

Enhanced Employee Health, Well-Being, and Engagement through Dependent Care Supports

A Report from The Consulting Practice at Bright Horizons

Introduction

“Do employees who have access to resources that help them balance their work and dependent care responsibilities experience better health outcomes?”

“Are these employees more engaged in their work?”

Understanding that the answers to these two questions could have significant implications for employers, The Consulting Practice at Bright Horizons, in cooperation with Dr. Jamie Ladge of Northeastern University, undertook a groundbreaking study. We explored the intersection of dependent care supports and health and well-being; the impact on employers and employees; and the value of investments in employee supports on employee engagement and ultimately, an organization’s success. We compared stress, physical and mental health, and wellness outcomes for more than 4,000 working adults. One group, with children under the age of 13, does not have access to dependent care supports through their employer. The other group, with similar demographics, utilizes employer-sponsored dependent care supports such as work-site child care, adult care, and “just in time” back-up care for well and mildly ill children. Analyses controlled for differences in age and income, and only statistically significant results are included in this report.

Dependent care supports offered by employers include:

- Work-site child care
- “Just in time” back-up care for well and mildly ill children
- Adult/elder care

Among many compelling findings, our study revealed that respondents using dependent care supports offered by their employer:

- report fewer instances of chronic and often preventable health issues
- report less stress and fewer minor *and* major mental and physical health issues
- are less likely to report lost work productivity due to stress
- are less likely to consider looking for a new job
- are more engaged in their work as revealed by 12 measures of employee engagement

These findings underscore that the provision of dependent care supports is a critical factor in employee well-being, engagement, and business outcomes. In sum, employers who provide dependent care resources are making a positive impact on both the health and well-being of their employees — male and female — as well as on the health of the organization itself.

**Survey respondent comments will be shared throughout this report — respondents with access to dependent care supports are indicated in green; respondents without access to dependent care supports are indicated in blue.*

Reducing Stress

A lower percentage of respondents with dependent care supports reported lost productivity due to stress.

In this study we closely examined the benefit of utilizing dependent care supports offered by employers and found a significant impact on reducing individual stress and health concerns. Employees using dependent care supports provided by their employer report less stress and better health than those without access to these benefits, potentially resulting in substantial savings to the organizations that provide these services.

Healthcare cost containment is a critical concern for most employers and it has been well documented how much of an impact stress has on overall health, wellness, and on workplace effectiveness. Findings include:

- Higher stress levels are associated with poorer overall health; increased frequency of minor health problems and sleep problems; higher likelihood of treatment for mental health; more indicators of depression; and less energy on the job and at home (Families and Work Institute — FWI, 2008).
- 26 percent of baby boomers and 57 percent of GenY employees take unplanned days off due to stress (Randstad Group, 2007).
- Workplace stress is the most frequently cited reason U.S. employees consider leaving their jobs (WatsonWyatt, 2007/8).

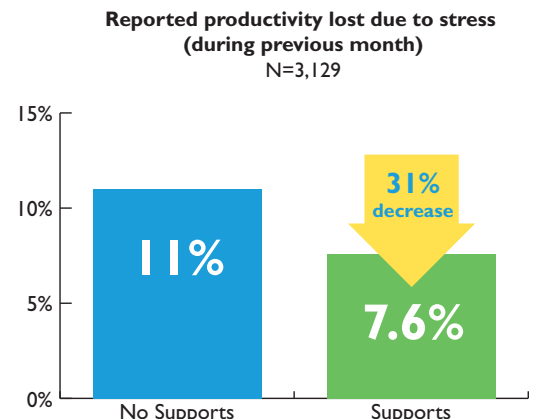
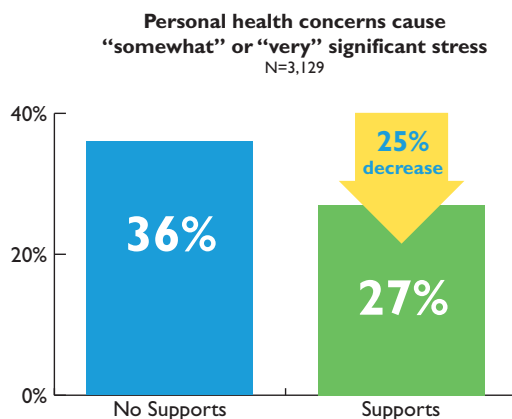
Employees without access to these supports articulated the negative impact:

“I feel I have great work/life balance as a result of four-day work weeks with flexible hours and a wonderful on-site child care center.”

“Conflicts between work and family cause stress, which causes more migraines and higher blood pressure, which causes me to miss work, which causes more stress at work.”

“I have high blood pressure and diabetes and a lot of times the stress I go through raises the numbers for each of these illnesses.”

“I stress about who is going to watch my kids while I’m at work. The stress gives me headaches and affects my mental health.”



The Impact of Sleep Loss

Users of dependent care supports report fewer sleep problems that impact their productivity than those without access to dependent care supports.

Sleep loss, often caused by stress, is a common and costly issue that has an impact on other areas of health. Work/family stress is a major source of sleeplessness. This lack of sleep has a negative impact on work performance. Employers who do not offer dependent care supports may feel the drain on work productivity given that respondents who do not have access to dependent care supports are 62 percent more likely to experience sleep issues that have an impact on their jobs compared to respondents who use these supports. In organizations where there is little or no room for error, such as patient care, manufacturing, or transportation, sleeplessness can have dangerous consequences.

When employees are not getting enough sleep, their job performance is affected and their organizations suffer (FWI, 2008). Sleep deprivation and sleep disorders cost American employers more than \$100 billion annually in lost productivity, medical expenses, sick leave, and property and environmental damage (National Sleep Foundation). Research in this area has shown how sleep loss due to stress affects workforce productivity and employee health:

- Employees with insomnia miss twice as much work as those without insomnia (Center for Medicine in the Public Interest, 2009).
- Sleep loss and sleep disorders are linked to an increased risk of diabetes, hypertension, obesity, depression, and heart conditions (Institute of Medicine, 2006).

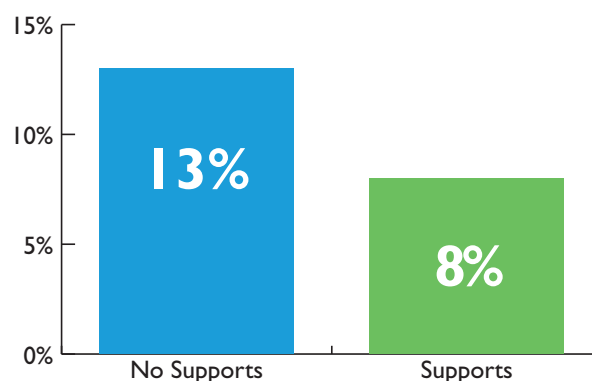
In respondent comments from our study, lack of sleep, often caused by work/family conflict, was one of the most frequently cited problems and, for many, it exacerbated other health issues:

“Balancing work and family can be an incredible source of stress or fulfillment; how your employer supports or works against you, I have found, makes all the difference.”

“Conflict between work and family demands causes a lot of stress. I find I do not sleep well, and my blood sugar levels and blood pressure fluctuate.”

“I do not sleep well or sometimes at all because of constant agendas running through my head. Work is demanding and raising a family is just as demanding.”

Reported sleep problems that affected job performance “fairly” or “very often” (during previous month)
N=3,129



Reducing Work/Family Stress, Improving Mental Health

Employees using dependent care supports reported better mental health than employees without these supports.

Employees without access to dependent care supports were nearly one-third more likely to report being down, depressed, or hopeless in the last month. Overall, respondents that had used a dependent care support within the past six months were significantly less likely to report mental health issues.

This is significant to employers, given that behavioral health problems cause more than 200 million missed work days each year in the U.S. — at an estimated cost of \$105 billion (National Business Group on Health).

Research addresses the connection between work/life stress and mental health as evidenced by the study by M.R. Frone, which included a national sample of 2,700 employed adults. When work/family conflict increased, so did the participants' incidences of mood, anxiety, and substance dependence disorders (Journal of Applied Psychology, 2000). Individuals with work/family conflict were anywhere from two to 29 times more likely than employees without work/family conflict to experience a clinically significant mental health problem.

“I’m able to balance [my] responsibilities and address stressful situations with a clear mind and focus on what is most important. The benefits and employee programs offered by my employer help me achieve this.”

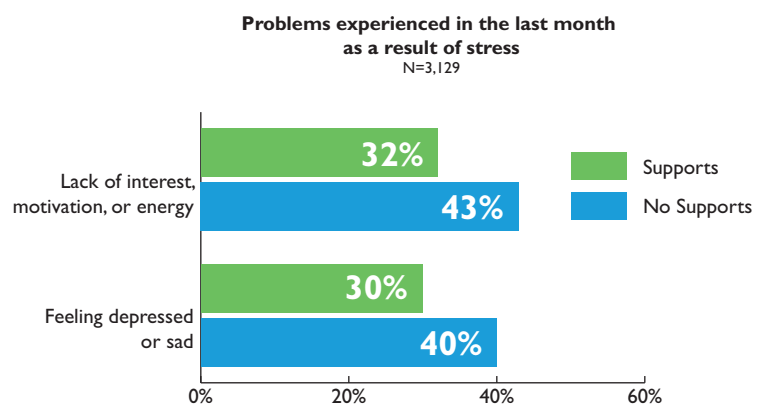
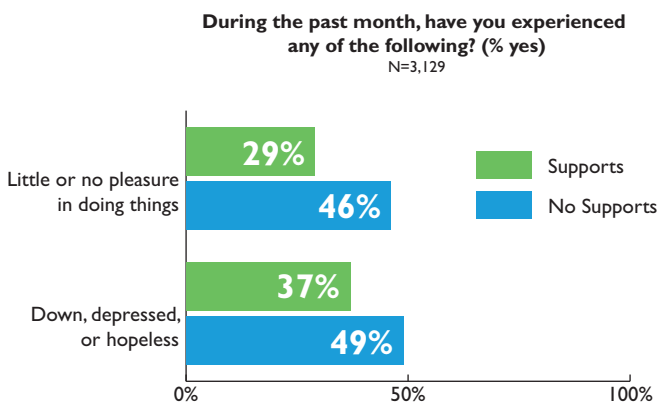
Mental health issues also affect employee engagement, which has been described as the extent to which workers are involved with, committed to, and passionate about their work, and willing to exert discretionary effort. Engagement requires energy, which can be seriously compromised because of stress and mental health issues (American Psychological Association, 2007).

Respondents commented extensively on stress due to work/family conflict.

“Work/family conflict does affect my overall mental health and to some extent my physical well-being. I have difficulty sleeping at night and I find myself crying for no reason.”

“I have severe anxiety trying to balance it all.”

“I take an antidepressant just to stop my brain long enough so I can sleep at night.”



Reducing Work/Family Stress, Improving Physical Health

Respondents with dependent care supports report fewer instances of minor and major physical health issues.

The impact of work/family stressors can also be connected to physical health issues such as headaches and digestive problems, as well as to more serious health issues including high blood pressure, heart disease, and diabetes. The findings from our survey show that respondents using dependent care supports experience these conditions to a lesser degree than those who do not have access to those supports.

Research during the last two decades consistently confirms our findings:

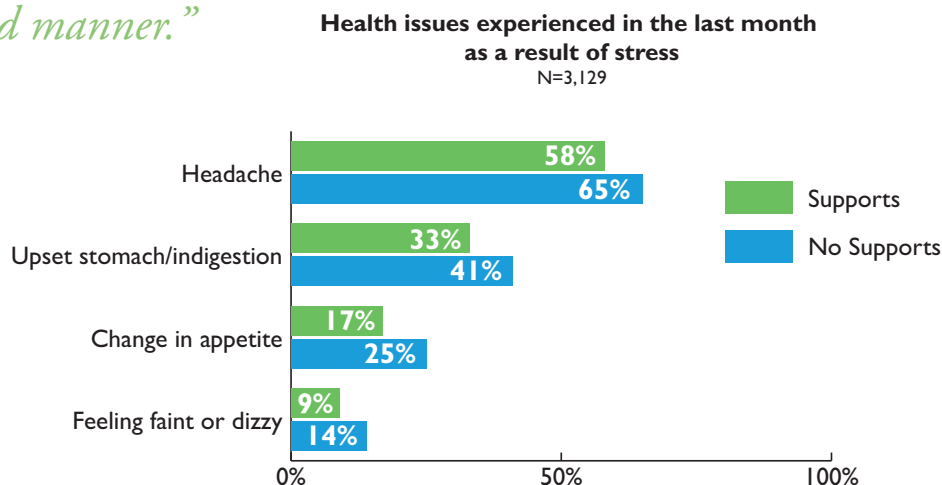
- Increase in conflicts between work and family results in higher incidences of poor employee health (Frone, 2000; Hughes and Galinsky, 1994; MacEwan and Bowling, 1994; Odriscoll, Ilgen, and Hildreth, 1992; Frone et al., 1996).
- Three-quarters of survey respondents experienced physical symptoms during the previous month due to stress. These symptoms included headache, fatigue, upset stomach, change in appetite, feeling dizzy, among others (The American Psychological Association, 2007).

Comments shared by respondents to our study highlight the physical toll stress has taken on them:

“My current boss, on-site day care, and the ability to work from home make it easy to get my job done and care for my children in a balanced manner.”

“Due to stress, I’ve had headaches, and I’m always feeling tired and sluggish. In some cases, this has affected my attitude and my ability to concentrate.”

“My mental stress manifests itself physically causing migraines, stomach ulcers, and other things.”

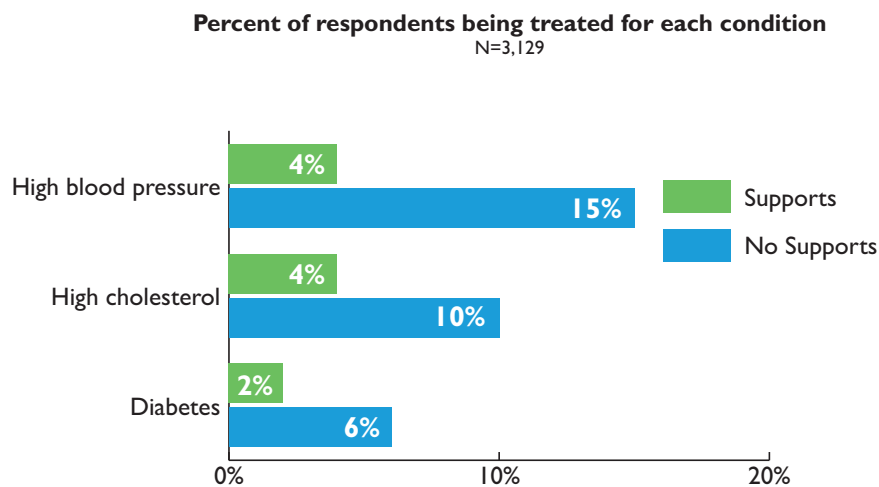


Employees who use dependent care programs report fewer instances of chronic and often preventable health issues, which can impact healthcare costs.

Respondents that do not have access to employer-sponsored work/family supports are much more likely to report more serious health problems than employees who use dependent care supports.

Two striking examples are that employees without access to dependent care supports are:

- more than three times as likely to be treated for high blood pressure
- three times as likely to be treated for diabetes



“Having a company and boss that respect family issues and are flexible to adjust when needed make it possible for me to balance both my job and my family. Without such an understanding boss and supportive company, there is no way I could do both.”

Survey respondents are clear about the connections between stress and the impact on their own health:

“Stress has exacerbated a heart condition that I have.”

“The stress from my job does overflow into my family and vice versa. I have hypertension. Stress from both adds to my high blood pressure.”

“If I get stressed at work it affects my diabetes.”

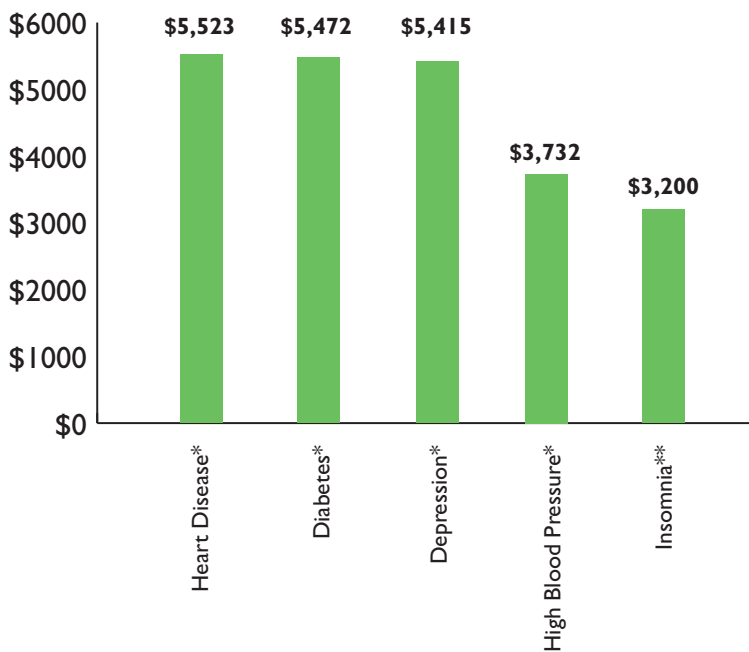
Impact on Employers

Employers who offer dependent care supports are poised to realize savings on healthcare and disability payments.

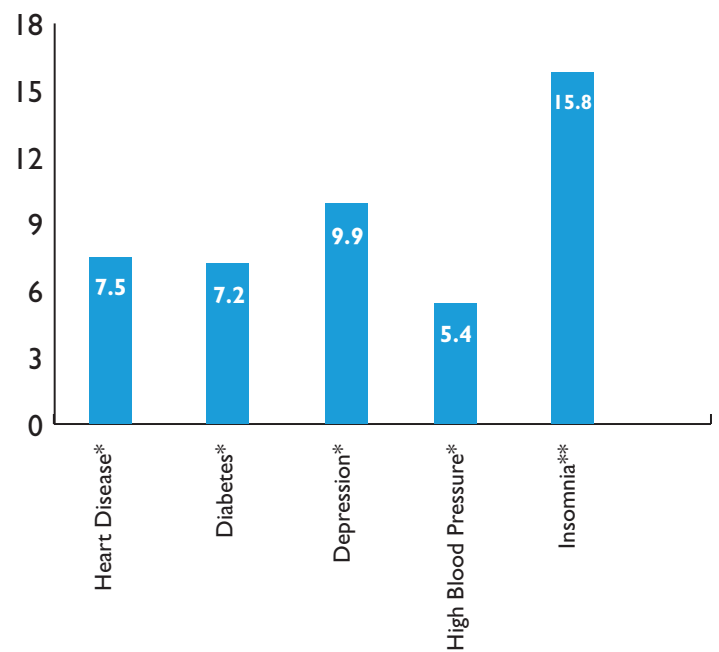
Organizations spend billions of dollars each year treating conditions such as high blood pressure, high cholesterol, and diabetes through employer-provided healthcare programs. Employers making investments in dependent care supports are potentially avoiding significant additional healthcare costs, as employees using dependent care supports are much less likely to be in treatment for these serious health conditions.

Impact of health issues on employer

Average cost of healthcare and disability payments



Average annual sick days



*Sources: *Druss, BG, Rosenheck RA, Sledge WH. Health and disability costs of depressive illness in a major U.S. corporation. *Am J Psychiatry*. 2000;157(8):1274-8 **2006, *The InfoShop.com*

Minimizing Productivity Losses

Respondents with access to dependent care supports spend less time dealing with issues associated with the care of their loved ones while at work, thus enhancing productivity.

Asking employees to do more with less has become the mantra for many organizations. Maximizing employee productivity has been top of mind for many employers in order to continue to meet the demands that intensified during the economic slowdown and concurrent labor-force reductions. Those same pressures remain today.

- Employees *who do not have* access to dependent care supports reported losing 31 percent more productivity due to stress during the prior month than the group that had access to supports.
- Employees *with* access to such supports spent nearly 20 percent less time dealing with dependent care issues at work than those who did not have access to supports.

Access to a reliable child or elder care arrangement as a primary support or as a back-up care option has a profound impact on the absenteeism of employed caregivers.

- Respondents in the “supports” group were also nearly 20 percent less likely to have missed a day of work in the past six months because their regular care provider was not available.

Lost employee work days have a negative impact on all employers. For organizations that can determine the direct cost due to loss of revenue from billable hours or have to replace missing workers to stay in compliance (patient care) or meet demand (call centers, retail) the benefits of implementing dependent care supports can clearly be measured. Providing dependent care supports also makes a statement to the individual employees about the value of meeting both their professional obligations and personal responsibilities, which is important to an engaged and committed workforce.

Enhancing Employee Engagement and Workplace Culture

Users of dependent care programs offered by their employer are more engaged than those without access to these important supports.

Employee engagement is important for driving positive business processes and outcomes. Our study analyzed self-reported levels of engagement on 12 key indicators that together comprise an engagement scale. Survey respondents were asked questions about the work environment, coworkers, organizational mission and leadership, employer support for work/life balance, and the resulting feelings about their work and employer.

We found significant differences in the level of employee engagement between respondents that reported being part of an organization that provided dependent care supports and those who did not have access to these resources. Respondents who use dependent care supports were 45 percent more likely to agree with all 12 engagement indicators compared to those without dependent care supports.



“The world’s top-performing organizations understand that employee engagement is a force that drives business outcomes. Research shows that engaged employees are more productive employees. They are more customer-focused, safer, and more likely to withstand temptations to leave the organization. In the best organizations, employee engagement transcends a human resources initiative — it is the way they do business... The best performing companies know that developing an employee engagement strategy and linking it to the achievement of corporate goals will help them win in the marketplace” (Gallup Consulting, 2008 Employee Engagement).

The importance of employee engagement is clear — according to WatsonWyatt:

- Highly engaged employees are twice as likely as their less-engaged peers to be top performers.
- When employees are highly engaged, their companies see 26 percent higher employee productivity, have lower turnover risk, and are more successful at attracting top talent.
- Companies with highly engaged employees earned 13 percent greater total returns for shareholders over the five years prior to this study.
- Engaged workers miss 20 percent fewer days of work and three-quarters of them exceeded or far exceeded expectations on their most recent performance review (WatsonWyatt, “WorkUSA Driving Business Results Through Continuous Engagement,” 2009).

Dependent care program users are more likely to report that their relationships with their supervisors and coworkers are positive — thus indicating a positive workplace culture.

Beyond offering the necessary dependent care supports, employers are also becoming much more mindful of the relationship between workplace culture and employee engagement. Workplace culture evolves over time, comes from the top, and is the basis for the shared values and expectations between an organization and its employees. An organization’s culture includes the level of support employees feel in their efforts to be successful at work and at home.

Not only is it important for work/life offerings to be available, but to further enhance employee engagement, an organization’s culture should acknowledge and be supportive of the challenges its employees face. Our study found that there is a strong correlation between employee engagement and workplace supportiveness.

	Dependent Care Supports N=1,457	No Dependent Care Supports N=1,672
My supervisor accommodates me when I have family or personal business to take care of — for example, medical appointments, meeting with child’s teacher, etc.	91%	73%
My coworkers are understanding when I have personal business to take care of — for example, medical appointments, meeting with child’s teacher, etc.	82%	70%
I feel comfortable bringing up personal or family issues with my supervisor.	74%	58%
I talk regularly to my coworkers about my child(ren) and family related matters.	74%	64%
My supervisor really cares about the effects that work demands have on my personal and family life.	62%	45%

Conclusion

Dependent care supports offered by employers have a measurable impact on the health, well-being, and engagement of their employees. Employees who have access to resources that enable them to successfully manage their work and family obligations experience less stress, which results in better overall health outcomes, including fewer incidents of minor and major mental and physical health problems.

Organizations that offer these programs, along with a culture that supports their use, will make a positive impact in terms of employee health and wellness, a key strategic imperative for most employers. These results point to potentially substantial reductions in healthcare costs and lost revenue for organizations that promote a culture of work/life understanding and flexibility. These organizations also benefit from reduced absenteeism, stronger retention — which will be increasingly important as the labor market loosens up — and a workforce that is more engaged in and committed to the success of their organization. In short, employer-sponsored dependent care resources enhance both individual employee health and the health of the organizations that offer them.

Methodology

The Consulting Practice at Bright Horizons, in cooperation with Dr. Jamie J. Ladge, Assistant Professor at Northeastern University, conducted a survey of full-time employees across the United States. The sample groups included employees recruited through online research panels as well as those answering the annual Bright Horizons Satisfaction Survey. The comparison groups used here are 1) parents of children under the age of 13 who do not have access to employer-sponsored child or adult care programs, and 2) parents of children under the age of 13 who have access to and have used child or adult care supports sponsored by their employer, during the past year. Analyses controlled for differences in age and income, and only statistically significant results are shown. Dr. Ladge's research interests focus on the intersection of careers, identity, and work/life integration.

She has conducted research on work/life programs and practices and gender and diversity issues in organizations. Her research projects also include exploring how first time mothers redefine and evaluate their maternal and professional identity and efficacy following re-entry, pregnancy experiences in the workplace, and the effects of childbirth timing on subjective measures of career success. Ladge was also a contributing author of *The Shriver Report: A Woman's Nation Changes Everything*, coauthoring the chapter, "Got Talent: It isn't Hard to Find. Recognizing and Rewarding the Value Women Create in the Workplace." She is a faculty affiliate of the Boston College Center for Work and Family and a recipient of the 2009-2011 Alfred P. Sloan Work-Family Career Development Award.



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