

Employer's guide to family friendly benefits

September 2009

**My
Family
Care™**



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Making work+family work

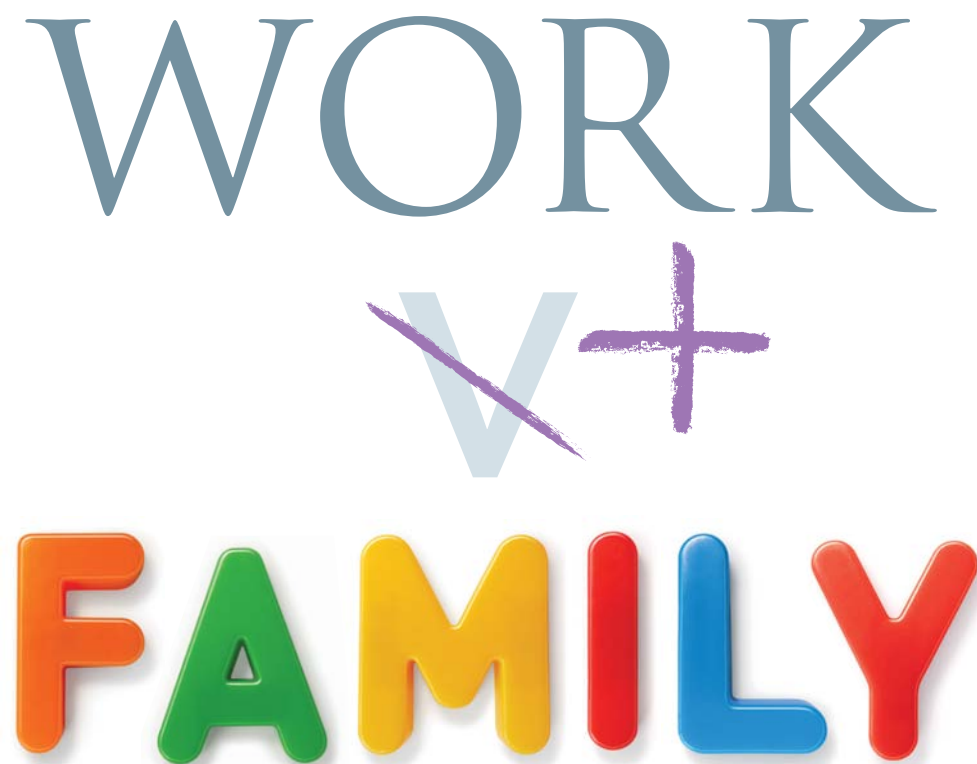
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Family friendly is a hot topic in HR circles. What started out with the Suffragettes in the late 19th Century became the Working Mother Agenda in the 80s. Now we talk about diversity, engagement and family friendly as though the arguments have been won and it's simply a question of just how family friendly employers want to be. We don't necessarily agree. We believe that the business case for supporting employees with care commitments needs making and reiterating more than ever before.

This paper has been drafted as an easy "buyer's guide" for the benefits that an employer could and should consider putting in place. Of course you can't talk about benefits without at least touching on the business case for supporting employees with care commitments.

By definition it's very difficult to draw a line between what a company can implement internally and what is better bought in from outside, so whilst we will concentrate on the latter we will also touch on the former.



1

The family friendly employer defined

So, what does a family friendly employer look like?

A family friendly employer is one that understands just how much an employee who combines work and family can contribute; and that as result has policies and a culture that support the needs of parents and carers alike.

We're not the only people who have defined family friendly. One of the better and more detailed explanations can be found at www.topemployersforworkingfamilies.org.uk.

Top Employers for Working Families is a comprehensive survey, award and benchmarking system, developed by an array of experts (including the flexible working charity, Working Families, and the Institute for Employment Studies) to help organisations gain recognition and accreditation for embracing the family friendly agenda. It's worth downloading an application form to see the criteria that entrants are judged against.



The difficulties of combining care and work

Changing demographics and the reality of modern flexible working patterns mean that EVERY workforce across every industry sector will have employees who combine some form of care commitment with work. Recognising the difficulties of combining care and work is the starting point for employers. The enlightened employer is one that seeks out cost effective policies and solutions that make a tangible difference to those employees. Making policy a reality, however, can be very challenging!

For example, a law firm was in trouble recently when a partner sent an email asking for help interviewing a new mother for a job:

"This lady has recently had a child. Are there any guidelines on how we can ask questions properly designed to identify her commitment, hours she is prepared to do, how she will balance work and a child?"

We have a lot of sympathy with this position, but the starting point is wrong. It's a good illustration of the difficulties that employers have when embracing the so called "gender-agenda". The workplace that really 'gets it' would have had a very open conversation about the challenges of combining work and family, the fact that the candidate was a mother, and talked about the degree of support and flexibility available versus the performance that is expected from any candidate.

As a working parent or carer there are sacrifices and compromises that need to be made but the family friendly employer is one which understands that the employee who combines work with care can be the most loyal, engaged and productive member of any team. If that belief becomes ingrained in the culture then everything else will fall into place. It means the whole family friendly agenda can be developed in the right context. It also means there are less hiding places for people to use children as an excuse for not performing!

Suffice to say that culture comes from the top

If the board believe that parents and carers have an important contribution to make then culture becomes a lot easier. It's HR's primary job to both understand the business case and get senior level buy-in.

2

Why are organisations becoming family friendly?

So, what does a family friendly employer look like?

For an employer to be truly family friendly they need to understand the business case. However, as with most HR subjects, hard numbers can be difficult to come by. It's why backup childcare has become a popular part of absence management programmes, because the results are instant and tangible. So, in a nutshell, here's why it makes commercial sense to be a family friendly employer:

Political and legal consequences

This is the easy one. If you want to avoid expensive employment tribunals, then you need to embrace the needs of parents and carers. The Government is absolutely committed to the cause of the working mother (for an example, just look at how its childcare policy is now skewed towards getting mothers back to work). In some countries (Spain, Norway, France) there are strict quotas for women in board rooms. We're heading the same way.

Changing society

This is more interesting. **People are having children later** – This means that working mothers are now more senior, have been with companies longer and hold valuable knowledge and experience.



Living longer

For the first time there are more people in the UK over 65 than under 18.

By 2050 there will be double the number of people over 65 as under 18. Diet, medicine and even, whisper it quietly, improvements in the NHS, mean we're all living longer. Every organisation will have more and more employees who have care commitments for an elderly dependent in the future. For some of them it will be impossible to continue working without some employer support.

Recruitment and retention

The numbers game is also imperative to understand. Companies that don't address the family friendly challenge will suffer increasingly severe recruitment issues. At the top end, the most talented working mothers and carers will simply decamp to more enlightened employers.

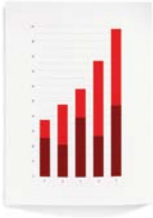
The My Family Care Working Parent Survey 2009 found that 98% of working mothers will consider the family friendly policies of an employer before accepting any job.

For the largest retailing and manufacturing employers the problem will be more severe - they will simply not be able to recruit enough people to do the jobs that need doing.

Technology

Advances in technology have been fundamental to the cause of the working parent. Traditionally a woman had a very clear choice to make: be a mother or have a career.

Now of course, with the introduction of Blackberries, iPhones, laptops, WIFI, Broadband and cloud computing, it's possible to send an email from outside the school gates, update a database from home and send a sales proposal on the train. Flexible working has become a commercial reality and the people who have benefited most from flexible working are those who have young children or elderly parents.



Work patterns

Flexible working now affects all of us all of the time. For everyday examples, just look at how the lunchtime queue has disappeared from your local bank and the extended opening hours at our much loved supermarkets. The family friendly agenda applies just as much to blue collar employees as white collar ones, even if the support is provided in a different way.

Flexible working means that the workforce is more fluid. People are travelling further for work and the traditional networks of friends and family that used to provide support have broken down. It means forward thinking employers have started to play an ever increasing role in helping employees find the right balance.

“Classically, over the years, the idea has always been that somebody who wants to work part time is part-time committed to the organisation. The really strong message that comes over from the research is that flexible workers are far more committed to their organisation than people who are working conventional hours, and that is valuable for employers to know.”

Sarah Jackson, Chief Executive at Working Families:

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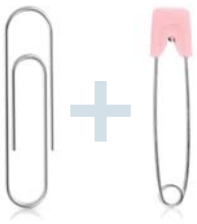
What does a family friendly employer look like on the inside?

Much of what goes towards creating a supportive culture is internal and can come with very little cost implications. If you are building a business case to share with the Finance Department then this is the right place to start!

The policies

We'll cover more detail on policies in future employer guides but for now a few general points. A family friendly culture might come from the top, but it's reinforced every day in both the policies and values that managers and employees live by.

In an ideal world, the perfect employer wouldn't have any policies because the ability to combine care and work would be understood and accepted at every level. But we don't live in Utopia so employers do need policies. They need policies to underpin the culture and to "encourage" those not-so-enthusiastic managers to toe the family friendly line where needed.



Maternity leave et al

We hold slightly unconventional views on overly generous maternity packages. A very financially generous maternity policy and expensive return to work bonus isn't necessarily the most effective way to provide the support that working mothers need. The cost can also make them counter-productive in the broader scheme.

Any policy that relates to additional leave (including paternity, adoptive leave, fertility treatment, dependent care, sabbaticals) should be applied flexibly. If each case can be judged according to the needs of the individual, the particular business unit they work in and the broader commercial interests of the employer then you end up with the right end result. Of course drafting strict policies that can be applied flexibly throughout a business is next to impossible. It's why line managers are so important!

The managers

How policies are applied, and how family friendly an employer truly is, comes down to the managers. If your managers of people believe that employees can combine work and family then you are halfway there. Wherever you find an enlightened manager you will also find a team of engaged and productive carers and parents. There's a useful litmus test... If a peer group company is recruiting and retaining working parents and carers better than you, then you are doing something wrong.



Flexible working

Flexible working is complicated but people with care commitments need some flexibility. Whilst some working parents need a shift that fits in with their regular childcare routine, generally the best form of flexible working is informal. It's inevitable that at some point all employees will need to make school visits in the middle of the day, pick a parent up from hospital, take the dog to the vet or care for a sick child.

For small employers there's really no excuse for ignoring the potential of more flexible working. But how do larger employers achieve the right level of flexibility without tying themselves in knots?

We were recently encouraged after speaking to a medium-sized retail bank. Managers at the local branches have complete control over staffing and budgets. It's their job to make sure the commercial needs of the bank and flexible working needs of the staff are aligned. That's great flexible working in practice and this, really, is key to all policies; they need to be used and adapted according to the specific needs of the individual AND the business.



Networks and forums

The very least employers should do is make as much information as readily available as possible. In many cases a problem shared is a problem halved. For larger employers someone from the HR team must invest time making sure there is a lively carer network – it's relatively easy creating a mothers network, engaging fathers is a bit trickier, and then finding and engaging those with dependent care responsibilities is harder still (often they haven't realised they are carers).

The networks need to work - they need to be proactive and positively supported by the HR team. A bit of money to spend on outside speakers, training and relevant events always helps.

Internal champions

There will be some people in your organisation who have found a way to combine work and care successfully. Find them, engage them and then shout about them. Even better get them to do the shouting. There is nothing more inspiring than seeing effective policies in the flesh, working successfully. The more senior (and successful) the internal champion the better.

In summary that leaves us with 3 key internal rules:

- Convince the board and make sure the right policies are in place
- Spend most of your time encouraging and training the managers
- Get the networks and communications channels flowing

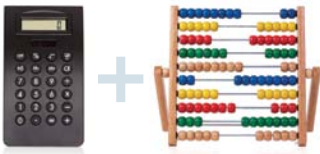
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What are the external solutions?

Whilst we can't emphasise enough the importance of getting it right on the inside, external help is almost always required when turning policy into reality.

When it comes to retaining talented, high potential employees, trying to combine career and family, there are three essential elements that need to be in place for work and family to be in tune.

- **The employer needs to be family friendly on the inside** – So, that's everything we just covered in the last section. e.g. flexibility around the occasional competing demands of job and family.
- **Emotionally** – The individual, and for ease of reference let's pretend it's a working mother, needs to be clear of her values and priorities. Psychologically she needs to understand the compromises that might need making and be prepared to make them. It's when coaching and mentoring can really help. (When people talk about coaching and mentoring the emphasis falls invariably on talented mothers. That's understandable. But many of the same points can be applied to fathers and carers).
- **Practically** – Any working parent still needs to be able to manage career and family at a practical level. It's all very well being emotionally ready and equipped to balance work and home but having trusted, reliable and ongoing childcare in place is paramount. Needless to say the solution needs to be affordable and flexible.



Is the practical piece more important than emotional support?

If you don't have the right care in place then work is impossible - simple as that.

Some employers, notably the likes of Shell and P&G, have identified that the biggest hurdle to combining career and family is practical rather than emotional. The trend in the 90s for on-site nurseries was also a purely practical response to the difficulties of combining work and family.

Just because someone has a successful career doesn't mean they necessarily take naturally to motherhood. We have seen some of the most talented women fall to pieces when it comes to hiring a nanny! For these employees, practical, hands-on support to help them find the right childcare solution is absolutely fundamental to an ongoing and successful career.

Outsourcing the practical piece to experts can lead to some very tangible increases in the success of the maternity transition. On the eldercare side the practical support is even more important. Navigating your way through the nuances of the UK's underfunded social care market can defeat even the most tenacious individuals.

Practical support can also be in the form of backup childcare schemes, on-site nurseries and holiday clubs, when usual childcare arrangements breakdown. The whole practical piece is largely influenced by the state of the UK's care industry but we've talked long and critically about that before!

To cover the whole spectrum we've split this section into:

- **Mentoring and coaching**
- **Helpline and EAPs**
- **Backup care**
- **Childcare vouchers**



Mentoring and coaching

A few general points to help you put the right support in place:

- Companies with the right culture have less need to help parents and carers navigate their way through the competing demands of work and family. Coaching can be used as a counter-balance for difficult places to work! If that is what's happening then there are some more fundamental questions that need answering.
- There are some great **maternity coaches** out there. The difficulty is not finding the coaches. The challenge is to find someone who understands the broader strategic thinking behind coaching senior executives and then making sure the coaching delivers as intended.
- **Price** - Coaching is expensive but it needn't be exorbitantly so. The costs need to work for the business and there is often amazement at the room for negotiation there is. Remember, the people who help develop the coaching strategy need not be the best people to deliver it.
- **Internal mentoring** has a few advantages other than cost. In many ways it can be better than an external coaching piece, as it's been run by people with genuine knowledge of the firm, culture and challenges of a particular employer. Mentoring only gets difficult if the internal rules around confidentiality or office politics cause problems - we're talking mainly investment banks here.
- And of course mentoring support is only as good as the people who provide it and how well the system has been developed. There is nearly always a role for an outside company to help make sure your mentoring is as good as it can be.



Helpline and EAPs

A specific childcare and dependent care helpline is a great way to touch on the whole family friendly agenda. It can be the most obvious first step.

With so much help now readily available online a lot of remote support that employers have traditionally put in place for staff has become commoditised. Just look at the price of the typical EAP service for a good illustration of the power of Google.

"If we can Google it we don't want to pay for it" said the HR Director of one of our best known financial institutions.

What should HR teams and Benefits Directors do? Somewhere in the mix it may well be that one of your suppliers already promises access to childcare and eldercare advice.

Some examples:

- Many of the childcare voucher providers provide access to helplines
- The EAP providers are similar. BUPA and ICAS both provide expert advice on request
- And even some of the larger outsourced HR businesses provide childcare and dependent care advice.

What should you expect from a helpline?

- That it is genuinely staffed by experts who will be able to answer difficult specific questions around childcare and dependent care. Many of the calls will be confidential and it is far better for a specific query to be dealt with immediately where possible
- Ensure that whatever helpline you have access to is backed up by a useful library of downloadable information. Not much point having a helpline nowadays where relevant information cannot be downloaded in usable and accessible format. It's the way a good number of working parents and carers prefer to access information.

What should you do if you have a helpline?

If you have identified that you do have access to a helpline then make the most of it. Promote it for all it's worth and really get you staff using it as much as possible. Only if helplines receive constant usage and feedback can there be a sensible discussion about the level of support provided.

And if you are in the position of wanting to provide a helpline which doesn't exist anywhere in the mix already then expect to pay no more than £3 a head; and insist on regular reports and feedback so that you can see exactly how often the helpline is being used and what the employees think of the service.



Backup care

Backup care (which is the generic term we use for emergency childcare, school holiday cover and last minute eldercare and adult dependent care) is a must have benefit in the United States. 98 of the 100 Working Mother Best Companies to work for have comprehensive backup care arrangements in place. It's gradually going that way here as well. Here's why:

There's a massive need for it

The typical working parent suffers a care breakdown 9 times a year. Most people who have used nurseries will have experienced the frustration of having to pull their child out for the day because of a mild touch of conjunctivitis. Anyone who uses an individual for care (au pairs, nannies, childminders) is obviously subject to the individual being ill, having their own emergency or even taking an occasional holiday. For parents of older children don't even mention school holidays!

These days the old networks of friends and families have broken down. Financially more of us need to work longer hours and thanks to the flexibility of the labour market we can usually find something that suits our needs.

The stress factor

When childcare breaks down it is incredibly stressful. Childcare is very rarely an acceptable excuse for absence even though it is a huge cause of it. For career mothers who have crossed numerous hurdles to achieve a semblance of work-life balance, a childcare problem will only increase negative impressions from colleagues, perceived or otherwise.

Cost effective

The biggest reason for the growth of backup care is that it's incredibly cost effective. We are back to the Finance Department here! Typically as an employer you can see who has used the benefit, why they used it and what the cost was. As a tool to reduce childcare related absenteeism, it's brilliant: replacing a checkout assistant at a supermarket will cost £100; a very good childminder will only cost £45 a day. Those are easy numbers to work with.

For professionals the margins are much bigger. The best and most expensive nanny to the home will cost £180 a day. A lawyer being charged out by the hour is obviously producing a good deal more than that.

Our interest

It's only fair to mention that we are the UK leaders in all things backup care. The large nursery chains also offer backup care provision with Busy Bees, Kids Unlimited and Bright Horizons being the main players.

What should you look for in a backup care scheme?

There are two look-outs: pay a price that reflects the amount the service will be used; and make sure all the options are covered. Providing something that only helps out parents of 0-5 year olds is going to cause some resentment. Adding school holiday cover into the mix will massively increase the number of employees who might benefit. Also, make sure carers of adult dependents have support. A good backup care service can become a genuine part of the diversity strategy.

For a backup care scheme to be effective it needs to be:

Affordable

The employer needs to subsidise some or all of the care, otherwise the employees won't use it and there's no benefit. Typically employees who need backup care have already paid for their usual childcare solution that has fallen through, so asking them to pay a premium for additional cover will rarely be palatable.

Accessible

Backup care also needs to be accessible, obviously! No point providing a resource near work if the commute will make it virtually impossible for people to arrive with their children. We work on the basis that if the employee needs to travel more than an additional ten minutes to find backup care then it won't be used.



Trust and quality

This is an absolute must for successful backup care schemes, and not only for employees. Childcare and eldercare are sensitive issues. Employers will also want to feel comfortable about the options they are providing for their parents and carers.

The first part of the trust equation for parents is giving them choice. Whilst everyone loves the idea of backup care you will find some fairly strong opinions about what constitutes the right option.

For some employees only a nursery will work: and then it's not any nursery, it will typically be a particular nursery that the parent knows and has used or seen before. Others will only be comfortable with the childminder route. And a third section of your working parents will need and want the flexibility of a nanny.

Ofsted generally gets bad press but the truth is that it's a big, ugly regulator with teeth. The standard of care in the UK's childcare centres can generally be relied on but even then parents are very unlikely to touch or use a nursery or childminder without visiting first and making sure they are comfortable with who's going to provide the backup care when it's needed. It would be bad if it was otherwise!

Giving parents a choice and then making sure they understand and feel comfortable with the whole process is essential for any scheme to work effectively.

Childcare vouchers

Nearly everyone has a childcare voucher scheme in place. If you haven't then it's unlikely you will be reading this! How do you choose a childcare voucher supplier and what to look for? Most of the big providers, with possibly one notable exception, provide very good voucher schemes that keep the 3 stakeholders (employee, employer and care provider) generally happy most of the time.

A great starting question that you need to ask as an employer is "what is more important, price or quality?" Then you need to decide whether you actually want more from your voucher scheme in the context of the whole family friendly agenda? Answer those questions clearly, and keep the procurement people slightly removed from the debate, and you will end up with the right end result.

Is it important that your voucher scheme is part of your flex scheme?

If yes, then just ask some sensible questions about the relationship between the flexible benefits providers and the supplier actually running the childcare voucher scheme. You'll want to think about commission arrangements, communications and ring fencing of funds.

Is price everything?

If price is everything then you'll probably end up with one of the smaller players or after some tough negotiation one of the larger providers. As a general rule, pay less than 3% and you've done very well.

Do you want voucher users to have a number of other useful parenting related services?

If yes then push the additional benefits for all they're worth and go with one of the big players. We think Accor, Sodexo and care-4 are good, with care-4 providing the most additional support.

What will happen to childcare vouchers in the future?

The Conservatives don't necessarily like vouchers (they believe it's an inefficient way of providing a benefit - a view with which we have some sympathy). But they also don't have any credible alternatives yet for the broader childcare market. Whilst it's unlikely that eldercare vouchers will appear soon, at least existing voucher schemes are probably safe until 2012 at least.

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Conclusion

In summary we believe there are three core areas that need to be addressed to become a successful family friendly organisation. If one area is not aligned with the rest then the whole project can quickly become counterproductive. The three areas are:

- **Policies**
- **People**
- **Products**

Policies - policies are the starting point. They underpin everything that defines a way a company intends to support its parents and carers. If policies are to be effective they also need to support the needs of the business. The best policies can be applied flexibly so that both the needs of the employee and the business can be taken on board.

People - the Board needs to understand that employees with care needs can be incredibly loyal, engaged and productive. More importantly managers throughout the business also need to buy in to the family friendly agenda. Training managers and proving the business case are fundamental to getting the culture right.

Products - practically, employees with families may need their employer's help. Employers can play a huge role in providing the support that mothers, fathers, and carers need to balance the occasional competing demands of family and work. Employer support can take many forms; get it right and there is a direct and tangible benefit to the bottom line.



Find out how My Family Care could make a difference to your company

Call **0845 676 7680**
Click myfamilycare.co.uk



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Resources

- BBC.co.uk's Parenting Section - www.bbc.co.uk/parenting/
- Top Employers for Working Families - www.topemployersforworkingfamilies.org.uk
- My Family Care - www.myfamilycare.co.uk
- Lovemoney.com's Top Ten Places to Work - <http://bit.ly/cE9MNq>

Additional reading

- My Family Care's Employer's Guide to Eldercare
- CIPD's Absenteeism survey 2009
- My Family Care's Working Parents Survey 2009
- Joseph Rowntree Foundation,
The Nature and Pattern of Family Friendly Employment in Britain.

