Sector Review

Organizational Health & Wellness Trends in TECHNOLOGY

Insights from the WarrenShepell Research Group

WarrenShepell

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THE INDUSTRY

The technology industry is a new one, characterized by extremely high upside and significant downside risks. Over the past several years, many new companies have come into existence and just as many have quickly disappeared. Industry tenure of more than five to eight years is rare, with the exception of large or specialized organizations, or those that are outsourced departments of larger firms.

The upside is that the sector is considered to be a major growth industry. According to the Organisation for Economic Co-operation and Development (OECD), Canada's software industry is the seventh largest in the world; and our information technology services rank sixth. After the market volatility of the late 90s/early 00s, the weak have been culled from the herd and those that remain are poised for growth as they enter a new business cycle.

Many new entrants to the market are anticipated. BMO Financial Group forecasts that the communication and information services sector will be the fastest growing industry in the next five years, with annual growth rates in the double-digit range, especially for those that provide telecommunications, Internet access, satellite broadcasts, data transmission and electronic equipment services (but, it should be noted, not manufacturers in these areas).

On the downside, Canada's noted R&D gap and the 'brain drain' to the U.S. hits this sector of the Canadian marketplace particularly hard. This has been compounded by the recent implosion of Nortel. Corporate governance issues, especially in the wake of legal actions levelled at Microsoft by the U.S. government and the WorldCom scandal, have come to the forefront, causing at least a temporary slowdown in the industry's rabid expansion as companies regroup and recognize the need for more rigorous internal policies and processes. The ripple effects of these core business practices are beginning to translate into HR, health and wellness areas, although with the exception of the larger players such as IBM, companies in this industry are generally still too new to have many formal HR programs or departments in place.

THE EMPLOYER/EMPLOYEE EXPERIENCE

Technology companies are characterized by rapid change, plummeting prices driven by fast product obsolescence and extremely high competition driving ever-increasing innovation and new product development. A frontier-like entrepreneurialism reigns, with a great tolerance if not outright advocacy of alternative workplace structures and styles. Microsoft's management and corporate practices are both archetypal and apocryphal in this regard, with a flat hierarchy and an emphasis on cross-functional teams; flexible workplace benefits; unique recognition, rewards and incentives programs; and highly sophisticated training and development approaches.

Aside from the IBMs and Microsofts of the world, the vast majority of computer services, software development, interactive media and consulting firms are small, privately-owned start ups. In 1997, more than one-quarter of technology workers were self-employed -- double the number from 1992. Given the volatility in the marketplace since 1997, a reliable estimate is difficult to provide. The highest proportion of software workers in Canada are in: Ottawa-Hull (5.3%), Montreal (3.4%) and Toronto (3.1%) as a proportion of CMA (Census Metropolitan Area) employment.

[1] Incl: computer/information technology services, software developers, technology consultants, interactive media companies. Excl: telecommunications and call centres.

Technology workers are highly educated, in high demand, and earn much higher salaries than the norm, although they are also vulnerable to downsizing at a greater rate. Some enjoy full-time, salaried positions in the larger firms and in corporate IT departments, however it is typical in the industry to be employed on contract. This trend does not seem to be abating.

Age
The workforce is younger than average. Skill shortages, especially at senior levels, are high. Senior leadership and managerial expertise is under-developed.

Education
The largest percentage of the workforce is comprised of professional engineers and computer scientists. With the exception of business owners and the few senior managers, technology workers tend to be employed on contract. A greater-than-average number work from home, or from other non traditional environments -- naturally, since the workplace is defined as anywhere one can be connected to a network or the Internet.

Unionization
The sector is largely non-unionized.

Gender
Women are making some gains in the industry as undergraduate math, technology, engineering and computer science programs have focused on recruiting women and creating female-friendly academic environments. However, the industry is still largely male: 69% of mathematicians, systems analysts and computer programmers are male; as are 81% of engineers.

Language / Culture / Ethnicity
The sector is ethnically diverse, again owing to a large influx of foreign students in the past 20 years who have veered towards math, science and technology degrees at North American universities. Although diverse, the industry is known for being a truly international one -- binary code being a universal language.

EAP TRENDS

Average Utilization
EAP utilization in the technology sector runs slightly below national norms. Technology, as other sectors, shows a sharp rise in utilization in 2001. While the events of 9/11 contributed to this spike in usage across the entire marketplace, technology exhibits more extreme volatility on many key predictors in 2001. This we attribute to the volatility in technology markets, and the aftermath of the "tech crash" of late 2000-early 2001.

EAP and Work/Life Services Utilization Ratio
Technology indicates a slight difference in the ratio of Mainstream EAP counselling to Work/Life and other services as compared to national norms. A slightly higher proportion of technology employees access mainstream counselling (three-year average 81.11% versus national norm 76.34%); but a lower proportion access Work/Life services, including the top-ranked work/life service - legal - which under-performs compared to national norms (three-year average of 11.43% versus national norm of 14.66%).

NurseLine®, on the other hand, shows trends higher than the norm, with a three-year average of 2.40% versus national norm of 2.04%, making it the third most popular work/life service (financial services are ranked second); however, NurseLine is trending downwards. Child care services are higher than norms, and on the rise over the three-year period.

As would be expected, the online Mastering Stress program is highly popular among this group, especially as compared to national norms; however, QuitCare® smoking cessation is less popular than in other sectors (although, as referenced later, the need for it is likely high).

Mainstream Counselling Presenting Issues
The most significant trend in the technology sector is the pattern of presenting issues found in the anxiety and depression categories, as compared to national norms. The graph (Figure 1) on the following page illustrates.
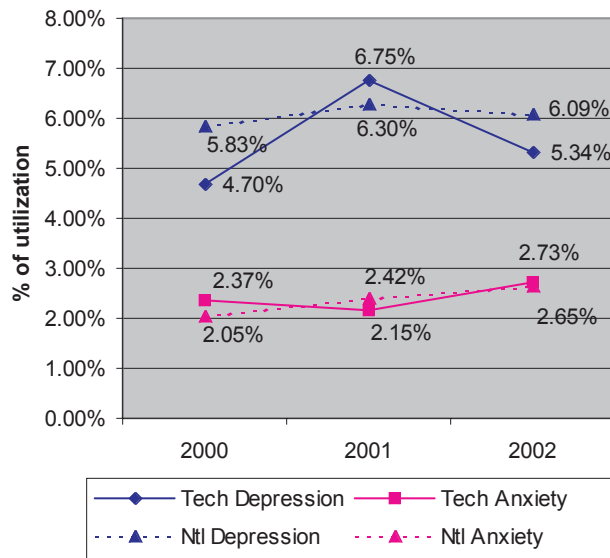This graph shows a spike in depression for technology

Figure 1: Anxiety and depression in the Technology sector compared to national averages

Figure 2: Workplace and personal stress in the Technology sector compared to national averages

workers in 2001, with a corresponding (albeit slight) decline in anxiety during the same period. Compared to the national norms, there are no significant differences for presenting rates of anxiety however the pattern for depression is quite different. Depression rates are quite volatile in the technology sector, with depression significantly lower than national norms in 2000, rising above norm in 2001 and returning to their previous low levels in 2002.

We believe the volatility in the technology markets in 2000/2001 is a key contributor to this pattern of results. It is also important to note that co-morbidity of depression and anxiety is common. Stress, depression and anxiety are among the most serious mental health issues in the workplace, as they so frequently take employees off line. Psychological-based disorders are the fastest rising category of short-term disability claims; and long-term psychiatric disabilities are among the most difficult to resolve. Workplaces that show a pattern like the one displayed above should pay careful attention to these disorders - and apply additional and specialized resources to combat their serious effects.
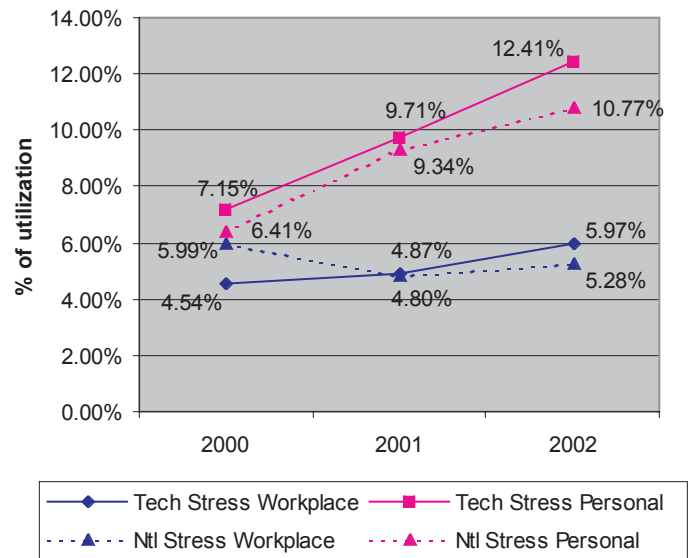
Other trends to note
Workplace and personal stress is demonstrating patterns consistent with the amount of turbulence in the technology markets (see Figure 2). In the technology sector, both workplace and personal stress, which are captured separately but tend to correlate highly with each other, are trending up. The trend is especially significant in personal stress category. Both sources of stress now appear higher than norm as of 2002.

In other work-related categories, workplace conflict and violence both appear at levels lower than national norms, whereas career issues emerge as higher than norm. Again, this pattern is consistent with other sector indicators.

On a final note with respect to mainstream counselling presenting issues, the main category of Family Issues shows heavy activity in the blended family and family communication subcategories. Blended family issues rose to 1.17% in 2002 from 0.41% the year before, and family communication rose to 1.06% in 2002 from 0.67% the year before. When issues cluster together and demonstrate a strong trend like this, customized programming around family and dependant care issues, communication and awareness/training can be highly valuable.

TRENDS AND APPROACH TO ORGANIZATIONAL HEALTH

Creativity and innovation are core values shared by most organizations in this sector, and as a result the approach to organizational health and wellness tends to be a progressive one. Work/life and other wellness programs are appreciated by the typical technology worker, most of whom are in their 20s or early 30s, many with young families. The industry as a whole is more likely to be attuned to and provide relaxed, family-friendly workplaces.

As noted earlier, the generally younger and well-educated workforce is more likely to foster respectful workplaces where racial and cultural diversity does not lead to group conflict or workplace harassment as frequently as seen in other industries. Running counter to this trend, however, is the reality that there is a personality profile common to technical workers which is characterized by high intelligence, a high need for order (with a corresponding rigidity) and high introversion (often, but not always, corresponding with low social skills). This personality type, when under stress and with exposure to a triggering event, can be predisposed to acts of anti-social behaviour in the workplace, including aggression and violence. This is more true of males than females, and so male-dominated industries like technology are especially vulnerable. With this susceptibility, technology companies are advised to make violence education/awareness and critical incident response services readily available.

Work/life and general mental health and wellness promotion programs, including stress management, are highly recommended, to combat the high stress in the industry produced by its volatility and rapid change. Exacerbating the stress is the tendency for employees to work extremely long hours as a result of the highly competitive nature of the sector. The technology audience is a highly sophisticated one, and therefore wellness programs and interventions need to be well-researched, and have significant depth and quality. The more technologically advanced the service delivery route, the better.

The industry -- again because of its typical demographic -- generally lives by a 'work hard, play hard' motto. Of interest, technology workers are more likely than the national norm to be smokers. Individuals should be encouraged to access smoking cessation programs, nutrition and fitness facilities where available. Substance abuse may be an issue. Management training is critical to assist managers and key personnel to recognize and assist individuals with addictions issues, as well as deal with performance-related or problematic behaviour in the workplace.