



Cornell's Center for Advanced Human Resource Studies

***Targeted Benchmarking on
Attraction and Retention due to Childcare***



CAHRS Partners have the opportunity to benchmark with other partner companies on HR topics of interest. The benchmarking is typically conducted with 5-7 other CAHRS Partners selected by the company that initiated the request. The CAHRS office identifies the appropriate connections at selected companies and the benchmarking company then schedules 1:1 phone calls to explore their questions.

Examples of recent requests include: Sponsorship Initiatives, Organization Designs and Structures, Diversity Metrics, Talent Management Practices, Competency Models and a variety of HR Policy Questions (i.e. Relocation, Cost of Living, Airline Mile Usage, etc.).

CAHRS partners find this more qualitative approach to benchmarking very valuable for revealing novel insights and practices, as well as for building their network. At the conclusion of the process, the benchmarking company shares an anonymized summary of their findings with the participating companies and CAHRS, who then makes them available so all partners can benefit from the learning.



Question:

We have seen an uptick in issues regarding attraction and retention due to childcare and are exploring solutions to help provide some monetary relief to employees for childcare (nanny or daycare- an option with flexibility). We will not be offering the same benefit at all sites as the issue is more severe in some locations and may not be as prevalent, from a cost perspective, in other sites. Therefore we want to outline some principles for implementation.

Benchmarked with CAHRS Companies in the following Industries:

- Information Technology
- Semiconductor Computer Hardware
- Industrial

Questions asked:

1. What are you doing today to provide caregiving support specifically for childcare?
2. If you are providing any childcare support- what are the principles you have in place and do you provide the benefit to employees at all sites across the US?
3. Do you have any different benefits you provide around caregiving/childcare from one site to another?
4. Do you offer additional care solutions to those who are relocated from one site to another?
5. Are there any areas of care / day care that you are thinking about exploring in the future to help address existing or anticipated gaps for your employees

Executive Summary

- While childcare is a hot topic for employers, some employers are seeing more employees wanting solutions beyond childcare (specifically for elderly care) and are thinking more holistically at 'caregiving,' however our focus was on childcare offerings/plans.
- In the childcare space specifically, all employers are offering backup care. Some of this was offered pre-pandemic, but not all, now this is a baseline offering at this point and not something that employers could not offer going forward based on employee expectations.
- Offering childcare support varies from one employer to another with some looking at partnerships with specific daycares to provide subsidized onsite (or near campus) options for manufacturing/plant employees, some offer discounts to daycares via a 3rd party vendor, while others are only looking at continuing backup care at this point in time
- There has been a push overall too around enhancing leaves (maternity/paternity) linked to becoming a parent in order to support employees and their families early on – most employers have increased their offerings in these spaces (in terms of paid leave around birth/adoption) in recent years.
 - Employers have also increased offerings/enhanced benefits around adoption, surrogacy, resources, etc. that goes into family planning.
 - Also discussed additional administrative leave options that were provided to employees and their families due to COVID-19 pandemic
- All employers discussed the ongoing importance and offerings around flexibility every day and the benefits that they offer holistically to support workers/families. Most also discussed how the majority of their workforce is well compensated, so while childcare is a hot topic for some employees, they also are providing competitive comp & benefits overall.
- There were some discussions around tax implications on childcare benefit as this could create a situation where the benefit has to be viewed as additional income and taxed as such to the employee. Backup care has less tax complexity and therefore is a more appealing option.
- Child care varies so strongly based on the city, state, and region – so we heard different solutions based on where companies are headquartered or located. For national / global companies – this seems to be a more complex problem because they are not able to implement a one size fits all solution, so instead they are piloting within certain sites to learn.