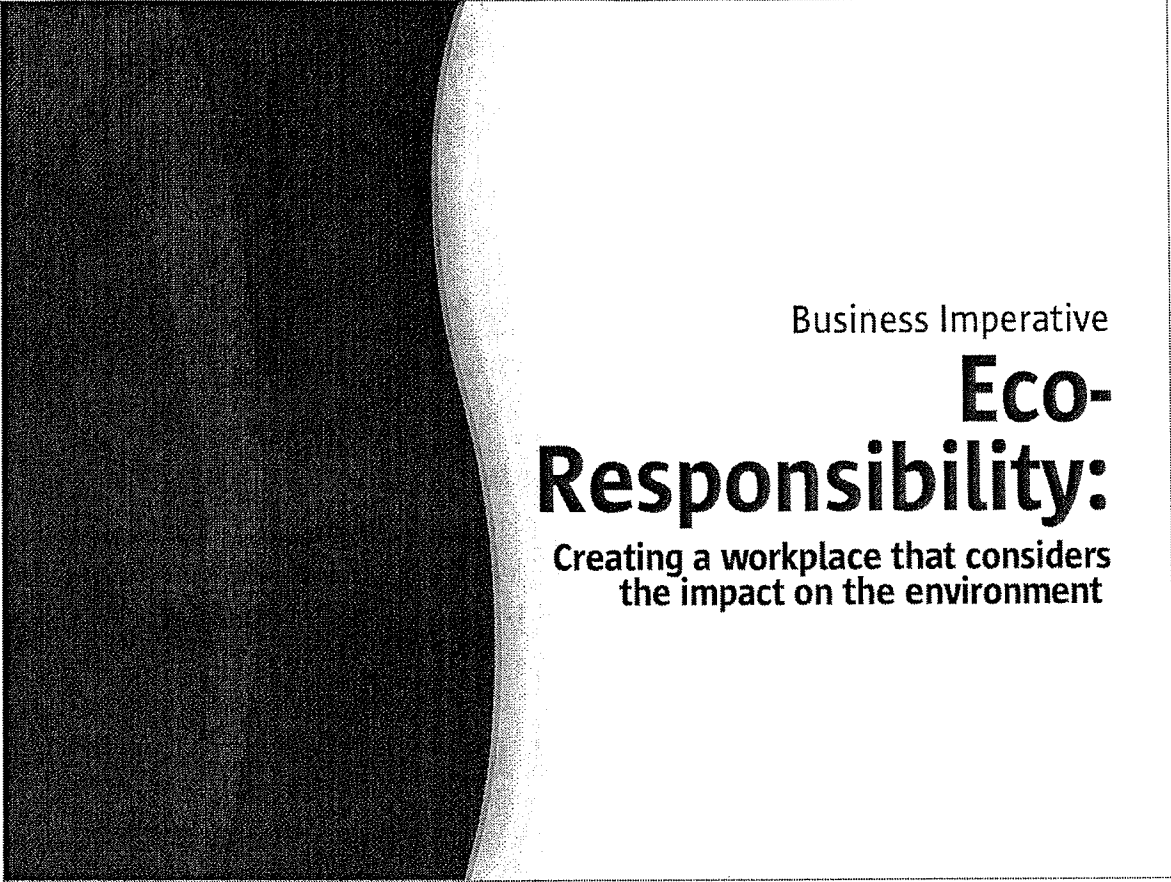
Recent research shows that off-site workers use lots of different worksites, not just home offices. Here's the breakdown:



Base: 2,057 adults working at companies with 500 or more employees

Percentages total 99% due to rounding.

Source: American Business Collaboration, 2002



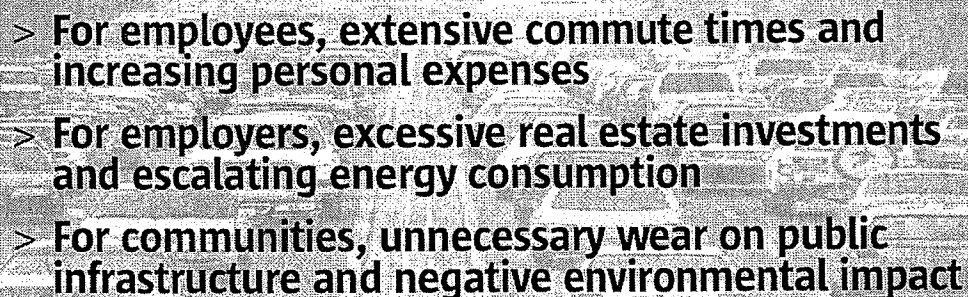
Business Imperative

# Eco-Responsibility:

Creating a workplace that considers the impact on the environment



**Why does “Going To Work” still means traveling to a specific office for so many organizations?**

- 
- > For employees, extensive commute times and increasing personal expenses
  - > For employers, excessive real estate investments and escalating energy consumption
  - > For communities, unnecessary wear on public infrastructure and negative environmental impact

**THERE MUST BE A BETTER WAY...**



## Impact on Our Workers and Communities



In 2000, the 75 largest metropolitan areas experienced

- > 3.6 billion vehicle-hours of delay
- > 5.7 billion gallons (21.6 billion litres) in wasted fuel
- > \$67.5 billion in lost productivity

On Average, In the 75 largest US Cities:

- > 1982: Commuters faced 7 hours of travel delay/yr
- > 2001: Commuters faced 26 hours of travel delay/yr

~ Source: Texas Transportation Institute, 2003

# THERE MUST BE A BETTER WAY...

## Impact on Our Environment

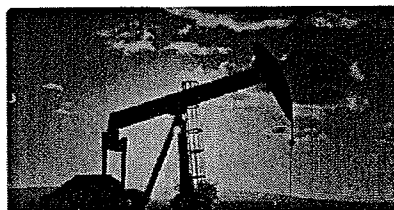
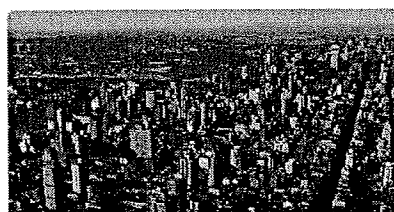
### Impact of physical building on the environment

In the United States, office buildings consume

- 17% of the water
- 33% of the energy
- 40% of the raw materials
- 66% of the electricity

Buildings produce, directly or indirectly

- 40% of the landfill waste
- 33% of the carbon dioxide
- 49% of the sulfur dioxide
- 10% of the particulate emissions



Source: American Institute of Architects, October 15, 2005,  
"Creating the Sustainable Workplace", Rob Obenreder

# THERE MUST BE A BETTER WAY...

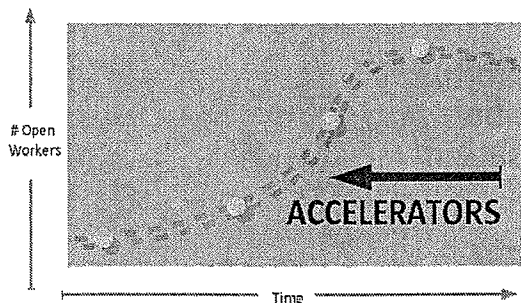


Where Do We Go From Here?  
**OPEN WORK PUBLIC  
POLICY PRIMER**

**The Way Forward**



**Two Broad Roles for Government to Play**



1. Lead by Example  
by Promoting Public  
Sector Adoption

2. Create Favorable  
Policies to Increase  
Greater Adoption in  
the Market

# 1. Investigate Measures to Drive Telework Adoption Among Public Sector Employees

(Some Federal Activity Underway, But Effectiveness is Mixed)

## Federal Teleworker Act - 2000

Each executive agency shall establish a policy under which eligible employees of the agency may participate in telework to the maximum extent possible without diminished employee performance.

No later than 6 months after the date of the enactment of this Act, the Director of OPM shall provide that the requirements of this section are applied to 25 percent of the Federal workforce, and to an additional 25 percent of such workforce each year thereafter.

- Required that eligible Federal Employees be offered a Teleworking alternative.
- By the end of 2004, this was to result in approx 550,000 federal government employees having the legislated right to telework.

# Need for New Legislative Guidance

(Establish Goals and Facilitate Compliance)

## Sarbanes Telework Enhancement Amendment

- Requires that all eligible federal employees be allowed to participate in telework program.
- Calls for training and monitoring for federal employees and managers.
- Calls for evaluation report.

## Key Legislative Components

### Technology, Support and Monitoring

- Set Metrics for compliance.
- Establish objective measure to determine employee eligibility.
- Provide training for employees and managers.
- Ensure technical support
- Monitor and review participation.
- START NOW!

## Strategic Planning Assumptions

### U.S. FEDERAL GOVERNMENT

1.8M members of U.S. Federal Government Workforce (U.S. Office of Personnel Mgmt – March 2006)

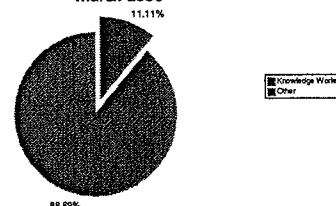
1.6M are involved in knowledge / office work (U.S. Office of Personnel Mgmt – March 2006 – Total White Collar Group)

- > Estimate 25% of knowledge workers have no ability to work on flexible basis

1.2M knowledge workers that would be more efficient working in flexible work arrangement

- > **>100k** workers currently operating in formal flexible work program
- > **~205k** workers operating in ad hoc programs
- > **~892k** workers operating in traditional business model

U.S. Office of Personnel Mgmt  
March 2006



U.S. Federal Govt Open Work Potential  
(x Thousand Workers)

