



**FOCUS ON
INDIA**

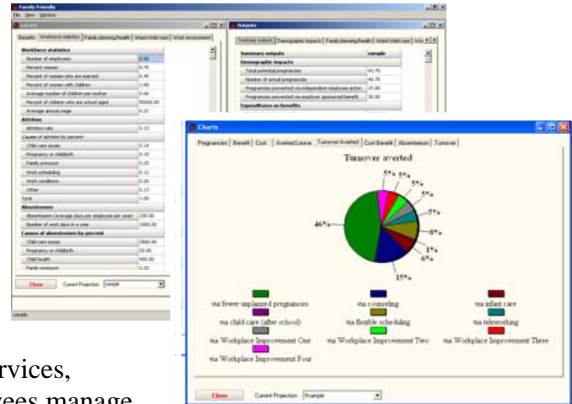
The Family-Friendly Workplace Model

Helping Companies Analyze the Benefits of Family-Friendly Policies

Today, women make up 40 percent of the global workforce, and they are becoming an increasingly important part of the world’s formal workforce as they shift from agricultural work to industry and service sector jobs.¹ This shift has brought new challenges and stresses to both family and working life. As the traditional caregivers in many societies, women have borne the brunt of the adjustment. Family-friendly workplace policies can help women balance the competing demands of work and family responsibilities, yielding benefits for themselves, their families, and their employers.

Family-friendly policies provide benefits—such as on-site health services, childcare, transportation, and flexible scheduling—that help employees manage their careers and family responsibilities more successfully. Such benefits can lower employees’ stress levels, contribute to improved individual and family health, and increase job satisfaction. Family-friendly workplace benefits can even reduce poverty by making it possible for more people—especially women—to remain in the workforce.

Family-friendly policies benefit employers as well, helping them retain highly skilled employees who might otherwise seek more accommodating employers or leave the workforce entirely. Retaining workers, particularly in specialized industries, reduces companies’ training and recruitment costs. Implementing family-friendly policies can also decrease absenteeism, enhance productivity, and improve employers’ ability to attract competitive applicants. However, many employers are still unaware of the potential gains associated with creating a more family-friendly workplace.



Advantages for Employers

Higher Productivity

- Reduced employee turnover due to childbearing
- Less absenteeism due to improved worker health and access to child care

Cost Savings

- Lower training and recruiting costs due to reduced turnover
- Lower payments for healthcare and maternity leave

Indirect Benefits

- Increased job satisfaction among workers
- Positive recognition of the company’s commitment to its workers’ well-being

¹ International Labor Office. 2008. *Global Employment Trends for Women*. Accessed on October 29, 2008. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_091225.pdf

Family-friendly policies are most likely to be cost-effective for

- Companies making significant training investments in their employees;
- Industries where recruitment is expensive or competition for employees is strong;
- Companies with many employees in their childbearing years;
- Companies with legal or contractual obligations to provide health and/or maternity benefits; and
- Companies large enough to realize economies of scale in the provision of family-friendly services.

Task Order 1 of the USAID | Health Policy Initiative seeks to strengthen multisectoral engagement and national coordination in the design, implementation, and financing of health programs. HPI developed the Family-Friendly Workplace (FFW) Model as a tool for engaging stakeholders to build support for family-friendly workplaces. The model enables businesses to more easily analyze the costs and advantages of providing family-friendly benefits and, through the analysis process, to better understand and address the needs of their employees. The project pilot-tested the model in India in 2007.

About the Family-Friendly Workplace Model

The FFW Model is a PC-based computer tool for estimating the costs and benefits of implementing a selected package of family-friendly benefits. While it includes items that support both men and women, it is primarily targeted toward women and is best suited for analyzing benefits offered to women, especially those with children.

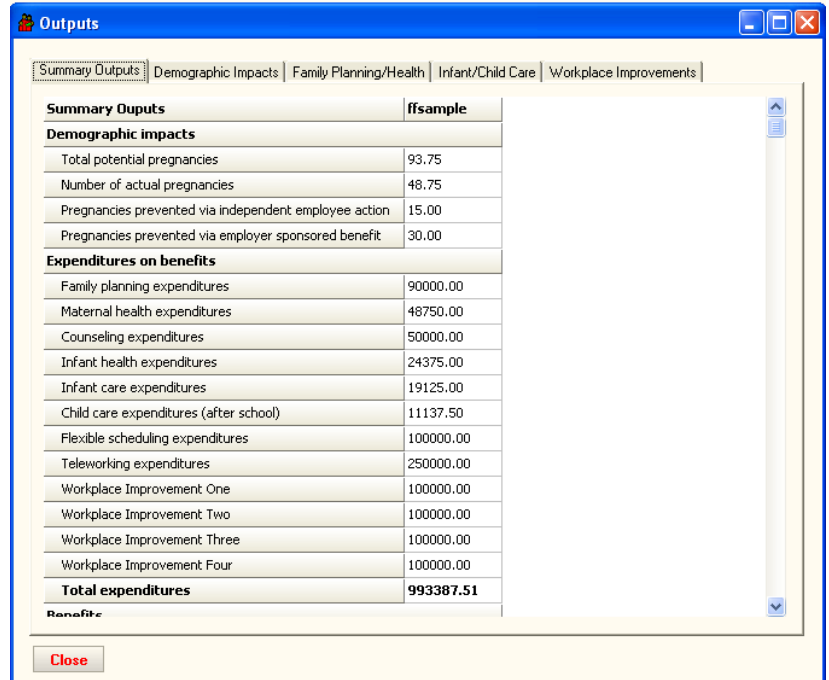
The model offers a selection of standard benefits (listed below) and allows the user to define additional benefits.

- Family Planning
- Maternal Health
- Maternity Leave
- Flexible Scheduling
- Counseling
- Infant Care
- After-School Childcare
- Tele-Working
- Infant Health

The model's format enables the user to develop multiple scenarios by selecting the desired benefits and entering data on their cost; workforce composition; employees' family status; and the current benefits package. The model then projects the comparative cost savings of implementing the selected program.

The FFW Model output screens, which can be viewed either numerically or in chart form, display results of the projection such as

- Expenditures necessary to implement the program;
- Days of leave averted;
- Turnover averted;
- Baseline and projected absenteeism rates; and
- Overall cost-benefit ratio of the benefits program.



The screenshot shows a software window titled "Outputs" with a tabbed interface. The active tab is "Summary Outputs". The window displays a table with two columns: "Summary Outputs" and "ffsample". The table is divided into sections: "Demographic impacts" and "Expenditures on benefits".

Summary Outputs	ffsample
Demographic impacts	
Total potential pregnancies	93.75
Number of actual pregnancies	48.75
Pregnancies prevented via independent employee action	15.00
Pregnancies prevented via employer sponsored benefit	30.00
Expenditures on benefits	
Family planning expenditures	90000.00
Maternal health expenditures	48750.00
Counseling expenditures	50000.00
Infant health expenditures	24375.00
Infant care expenditures	19125.00
Child care expenditures (after school)	11137.50
Flexible scheduling expenditures	100000.00
Teleworking expenditures	250000.00
Workplace Improvement One	100000.00
Workplace Improvement Two	100000.00
Workplace Improvement Three	100000.00
Workplace Improvement Four	100000.00
Total expenditures	993387.51

The model allows the user to open output screens and editing screens simultaneously, facilitating stakeholder discussions by showing users how output charts change as inputs are modified. Users can also compare two projections at the same time and create and save as many scenarios needed to thoroughly analyze the possible mix of benefits.

Pilot Testing the Family-Friendly Workplace Model: India

Political, Economic, and Social Context

The Health Policy Initiative pilot-tested the FFW Model in India, where the number of women working outside the home has increased by more than 40 percent during the past 15 years.² India was chosen as a suitable context for piloting the FFW Model because women are employed in large numbers across a variety of industries. The growing presence of international companies has triggered dramatic changes in the Indian workplace. Furthermore, the prevalence of specialized and highly-skilled employment in the Indian economy favors the implementation of family-friendly policies, as employers who have invested in training workers have an interest in retaining them. With its booming economy, expanding middle class, and prominence in the global marketplace, India is ideally positioned to serve as an example of the success of progressive workplace policies.

The Health Policy Initiative first reviewed existing Indian labor laws to better understand the workplace-related legislation that applies to companies. It was found that an extensive set of laws apply to workers in the formal sector. These laws provide for job protection during pregnancy, maternity leave, breastfeeding breaks at work, and nurseries for children of female employees. However, implementation of these laws has been limited. Applying the FFW Model will help employers comply with the laws and, at the same time, gauge the costs and benefits of doing so.

The project then organized multisectoral roundtables on the FFW Model in Delhi and Hyderabad to foster discussion among private sector companies, NGOs, and other key stakeholders about family-friendly benefits and to highlight barriers to their implementation. The roundtables also served as a forum to share the draft FFW Model with companies and receive feedback on its relevance and utility. Participants discussed what family-friendly benefits, if any, companies were currently offering; what concerns and issues companies had about implementing family-friendly policies; and what kind of information would be useful to companies as they make decisions about designing and implementing these policies.

The roundtables revealed that many companies had already considered family-friendly policies. As a result, the focus of the FFW Model shifted from using it as an advocacy tool to helping companies estimate the actual costs and benefits of implementing family-friendly benefits.

Participants raised various issues for consideration, including the need to tailor the model to fit the requirements of different sectors. The companies emphasized that focusing on health, family planning, and childcare was insufficient to address women's issues in the workplace. They pointed out that transportation, family relations, and work scheduling all contributed to the balance required for retaining highly skilled workers. One company that had successfully implemented FFW policies explained that families and workers are concerned about safety, especially for workers who travel to or from work after dark. Also, workers from traditionally oriented families often face conflict with their husbands and mother-in-laws as a result of their employment. Family pressure can eventually lead them to leave the workforce. In response to these issues, the project added a specific counseling program to the model, as well as room for additional user-defined benefits such as transportation.

Changing Perceptions of Women in India

In India, women's responsibilities have generally been focused in the domestic sphere. As more women join the workforce, however, perception of women and women's perceptions of themselves are changing.

More and more women want to work the same hours and pursue the same career goals as men. Yet, their careers are often curtailed by marriage or childbirth, preventing them from advancing to management positions. Many Indian women continue to prioritize family over careers, and it remains common for women to leave their jobs when they marry or have children.

In industries requiring less formal education, such as the garment and manufacturing industries, women often face strong pressures from family to discontinue work. If they do remain in the workforce, their work continues after the formal work day ends—as they perform housework and care for family members.

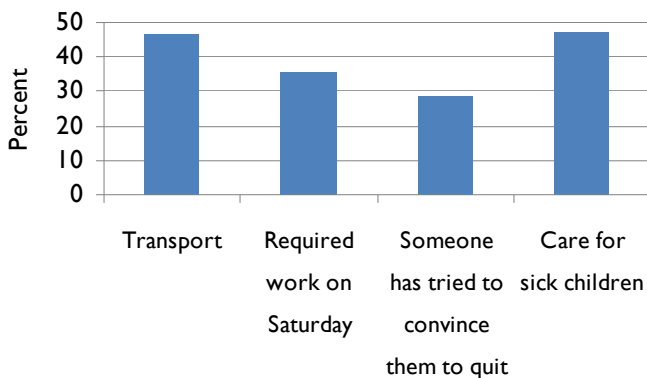
Women's shifting and conflicting roles can make it difficult for them to achieve a balance between work and family life.

² Census of India. 2001.

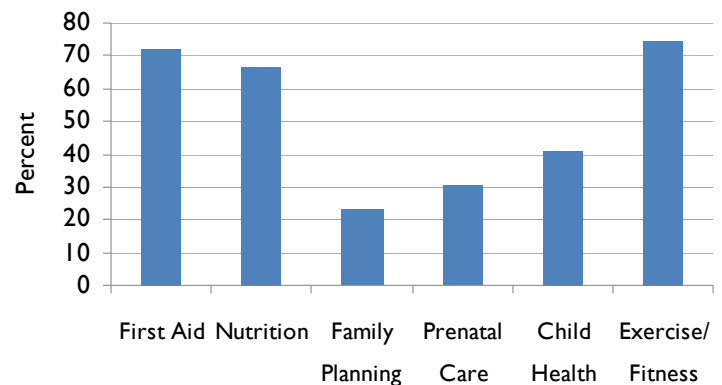
The Pilot-Test

Following the roundtables, the Health Policy Initiative sought to identify a company for the pilot-test, ideally one with 100–200 employees—of which at least one-fourth were women. The project selected a diversified outsourcing, software, and electronics manufacturing company that has a relatively young, well-educated, and highly trained workforce. Its workers earn an average of 2,500 rupees per year. Training costs for individual employees run as high as 60 percent of the average annual salary. Before testing the model, the project surveyed 47 female employees to gather their input on desired benefits (see figures below). The project then worked with the company’s director of human resources to develop three, family-friendly workplace scenarios using the FFW Model.

Employee survey results: Reasons women have considered quitting



Employee survey results: Health services women are favorable to



In advance, it is impossible to know the demand for family-friendly services or their impact on absenteeism or job leaving. The survey with women employees served as a useful gauge of these variables. Also, the easy-to-use interface allows real-time sensitivity tests, adjusting for employee demand and/or impact on absenteeism or retention.

The first scenario included equipping an onsite clinic for basic health benefits, such as family planning, prenatal care, and nutrition counseling, as well as a small exercise room. Based on the assumption that the benefits would reduce absenteeism by one day per employee per year and reduce turnover by 0.2 percent per year, the model estimated the benefit-to-cost ratio of this scenario at 4.5 to 1.

The second scenario included offering flexible working hours for mothers with sick children. Assuming a reduction in absenteeism of three days per year per employee who has children and a modest reduction in turnover of 1 percent per year, the benefits-to-cost ratio of this scenario was 4.4 to 1.

Under the third scenario, the company would provide transportation to its campus from a main trunk road or bus station, both located approximately a mile away. Assuming that absenteeism would be reduced by three days per employee using the service and turnover would be reduced by 8.8 percent, the model yielded a benefit-to-cost ratio of 4 to 1. The ratio of benefits to costs in this scenario is considerably smaller than in the first two scenarios, which also makes it more sensitive to the accuracy of the assumptions.

The Health Policy Initiative presented the results of the FFW Model analysis to company management, prompting animated discussions about the feasibility of the scenarios used in the model. Some benefits, such as flexible scheduling, were seen as applicable to certain elements of the business but impractical in others. For example, flexible scheduling in the manufacturing division would be problematic because if employees are missing, production processes could be slowed or shut down completely.

On the basis of the presentation and the discussion that followed, it is likely that the company clinic will expand to include additional services for nutrition counseling, prenatal care, and family planning. The company will examine the transportation benefit further. However, the flexible scheduling benefit seems unsuitable for some parts of the company's operation and therefore is not likely to be acted upon at present.

Conclusion

The Family-Friendly Workplace Model is best applied to companies that make a significant investment in training employees and/or must comply with national or international employment standards. With greater urbanization and the shift to work in the formal sector, the demand for companies to provide family-friendly benefits is likely to grow. The FFW Model helps businesses to easily analyze the relative costs and rewards of offering family-friendly benefits. Using the model enables businesses to reap the potential cost savings of family-friendly policies and contribute to improved health for employees, their families, and the broader community.

For more information or a copy of the FFW Model, contact:

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