BOH4M
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Changing Nature of Work – Lesson Note

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The Evolution of the Employer-Employee Relationship

The relationship between employee and employer has changed a lot in the past century and especially in recent times.

Early 1900s

Before the 1900s, employers used to treat employees as disposable resources. If one employee got injured or died in the coal mines, that's okay, we'll hire another person off the street. Throughout the 1900s, especially in the later half of the century, jobs required more thinking and creativity. As a result, companies that learned to motivate employees intrinsically did better.

Mid 1900s

A few decades ago, employees wanted stability from employers. These people are the **Baby Boomers** (born between 1945-1960). The idea people had in their mind was to go to school, get a good education (back when it was still hard to go to university), and then get a good job with a good company and stay with that company for the rest of your career. The workplace valued loyalty and stability deeply. Perhaps some of your parents and grandparents still have that idea.

Recent Times

In the past decade, things have changed a lot. Employees, especially the younger ones, don't want to work at one company for a long time anymore. They are focused on getting a large number of experiences and companies on their resume. Furthermore, companies often try to poach top performers from each other by offering more money. For example, top-performing software engineers in Silicon Valley might get many job offers every week! We see more and more examples where employees value self-interest over loyalty, and where companies value self-interest over encouraging loyalty (for example by trying to poach employees from competitors).

Loyalty and Purpose

In the past, people viewed work as a way to support the family financially, and the family gave people a sense of purpose and meaning in life. Nowadays, younger people are starting to prioritize work over family. This is partly because young people now have really high student debt, and housing prices are so high, so they are really focused on making money. More and more young people are letting work be the main thing in their life, and as a result, they really want to feel a sense of purpose and belonging at work. This desire is a lot stronger than in older generations. Whereas employees of the past came to work with a strong purpose (to support my family), younger employees now come to work looking for the employer to give them purpose.

Work Arrangements

There are many types of work arrangements, such as
1. **Full-time** — Working 9AM to 5PM, 5 days a week. 40 hour work week.
2. **Part-time** — Less than 40 hour work week.
3. **Shift-work** — Working in set shifts, like morning shift, afternoon shift, night shift.
4. **Remote Work** — Working from anywhere outside the office.
5. **Contract (Freelance)** — Doing projects set out in a contract for clients.

In the past, full-time, part-time, and shift work were the most common. Most office jobs are full-time. Many student jobs and restaurants jobs are part-time. Factory jobs are usually shift-work.

Thanks to technology, remote work has become a lot more common. Many companies offer employees work-from-home days.

Contract work is also becoming more common due to the rise of platforms such as Upwork and Fiverr. On these websites, companies (or people) post a specific task that they want done. For example, it might be to make a website, or design a poster, or edit a book. Then people apply for just that task, and they get paid for that task. There is no employer-employee relationship; only a contract for that task. Another word for these contract jobs is "gig". With the growing popularity of gigs, some people say society is moving into a "**gig economy**" where full-time employees will be less common and **freelancers** (people who work for themselves and make a living doing gigs) will be more common.

Upwork and Fiverr (and similar platforms) are likely doing well because young people nowadays want to build up a variety of experiences, and contractual work is a great way to do that. Moreover, companies can save on costs by just hiring freelancers to do tasks rather than hiring a full-time employee. With contract work, employers don't need to pay the benefits that they give to full-time employees, so contract workers save companies money.

Work-Life Balance

Work-life balance has become a hot topic in the 21st century. Thanks to technology, people can do work anytime, anywhere. If companies aren't careful about their work culture, they might get a **work-a-holic** culture that leads to **employee burnout**. According to the Harvard Business Review, employee burnout cost an estimated $125-190 billion a year in healthcare spending in the United States!

Leaders of companies need to set a good example here. They can't say they value work-life balance and then be sending work emails on the weekends. A leader that set a good example is Jeff Bezos, who was quoted saying, "*Eight hours of sleep makes a big difference for me, and I try hard to make that a priority. For me, that's the needed amount to feel energized and excited.*" People will think, *If Jeff Bezos tries to get 8 hours of sleep, then I don't have an excuse to not try as well!*

For Baby Boomers

In our current society, the **Baby Boomers** (born between 1945-1960) prioritize job stability and care less about work-life balance because they grew up in hard times where having a job was viewed as a blessing. They tend to stay at companies for a long time, and many of them are at senior level positions now.

For Gen Xers

The **Gen Xers** (born between 1961-1980) saw their parents prioritizing work over family, which had a negative impact on the family. As a result, many of them prioritize life and balance over work. They care about benefits such as paid-time off, vacation time, maternity/paternity leave, and work-from-home days.

Millennials

The **Millennials** (born between 1981-2000) are focused on paying off really high student loans and trying to buy houses, which are really expensive nowadays. They're looking for a career that will support the lifestyle they want (their life outside of work). In other words, they care a lot about work-life balance.

Many companies think Millennials just want nice perks like free food and ping pong tables. While these are certainly nice, Millennials care most about finding a career path that will support their envisioned lifestyle.

Creating Work-Life Balance for All

How can a company promote a healthy lifestyle for employees without sacrificing employee productivity? There' are two important things to do:
1. Create a flexible work environment
2. Cultivate a happy workplace environment

First, having a flexible work environment has been proven to reduce employee stress, increase job satisfaction, and help employees maintain healthy habits. Companies can create a flexible work environment by offering flexible work hours and more paid-time off (PTO).

Cultivating a happy workplace means employees feel happy at work, like it's their second home. This way, they don't feel like they're just clocking in and clocking out for a paycheque. Employers should offer
- a good salary
- good working conditions
- opportunities for growth
- opportunities for social connections

Second, many employers think that providing good work-life balance just means making sure employees can leave at 5PM and not work on the weekends. But for the younger generation (millennials), although they care about work-life balance, it doesn't mean they want to leave the office at 5PM every day. It's more so that they want flexibility around when and where they work. They're happy to give you more hours, as long as it's on their terms and it's their choice.

Employee Wellness Programs

The Need for Employee Wellness

In the past, employee wellness wasn't really a concern for employers. Employees came to work, did their job from 9AM to 5PM, and then went home to their families. They couldn't do work at home even if they wanted to.

As the world entered the 2000s, technology began changing the workplace. People were able to work from home with their laptops, and they were doing work emails at night and on the weekends. Later, collaboration software like Slack and Jabber became popular, and employees started messaging each other about work even after work hours. If you're not familiar with Slack and Jabber, you can think of them like WeChat but for work purposes only. Even more recently, Zoom and online meetings have become common, so now employees can even have video meetings in the evening and on weekends.

All this technological advance has allowed employees to work anytime, anywhere. Combine that with the fact that many younger people see work as the main priority in their lives, and what you get is an increasingly more **work-a-holic** company culture. Sooner or later, employees burn-out. Their productivity drops at work. They get sick, both physically and mentally. When employees aren't productive, or they take many days off work, that hurts the employer. That's why many companies invest in **employee wellness programs**.

Employee Wellness Programs Today

Nowadays, more than 9 in 10 organizations across the world offer some kind of employee wellness benefits. According to a 2019 Harvard Business Review article, the employee-wellness industry is $8 billion. These employee wellness programs usually includes things like gym memberships, yoga classes, guest speakers, free healthy food, sports at work, and money for seeing a therapist or nutritionist.

Are these things actually helpful? According to a 2019 study of over 30,000 employees in the US, these programs don't have much of an effect on workplace wellness. Another 2018 study suggests that these wellness programs resonate with already-healthy employees and may even push away employees who are dealing with mental or physical health issues.

How to Actually Improve Employee Wellness

While things like gym memberships, yoga classes, and free healthy food are certainly nice to have, they don't solve the root problem of mental wellness for employees. What can companies do?
1. Invest in mental health education
2. Offer flexible workplace policies
3. Show compassion from leaders

Dr. Monica Worline, a research scientist at Stanford's University, comments that many company leaders say they value mental health, but then they don't "walk their talk" and actually do it. Investing in mental health education means actually providing training on emotional intelligence, where employees can learn the things you learned in our class on emotional intelligence. That involves managing negative emotions, resolving conflicts, and motivation.

Dr. Worline and Dr. Jane Dutton, a business professor and the Ross School of Business, found that employee well-being thrives when they get flexibility around where and when they can work. Dutton explains, "These environments allow employees to adapt their circumstances – whether around mental health or any other challenges happening in their lives." Basically, giving employees autonomy not only increases motivation but also wellness.

It should be obvious, but scientific research also shows that leaders showing compassion to employees improves trust, performance, and overall positive feelings. When employees feel safe about opening up to their leaders regarding their personal challenges, then they can bring their full energy to work. Furthermore, employees who work in compassionate environments are more innovative and adaptable, and they stay with the company longer. So it's win-win for both employees' mental health and the company's success.

But how can leaders show compassion? A great way is to lead by example. If they want to communicate that it's okay to share your personal challenges, then they can open up about a personal challenge they are facing. When employees see their leaders do it, they will feel safe to do it as well. Leaders can also reach out to team members who seem like they are struggling. That's the second leadership trait of showing genuine care.

Ultimately, a company is run by humans, and humans have emotional needs and need to take care of their mental health. A company who ignores the mental health of their employees will suffer from lower productivity and employee absenteeism. Many companies who invest in employee wellness programs that offer things like free food, yoga classes, and sports, but these things don't actually solve the root of the problem. In order to truly improve employees' well-being, companies need to educate employees on mental health, offer flexible workplace policies, and have leaders show compassion.

Check Your Understanding Questions

1. What are two ways the relationship between employer and employee has changed in recent times?
2. What are some different work arrangements?
3. Why do some people think the future will be a "gig economy"?
4. How much does employee burnout cost the US every year?
5. How can companies improve work-life balance for employees?
6. What are employee wellness programs and why are they important?
7. What do wellness programs in companies currently offer, and is it effective at improving employees' mental wellness?
8. How can organizations actually improve employee wellness?
9. How can leaders show more compassion to employees?