

Effectiveness of an Employer Sponsored Child Care Center

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This study reports the results of a questionnaire given to measure employee perceptions of a child care facility's impact on productivity, morale, satisfaction, absenteeism, and recruitment ease. Actual absenteeism data were also gathered from the personnel files prior to and following the implementations of the child care facility. Survey results indicated positive attitudes regarding the facility's impact on the above factors. Analysis of absenteeism records indicated the child care facility significantly reduced absenteeism (effect size = .08, n = 320).

The issue of child care has become a major concern in the United States for employers, parents and federal legislators. The increasing focus on child care can be greatly attributed to recent changes in demographic trends. The 1988 *U.S. Department of Labor Report* indicates that in the United States, women comprise 45% of the workforce. This represents a substantial increase from the 1950's figure of only 15%. In today's society, 57% of women with children under the age of six years, and 67% of the mothers with children under the age of 14 are employed. There are currently 3.5 million families in the United States which are headed by single working mothers. By 1995, 80% of females between the ages of 25 - 44 will be active members in the workforce, with mothers representing 90% of this population. In addition, research indicates that this trend will continue into the future. Projections for the year 2000 indicate that 60% of the new entrants to the work force will be women, and 62% of *all* women will be working (Fernandez, 1986).

Based on these figures it is apparent that organizations will have to

focus on meeting the child care needs of current and potential employees (Bernstein, 1986; O'Carolan, 1987).

There are at least two major factors contributing to the increasing employment of women. First, is the increasing independence of women which generates a desire to work for both personal accomplishment and job satisfaction. A second contributing factor is the rising divorce rate in the United States. As a result of the increasing divorce rate, more and more single parents are forced to enter the labor market out of financial necessity (Fernandez, 1986). Given the large population of working mothers, it is alarming to note the 1988 income distribution for single working mothers. Of all single working mothers, 2.1 million earn \$15,000 or less, 0.9 million earn between \$15-25,000, and only 0.5 million earn greater than \$25,000 (U.S. Department of Labor, 1988).

With this information in mind, issues regarding the availability of adequate and affordable child care become critical. Affordable child care is likely to be a major concern for the 2.1 million working mothers that earn less than \$15,000 annually. A compounding problem is that the current availability of day care facilities is inadequate. Recent workplace changes have resulted in child care needs for approximately 8.2 million pre-school children, with licensed facilities estimated to accommodate only 2 million of these children (U. S. Department of Labor, 1988). Many individuals are asking what the child care alternatives are for working mothers. According to most recent statistics, 54% of child care arrangements are with relatives or family members, 23% with private or non-relative care, 11% with day care, and 8% with pre-schools. In the United States, 4% of children with working parents care for themselves (U.S. Department of Labor, 1988).

In review of the above statistics, it appears the traditional family setting of father at work and mother at home caring for the children is becoming obsolete in today's society. In reality, fewer than 10% of the families in the United States currently fit this scenario (Bureau of National Affairs, 1984).

These changing family demographics have created unprecedented demands for child care, resulting in questions of where the issue of responsibility should lie. Is the issue strictly a family matter to be solved by family members? Do child care issues warrant greater federal involvement? Should employers attempt to remedy the issue by providing child care assistance? At this point, society is exploring and struggling with each of the alternatives listed above in order to arrive at a satisfying solu-

tion.

RESPONSIBILITY FOR CHILD CARE

Role of the Federal Government

At the national level, the child care topic has certainly prompted greater federal involvement. The United States Senate is currently considering several child care proposals. These proposals range from a moderate involvement of providing child care incentives, to an extreme involvement where the United States Government would assume a mandating, regulatory role. In terms of current federal involvement, the United States Government does not provide direct assistance to families requiring child care. The government does, however, spend over four billion dollars annually on child care services (Berney, 1988).

Currently, the largest federally sponsored service is through tax incentives. The dependent care tax credit plan spends approximately 2.7 billion dollars annually. The tax credit is available to working parents, and is prorated according to the amount of each family's adjusted gross income. For a family with an adjusted gross income of \$28,000 or more, the tax credit for a child under 15 years of age would be up to \$480. The maximum credit allowed could not exceed 20% of annual child care costs. At lower income levels, the tax credit maximum could not exceed \$720 for one child, with a maximum allowable credit of 30% of annual child care costs (Hitchings, 1985).

Aside from the federal tax-credit plan, another \$ 1.3 billion are spent by the federal government through Social Services Block Grants and Head Start programs. Social Services Block Grant funds are primarily used to provide child care assistance to low-income families. The grants permit states to address the needs of low-income families, teenage parents, parents enrolled in education or special training programs, and children receiving other public protective services. Federal welfare rules also allow the states to calculate welfare benefits in order to disregard earnings which parents have invested in child care. The Head Start program which operates in every state, is an early childhood education program which also serves to off-set the need for day care.

In summary, although the United States government does not provide direct child care assistance, the tax credit plan, Social Services Block Grants, and Head Start Programs all provide options to parents requiring

assistance.

Role of State Governments

In addition to the federally sponsored alternatives, each of the states also work with businesses to promote child care efforts. The state of Connecticut permits a 50% tax credit to firms offering child care subsidies to their employees. Connecticut also grants a corporate investment or renovation credit of up to 40% for contributions to non-profit centers, and 30% for donations to profit making centers. In Florida, employers are permitted to deduct up to the full 100% of start-up costs for an on-site child care center. The state of California takes a different initiative by using zoning and planning incentives to encourage the supply of child care providers. As part of the initiative, developers who include a child care center in their commercial complex plan receive priority consideration. In addition, the time-consuming steps required to obtain the building permit and license are reduced. Another zoning incentive which is growing in popularity, involves providing additional floor space. In Hartford, Connecticut a developer obtains six additional square feet of floor area for each square foot of child care space provided (Berney, 1988). It appears that action is being taken at the State level to encourage industry to respond by offering incentives to those businesses willing to support child care efforts.

Role of the Private Sector

Along with the apparent increase in state and federal involvement, the child care issue has promoted the growth of the Employer Supported Child Day Care (ESCDC) movement. Employer supported child care has grown rapidly in the United States, actually tripling in numbers since 1982. It appears as if the influx of women into the labor market has made child care not only a personal family problem, but a productivity concern for employers as well (La Marre & Thompson, 1984). Many employers have begun to offer child care as a means of attracting or retaining top employees (Reece, 1982). Others have provided child care as a method of reducing absenteeism or increasing productivity and job satisfaction (Trost, 1987). To illustrate the growth of employer involvement, a 1981 Department of Labor survey reported only 19 day-care centers sponsored by industry, seven sponsored by labor unions, 14 sponsored by govern-

ment agencies and 75 sponsored by hospitals. However, the 1988 United States Department of Labor report indicates a sharp increase to these figures by identifying 3,300 corporations in the United States which currently offer some form of child care assistance. Friedman (1986) reported that approximately 2,500 organizations participated in subsidizing child day care in 1985, compared to only 115 participating organizations in 1978. In addition, the American Society for Personnel Administration (1988) recently completed a nationwide survey of employers which investigated the issue of employer sponsored child care. Survey results indicated 35% of the responding employers are exploring or actively researching child care alternatives, 10% actually provide a child care service, and 53% are not involved at all with the issue.

Although a growing number of corporations are responding to the child care issue, the U.S. Department of Labor, (1988) reported the primary reason for employer non-involvement is a basic lack of information and awareness of available options. Many employers are simply unaware of the growing need for child care. One example is a study of company executives who were asked to estimate the percentage of employees they felt fit the traditional household of male as the breadwinner with the wife remaining at home. The response fell in a range of 40% to 70%. This may have reflected the executive lifestyles, but was in direct opposition to the national average of 10% (Friedman, 1986).

Another prohibiting factor to employer involvement occurs when top-level management takes the stance that employees personal lives are not in the purview of the company. Other corporations are hesitant to become involved because the benefits of child care are so difficult to measure (Fernandez, 1986). Often the potential liabilities and administrative burdens involved in providing direct child care also serve as a deterrent.

Prior to implementation of direct child care, the employer wants to insure that the particular service in question will enhance productivity enough to justify the expense. In terms of productivity, research indicates that working parents spend an average of 10 hours during work time locating child care each time a new arrangement is needed. The average number of new arrangements is 2 - 3 times per year. In addition, working parents miss an average of 8 days a year to deal with child care problems (Dilks & Croft, 1986). Given this information, it appears that employers who choose not to respond to the issue of child care may be contributing to their own self- destruction (Meyers, 1985).

Unfortunately, the Human Resource field has little empirical research to offer regarding employer supported child care and it's effects on absenteeism, turnover, recruitment and productivity. The majority of existing research is based either on employee self-report information or the speculation of Human Resource professionals regarding the outcome of the particular service their company is providing.

For the employer that chooses to assist it's employees, there are many ways to address the child care issue. Among them are various forms of financial assistance, flexible and accommodating personnel procedures, information and referral services, and employer-sponsored child care (*Changing Times*, 1986).

FORMS OF ORGANIZATIONAL CHILD CARE ASSISTANCE

Financial Assistance

Employer assistance with child care costs comes in many different forms. Among them are flexible spending accounts (FSA), contractual arrangements for discounts with day care providers, and vendor or voucher programs.

The option of flexible spending accounts was made possible through the Economic Recovery Tax Act of 1981. Flexible spending accounts are a method of funding child care, often within a cafeteria benefits plan. The accounts may be funded by salary reduction, employer contribution or a combination of both. In salary reduction, the employee designates a portion of gross earnings for his/her flexible spending account to help fund the child care costs. The employee pays no federal income tax on the contribution, but he/she must determine the amount to be funded prior to the beginning of each year. The tax rule for a flexible spending account establishes an account maximum of \$5,000 per year. Any monies which are remaining in the account at the end of the year are forfeited to the employer. The flexible savings account method is beneficial to the employee since he/she will not be assessed income or Social Security taxes on the money in the account. In turn, the employer saves on Social Security and payroll taxes. Xerox is an example of a corporation providing the flexible spending account option to its employees. In 1987, Xerox employed 64,200 employees, 25,000 of which were women. Many of the working mothers at Xerox use pre-tax dollars to cover day

care expenses through the flexible spending account arrangement.

Another form of financial assistance to an employee would be through a vendor program. The employer that sponsors a vendor program will purchase slots in child care centers or family day care homes. With a vendor program, employee selectivity is limited because the employer reserves the slots. Most centers, however offer an advantage by providing service discounts to employees whose employers hold slots.

With a voucher program, employees are reimbursed directly for either a percentage or all of their child care costs. Because the employee is making the selection, employers avoid liability claims. The role of the employer is to deduct a predetermined amount of money from the participating employee's paycheck (Nufer, 1988). Because the voucher method does not create additional child care services, it is most successful where child care is readily available (La Marre & Thompson, 1984). The Ford Foundation in New York offers a voucher program to assist those employees whose family income is less than \$36,500 per year. The Foundation reimburses half of the cost up to a fixed maximum dollar amount. The annual cost to the Foundation is about \$20,000 (U.S. Department of Labor, 1988). To rank financial assistance proportionally as a form of employer support, the 1987 Bureau of Labor Statistics survey indicated approximately 3% of the responding employers provide financial assistance to employees.

Accommodating Personnel Procedures

Many employers offer flexible personnel policies in an attempt to reduce the need for extensive child care. Work schedule policies are much more common than are child-care support benefits. One reason is that costs are perceived to be far less than would be the case with direct benefits. In addition, work-schedule policies do not involve the legal research and liability complexities inherent in providing day care centers or financial assistance benefits (Hayghe, 1988). Examples of accommodating options provided to employees are flextime, job sharing, peak-time, part-time work, work at home, and flexible leave policies.

Flextime allows a parent to adjust his/her work hours to accommodate his/her child care needs. This often changes the typical five day workweek to an altered schedule of four 10 hour days, or six days with fewer working hours. Flextime in private industry is most common in

retail trade establishments and least common in mining and construction. Among the major companies offering flextime are Apple Computer, Hoffman-La Roche, Proctor & Gamble, and Kellogg. At Kellogg, the flextime arrangement enables salaried staff to start work anytime between 7:00 and 9:30 a.m., and leave between 3:00 and 6:30 p.m.

Another accommodating work-schedule method is job sharing, which allows two or more individuals to share the responsibilities and hours of one job. Job sharing is generally more prevalent in government agencies than in industry. However, employees at Dain Bosworth, an investment banking firm in Minneapolis, Minnesota, also find it beneficial. Two of the firm's female vice-presidents had children and found balancing work and family life to be difficult. The women collaborated on a proposed job sharing arrangement which was approved for a six-month trial period. Review of the trial period found the job sharing arrangement to be a success. Both women continued to generate revenue for the company, and the customers remained satisfied. In addition, Dain Bosworth avoided potential turnover and recruitment expense by permitting its employees to participate in the job sharing arrangement (Dilks & Croft, 1988).

Other companies that permit job sharing are: Apple Computer, which employs 2,500 females of 5,200 total employees; Digital Equipment, which employs 24,000 females of 63,000 total employees; and Kellogg Company, which employs 2,335 females of 6,865 total employees.

Another flexible work schedule option would be through a peak-time arrangement. Companies that offer peak-time employment pay their employees higher rates for a reduced number of hours. For example, rather than paying an employee \$6.00 an hour for an eight hour day, an employer pays \$8.00 an hour for the critical hours the employee is needed. Because of the flexibility peaktime provides, the option can be very beneficial to the parent who is trying to balance work and family. The employer, in turn, obtains maximum productivity and cost effectiveness through the peak-time arrangement.

Other options would be flexible leave policies and at-home work. With the advanced technical state and mobility of computers in today's society, many employers advocate at home work, which can be of tremendous advantage to a working parent. With a flexible leave policy, personal, sick, or annual leave are flexibly administered. For example, an employer that offers flexible leave may permit its employees to take sick leave in order to spend time with a child. A growing number of U.S.

companies are implementing one or several of these options to reduce workers' child care pressures. According to the 1987 Bureau of Labor Statistics survey, 35% of responding employers provided part-time arrangements, 43% provided flextime, 43% provided flexible leave, 16% provided job-sharing, and 8% provided work at home. (U.S. Department of Labor, 1988).

Employers offering flexible personnel policies usually do so through a cafeteria benefits plan. While employees are still required to maintain a minimum core of basic protection, a cafeteria benefits plan allows the employee to choose from non-optional benefits (Kroll & Dolan, 1985). Assuming the demographic trend will continue, it appears that the single benefit plan is obsolete. With the growing number of women comprising the labor force, it is likely that a cafeteria style benefits package, which includes a provision for child care will be received with greater satisfaction. A 1988 Fortune magazine study indicated that of the 400 women polled, over half would prefer their employers to offer flexible working hours. In addition, 31% of the women desired greater child care assistance from their employers (Nufer, 1988).

Information and Referral Services

• The majority of employers that provide child care assistance to their employees do so through information and referral services (Wallis, 1987). Employer sponsored information and referral services provide valuable information to working parents. This method of support is popular among employers because of its relatively low cost and risk (Barud, Aschbacher & McCrosky, 1984). The service can range from a simple listing of local child-care providers, to assigning a specific staff member responsible for identifying and evaluating the community's existing child care providers. The information gathered through an information and referral service would include hours of operation, fees, licensure, variety of services offered, and the available number of openings. Some employers provide a match service where the employee is "paired with" the provider that best fits his/her needs (Hayghe, 1988). In addition to an awareness of the available alternatives, many employers are beginning to sponsor educational seminars or provide counseling services in order to advise parents on parenting difficulties. Some companies call in experts to advise parent employees on how to balance work and family.

An information and referral service is fairly inexpensive for employers to provide because they can contract with an existing referral agency within the community, or assign a staff person responsible for researching and developing the information and referral service. According to the Bureau of Labor Statistics, 10% of supporting employers offer an information and referral service. (U.S. Department of Labor, 1988). Information and referral services assist parents in gathering information on available child care, and can often help determine the most appropriate option. This service can be a great benefit by eliminating the difficulty working parents experience in trying to obtain child care information during full-time employment. The major advantage of an information and referral service is that it saves time and lowers the anxiety levels of parent employees, while costing a minimal sum to the employer (Earl & Wright, 1986). One drawback to the I & R service is that it does not actually create additional child care. Consequently, this option would not be of advantage to employees located in an area without sufficient child care alternatives.

IBM Corporation has established one of the most extensive and highly regarded child care referral services in the United States. The nationwide network of community referral organizations was developed to assist over 17,000 IBM employees on child care issues. Of the 238,650 IBM employees, 68,555 are women. The information and referral service is free, but employees are responsible for the cost of the facility they select. Reports indicate 9 of 10 employees are satisfied with the service and 97% would use it again (Berman, 1988).

Other companies providing an information and referral service are American Express, America West Airlines, Digital Equipment, Hallmark Cards, and Proctor & Gamble. American Express employs 32,490 females of its total 57,000 employees. The referral service at American Express began in 1984 at its New York City location, and is now offered in over a dozen additional locations. The information and referral service at America West Airlines is headed by a full-time staff member who places children of employees in family day care homes providing care up to 24 hours a day.

In summary, the information and referral option is a logical and inexpensive first step for employers wishing to investigate or provide a child care service. In addition to providing a beneficial service to the employee, the information and referral service helps the employer assess the potential demand and availability of child care providers prior to investing in

other, more costly alternatives.

Employer-Sponsored Child Care

As would be expected, employer day care is most successful when there is not an adequate supply of child care facilities in the community (Chapman, 1987). Of the existing employer alternatives, employer-sponsored child care requires the greatest commitment. Some companies may choose to provide an on-site child care facility, while others may wish to collaborate with local companies to form a consortium arrangement. The on-site facility can provide great transportation convenience to parents, while also allowing them to spend time with their children during lunch hours or break periods. The consortium arrangement would more than likely be built at a "near-site" location to each of the participating employers, and would involve a shared expense between each of these employers. In either arrangement, parents are able to observe the interaction between their child and the care providers, which can help to alleviate the potential stress and worry of alternative solutions.

Most employers offering an on-site or near-site child care service will generally fund the start-up costs for the center and rely on user fees to cover operating expenses. Average start-up costs for establishing a child care center can range from \$300 to \$1,000,000, while operating costs vary from \$2,000 to \$5,000 per child (U. S. Department of Labor, 1988). Operating costs may be met strictly by enrollment fees from parents, or the employer may fund all or a portion of the costs. In some cases, an employer will provide in-kind contributions only, which could support secretarial, custodial, or utility costs.

For all employers considering a child care facility, there are three major areas which need to be researched: expense, usage and equity. Start up costs can be extremely high for renovating or constructing a child care facility. In addition to the initial start-up cost, there are continual labor costs which can also be expensive. For this reason, many employers are deterred from further investigating the option. If the projected expense is affordable to the employer, a careful assessment should be conducted in order to determine employee usage. The fact that there are 50 children of employees within a particular company does not indicate a need for 50 slots in a day-care center. Many parents may prefer other alternatives, or are hesitant to become involved until a reputation has been formed regarding the service. Once usage has been determined, the

equity issue of child care should be investigated. How will non-parents feel about the facility, and the associated corporate expense? If the child care service is being incorporated into the benefits package, what new benefit will be offered to non-parents? Finally, if a company with several locations builds a center at one branch, will employees at other locations also desire a child center. In order for employers to experience potential productivity gains, issues of equity, usage and expense should be of primary concern when contemplating an on-site or near-site facility.

There are several progressive companies which currently provide an on-site or near-site child care facility. Campbell Soup Company provides an on-site center at its New Jersey headquarters, and subsidizes 50% of the cost to the employee. In 1986, Dominion Bankshares opened the first on-site program for infants, which is located next to the bank's operations center in Roanoke, Virginia. The center was built to accommodate 70 children and was full from the start. There is currently a waiting list, which is operated on a first come, first served basis. Campbell Soup Company and Dominion Bankshares are just two examples of the several companies which are beginning to research and/or implement an employer sponsored child care option. According to a 1987 Bureau of Labor Statistics study, over 25,000 child care centers have become available in the public and private sector workplaces which employ more than 10 individuals (U.S. Department of Labor, 1988). This figure represents a substantial increase to the 1978 figure of only 100 employer-supported programs.

ORGANIZATIONAL ADVANTAGES OF CHILD CARE

For the employer who has determined it necessary to provide a child care center, the productivity benefits can be substantial. A majority of companies with day care centers report a reduction in recruiting costs, absenteeism, and turnover. These companies also report an increase in productivity, morale, and positive community relations. Unfortunately, most of this information is based on self-report or speculation.

Surveys measuring the benefits of child care programs emphasize a decreased rate of employee turnover and absenteeism, heightened morale and productivity, and a greater ability to attract employees (Magid, 1983; Youngblood & Chambers-Cook, 1984). In 1986, the effectiveness of an on-site child care center at Mercy Hospital in Bakersfield, California, was measured by a self-report employee survey. The results indicated positive

effects in reducing absenteeism, tardiness, and turnover. In addition, the child care center was determined to be an effective recruitment device, as well as a method of increasing productivity and employee morale (Wayne & Burud, 1986).

Additional evidence of the benefits to employers was presented by the 1981 "National Employer-Supported Child Day Care Project". The project, which was funded by the Department of Health and Human Services, investigated child care programs at 415 hospitals and mid-sized businesses across the United States. The study revealed that 90% of the hospitals and businesses surveyed reported improved employee morale, and 85% cited and increased ability to recruit and retain workers. In addition, 65% of the surveyed employers reported reduced absenteeism and 53% indicated lower turnover all as a result of the child care program (Dilks & Croft, 1986).

Although empirical research in the area of employer-sponsored child care is almost non-existent, an evaluation of a day care service provided by Intermedics, a medical device manufacturing firm in Freeport, Texas, indicated a 60% decrease in job turnover and 15,000 work hours saved through reduced absenteeism. In a two-year period, Intermedics saved \$ 2 million (Koepp, 1984). In addition, one 1976 study evaluated the effects of an on-site day care program on measures of employee absenteeism, turnover, and performance (Milkovich & Gomez, 1976). The study was conducted at Control Data Corporation in Minneapolis, Minnesota. Subjects for the study included a total of 90 employees, 30 of which had children in the program, 30 who had children that were not enrolled in the program, and 30 non-parents.

Each of these groups were compared on factors of absenteeism, turnover, and job performance. The absentee rate was determined by the number of hours each employee was absent per month divided by the number of hours he/she was scheduled per month. Turnover was calculated by the number of employees quitting per month over the number of employees working each month. Each employees' job performance was assessed by performance ratings completed by their supervisors. The analysis revealed that non-participants experienced the highest average monthly rate of absenteeism and turnover. In addition, participants' monthly absentee rates ranged from 4.0 to 5.8 in comparison to the rates of general employees which ranged from 5.1 to 8.5. The results concluded lower employee absenteeism and turnover rates were related to enrollment in the program.

The explosive trend toward employer supported assistance is noteworthy. It appears as if the expanding involvement of employers is likely to continue in spite of the basic lack of empirical research regarding productivity, turnover, absenteeism and recruitment. In addition, the human resource field is lacking cost benefit data which measures the child care issues and alternatives. Because the demographic trends and resulting expansion of employer involvement are likely to continue, it is imperative that practitioners begin researching child care alternatives.

STATEMENT OF PURPOSE

The purpose of the present study was to investigate the effects of an employer supported child care facility which is currently operating under the consortium arrangement of two hospitals located in Southwest, Virginia. The child care center was established at St. Albans Psychiatric Hospital in 1985, to address increasing staff concerns regarding the issue of child care. Because an existing building was renovated for the child care facility, St. Albans start-up costs were minimal, at approximately \$10,000. In house surveying was conducted to assess the level of interest as well as projected number and ages of children that the facility would ideally accommodate. In 1987 an arrangement was made with Radford Community Hospital, which was also experiencing staff concerns regarding the child care issue. Through the arrangement Radford Community Hospital, located approximately 1.5 miles from St. Albans, purchased 12 of St. Albans slots for use by its employees.

In order to assess the effects of the child care facility, employee attitudes were measured by survey, and measures of absenteeism were collected from both hospitals. It was hypothesized that:

- 1) Most employees (both users and non-users) would report the child care facility as beneficial to their workplace,
- 2) Users of the child care facility would report more positive effects such as improved attendance, productivity and morale than would Non-Users, and
- 3) Actual recorded attendance of users from both hospitals would be higher after the implementation of the child care facility than the attendance of non-users.

METHOD

SUBJECTS

A total of 769 subjects were initially given the child care survey for this study. This total represented 377 employees from St. Albans Psychiatric Hospital and 392 employees from Radford Community Hospital. Of the 377 employees at St. Albans, 93 returned the survey and were included in the study. One hundred and eight of the 392 Radford Community Hospital employees returned the survey which brought the total number of subjects to 201, with a response rate of 26%.

PROCEDURE

Employee Attitudes

A survey was constructed to measure employee attitudes regarding the factors of recruitment, productivity, attendance, morale, and overall satisfaction with the child care facility. The survey was structured to separate responses of Users, Non-Users, and Non-Parents. Users were identified as employees that were currently using the on-site facility at St. Albans. Non-Users were parent employees that were using another child care alternative, and Non-Parents were employees without children. The survey and an accompanying cover letter were then distributed to all employees of both St. Albans and Radford Community Hospitals. Employees of both hospitals were given two weeks to complete the survey. Radford Community Hospital employees received the survey with their paychecks and were asked to return the surveys to a designated box which was located at the switchboard. St. Albans employees received the survey from their department head. They were asked to return the survey to Personnel or to the Child Care Center. Survey sampling proportions which indicate both numbers sent and received for each hospital, are indicated on the following page.

Absenteeism Measures

Actual measures of absenteeism were obtained for both hospitals. For the purpose of this study, absenteeism was defined as the total number of sick days taken per year. For St. Albans Psychiatric

	Radford Community Hospital		St. Albans Hospital	
	Users	Non-parents	Users	Non-parents
Sent	12	380	25	352
Returned	12	96	21	72

Hospital, the number of sick days were recorded for all employees for each year prior to, during and following implementation of the child care facility. The data were then coded into user and non-user categories. For Radford Community Hospital, the number of sick days taken by "user" employees were recorded both prior to, and following implementation of the child care facility. In addition, a sample of 25 Non-User employees' absenteeism data was also recorded prior to and following implementation of the child care facility.

RESULTS

SURVEY DATA

Demographics

The overall return rate for both hospitals was 26% (N=201). This total represents a return of 108 surveys from Radford Community Hospital and 93 surveys from St. Albans Hospital. Of the surveys returned, 81% (N=162), were completed by females. Fifty percent (N=100) of the employees completing the survey had been employed for five or more years. The educational background of those surveyed indicated that 38% (n=76) had High School Diplomas, 33% (n=65) had an Associate Degree, 27% (n=56) had a B.A. or B.S., and 2% (n=4) had obtained a Ph.D.

Survey Analysis

Survey responses indicate positive attitudes regarding the child care facility. Results of the analysis of variance indicate significant differences between User and Non-User response (see Table 1). In addition, there were several significant differences in survey response between Hospitals (See Table 2). For each table, questions are numbered as they appear on the survey.

As shown in Tables 1 and 2, many items did not generate a significant difference in the response of those surveyed, but were still essential to the interpretation of the study. In Table 3 below, each question is broken down by percentage of response so that overall attitudes can be evaluated.

Analysis of Absenteeism Data

The before and after actual absenteeism data were analyzed through analysis of variance. The analysis of variance indicated that the child care facility had a significant effect on overall absenteeism. Results of the 2 X 2 analysis of variance are shown in table 4.

DISCUSSION OF SURVEY RESULTS

For ease of interpretation, survey questions were grouped together by the factor that each question was designed to measure. Following is a summary of survey results on Recruitment, Satisfaction, Morale, Attendance, Productivity, Benefits and an "Other" category.

RECRUITMENT

Survey questions Four and Seven were designed to assess employee attitudes on recruitment. Employees reported that the child care facility was not a factor in their decision to accept employment with their respective employers. There was however, a significant difference between the User and Non-User response, with Users more likely to indicate the facility as a factor in their accepting employment. It is important to note here that 50% of the employees surveyed had been employed for five or more years. This means that the facility would not have been a deciding employment factor for this population of the survey. However, a

majority of those surveyed (68%) felt the facility helped recruitment efforts. There was a significant difference in the response of Users and Non-Users, as Users were more likely to report positive recruitment effects.

Table 1

User vs Non-User Survey Response

Question	User	Non-user	F	D
4. Factor in accepting employment	1.40	1.04	38.33**	.48
5. Was facility a good decision	1.93	1.94	.02	.01
6. Are you pleased with child efforts	1.93	1.87	.55	.07
7. Has facility helped recruitment	1.87	1.64	6.73**	.23
8. Are employees limited due to space	1.68	1.31	15.23***	.33
9. Has morale improved	1.93	1.67	8.52**	.25
10. Do you value facility as a benefit	2.00	1.78	7.31**	.23
24. Has attendance improved	1.35	1.69	10.00***	.28
25. Has productivity changed	1.93	2.61	13.09***	.31
26. Have you benefited	2.00	1.36	36.51***	.49
27. Is sick care a problem	1.83	1.39	19.84***	.42

* p < .05 ** p < .01 *** p < .001

Table 2

Survey Responses by Location

Question	RCH	St. Albans	F	D
4. Factor in accepting employment	1.19	1.12	.02	.01
5. Was facility a good decision	1.96	1.94	.20	.04
6. Are you pleased with child efforts	1.84	1.92	2.67	.14
7. Has facility helped recruitment	1.65	1.69	.01	.01
8. Are employees limited due to space	1.34	1.39	.01	.01
9. Has morale improved	1.65	1.79	.58	.07
10. Do you value facility as a benefit	1.75	1.87	2.40	.14
12. Are you pleased with program	1.92	1.93	.00	.00
13. Would you use a 3-11 shift	1.35	1.76	7.08**	.41
14. Are you satisfied with hourly fee	1.41	1.13	3.80	.33
18. Is your child happy	1.90	2.00	1.14	.19
19. Are you more productive	1.83	1.78	.18	.08
20. Before facility, how many days did you miss	1.81	1.20	11.18**	.53

21. Since the facility, how many days did you miss	1.27	1.15	.34	.11
22. Before the facility, how many times were you late	1.81	1.17	8.52**	.50
23. Since the facility, how many times were you late	1.41	1.47	.22	.09
24. Has facility improved attendance	1.68	1.50	4.96**	.20
25. Has productivity changed	2.62	2.28	4.17*	.18
26. Have you benefited from the facility	1.41	1.65	7.55**	.24
27. Is sick care a problem	1.52	1.56	.22	.05
31. How many days have you due to child care	1.13	1.00	1.62	.16
32. How often do you arrive late	1.32	1.27	.08	.03

* $p < .05$

** $p < .01$

*** $p < .001$

Table 3**Overall Response by Percentage**

Question	Yes	No
4) Decision in your employment?	89	11
5) Was the facility a good decision?	95	5
6) Are you pleased with child care efforts?	88	12
7) Has the facility helped recruitment?	68	32
8) Are employees limited due to lack of space?	63	37
9) Has the facility improved morale?	72	28
10) Do you value the facility as a benefit?	81	19
13) Are you pleased with the facility?	93	7
14) Would you use a 3-11 shift if offered?	62	38
15) Are you satisfied paying hourly fee?	77	23
16) Would a flat rate for part time care be more convenient?	41	59
17) Would a flat rate for full time care be more convenient	9	91
18) Is your child happy and well adjusted?	91	9
19) Are you more productive?	80	20
24) Has the facility improved attendance?	40	60
25) Has the facility changed productivity?	27	73
26) Have you benefited from the facility?	51	49
27) Is sick child care a problem for you?	54	46
20) Before the facility how many days missed/month? 0-1 (61%) > 1 (39%)		
21) After the facility how many days missed/month? 0-1 (87%) > 1 (13%)		
22) Before facility how many times late/tardy? 0-1 (64%) > 1 (36%)		
23) After the facility how many times late/tardy? 0-1 (71%) > 1 (29%)		

Questions addressing attitudes of Non-User Parents

29) What are your child care arrangements?

Spouse/Relative (51%)

Personal Babysitter (31%)

Other Day Care (18%)

30) Why do you use other child care arrangements?

Other (46%)

Less Expensive (30%)

No Available Space (12%)

Better Care Provided (11%)

31) How many days a month do you miss for child care?

0 - 1 (94 %)

2 - 3 (4.5%)

4 - 5 (1.5%)

32) How many times do you leave work early/arrive late?

0 - 1 (78.5%)

2 - 3 (16.9%)

4 - 5 (4.6%)

Table 4**Absenteeism Results**

Status	Time Period	
	Before	After
User	5.48 (3.91)	3.07 (2.82)
Non-User	5.47 (4.48)	5.18 (4.58)
Location		
St. Albans	5.53 (4.57)	5.07 (4.37)
RCH	5.00 (4.95)	4.40 (3.78)

Note: Standard deviations are in parenthesis.

Why would employees report that the facility did not affect their own employment decision, but helped recruitment overall? One explanation lies in the fact that 50% of the employees had been employed prior to the existence of the child care facility. The facility could not have been a factor since they were already employed. In addition, non-parent employees may view the facility as a recruitment device for other employees

although not applicable to themselves. An interaction occurred in response to Question 4. RCH User employees were more likely to indicate the facility as a factor in their employment than the St. Albans User employees.

SATISFACTION

Questions assessing the overall satisfaction of the facility were numbered 5, 6, 13, 15 and 18 on the survey. As indicated, 95% felt the facility was a good decision. Of those surveyed, 88% were pleased with the child care efforts of their respective employer, and 93% were pleased with the program itself. Of the parents using the facility, 77% were satisfied with paying an hourly fee with employees at RCH tending to be less satisfied than St. Albans. Ninety-one percent of User employees reported that their child was happy and well-adjusted in the program.

MORALE

Because employers often report improved morale as a result of employer sponsored child care, Question 9 was included in the survey. Seventy-two percent of those surveyed felt the facility had in fact, improved morale. There was a significant difference between User and Non- User response, as Users were more likely to report that morale had improved.

ATTENDANCE

Survey questions 20, 21, 22, 23 and 24 were included to assess employee attitudes on attendance. When User employees were asked how many days they missed per month BEFORE using the facility, 61% reported 0 - 1 days. When asked how many days they missed SINCE the facility was implemented, 87% answered 0 - 1 days. It is interesting to note that RCH employees reported missing a significantly greater number of days per month than St. Albans employees prior to implementation of the facility. RCH employees reported a sizable decrease in the number of days missed following implementation of the facility. Although St. Albans employees did indicate a slight difference in before and after attendance, a majority of the overall effect is attributed to the response of RCH employees.

A similar pattern occurred with response to arriving late or leaving work early. As with the question on absenteeism, 64% of User employees reported leaving work early or arriving late 0 - 1 times per month BEFORE the facility was introduced. After the facility, 71% reported the occurrences 0 - 1 times per month. RCH again reported a significantly greater number of occurrences than St. Albans before the facility. Since the facility was introduced, RCH employees reported number of occurrences decreased substantially, while St. Albans employees actually reported a slight increase in the number of occurrences.

When employees were asked whether or not they felt the facility had improved attendance, 60% responded that they hadn't noticed a change. There was however, a significant difference in the response of User VS Non-User employees, with User employees more likely to report an improvement in attendance. There was also a significant difference in the response between hospitals. St. Albans employees were more likely to feel the facility had improved attendance than were RCH employees.

PRODUCTIVITY

Question 25 was designed to assess employee perception on productivity. Seventy-three percent of the responding employees indicated they hadn't noticed a change in productivity. There was a significant difference in User VS Non-User response as Users were more likely to indicate a positive change in productivity as a result of the facility. In addition, St. Albans employees were more likely than RCH User employees to feel the child care facility positively effected productivity. An interaction did occur with response to the productivity factor. St. Albans Non-User employees were more likely to report the facility made a positive change in productivity than were RCH Non-User employees.

EMPLOYEE BENEFIT

Because of the importance of the benefits issue, Questions 10 and 26 were included to capture employee attitudes. Eighty-one percent of the employees reported they valued the facility as an employee benefit, but only 51% felt they personally benefited from the facility. Because only 19% of those returning the survey were Users of the facility, but half of all surveyed responded as having personally benefiting from the facility, many Non- User employees felt they also benefited from the facility. In

addition, Users were more likely to value the facility as a benefit than were Non-Users. User employees were also more likely to respond as having personally benefited from the facility than were Non-Users. In comparing hospitals, St. Albans employees were more likely to report that they personally benefited from the facility, perhaps because of the physical association with the facility since it is located on St. Albans grounds.

OTHER

Several other questions (8, 14, 27, 29, 30, 31, 32) were included to provide feedback to the administration of each hospital. When asked if they knew of employees that couldn't use the facility because of limited space, Users were statistically more likely to report that they knew employees in this circumstance. This finding can possibly be attributed to the fact that individuals tend to associate with similar individuals since they share common interests. Perhaps parent employees are more likely to recognize and be made aware of other parent concerns. Another possibility is that User parents may wish to regard the facility as "more in demand" than is actually the case.

In order to determine whether or not the current times of coverage were adequate, employees were asked if they would use a 3 - 11 shift if it were provided. RCH employees indicated they would, while St. Albans employees answered that they would not.

The issue of child care for sick children opens an entirely new discussion, however for purposes of this survey, 54% felt sick-child care was in fact a problem. Of the parent employees that were surveyed, Users of the on-site facility were more likely to report sick child care as a problem than were Non-Users. The response between hospitals was very similar.

QUESTIONS ASSESSING NON-USER PARENT EMPLOYEES

Parent employees that did not use the facility were asked about their current child care alternatives. Fifty-one percent indicated they were using a spouse or relative as their child care solution. This provides an explanation to why Non-Users found sick child care to be less of a problem than Users. When asked why they chose other arrangements, 46% checked an "other" response without providing explanation, and 17% indicated their alternative as less expensive. Ninety-one percent of parents reported missing 0 - 1 days a month, while 78% reported arriv-

ing late or leaving early 0 - 1 times per month. There were no significant differences in the responses between hospitals for these questions.

DISCUSSION OF ACTUAL ABSENTEEISM RESULTS

The results indicated a significant difference in the before and after time periods for which the data were collected. Prior to the child care facility, User and Non-User groups missed the same number of days from work. However, following implementation of the facility, employees using the child care center missed significantly fewer days than their Non-User peer. In addition, User employees missed a significantly greater number of days prior to the facility than they did following implementation of the facility.

STUDY IMPLICATIONS

The study revealed that overall employee attitudes regarding the facility are very positive. Users reported stronger positive attitudes on many of the factors than did their Non-User peers.

This study produced positive results. These results indicate that the child care facility does have a positive effect on employees' perceptions of their working environment. In relation to this study, Blau & Boal (1987) show that employees that are highly satisfied and committed are more likely to be highly productive and to exhibit better attendance and tenure records. Other areas of research have shown family responsibility can strongly affect the level of commitment of working parents. This is even more applicable to women who, in most instances bear the majority of child care responsibilities. Organizations who choose to provide parents with child care facilities may be benefiting through increased organizational commitment (Chusmir, 1986).

At the opposite end of the spectrum for the employer are the issues of cost and liability. An on-site facility is not the best alternative for every employer. For St. Albans and subsequently Radford Community Hospital, the decision was wise as the associated expense was minimal. Employees view the facility as very favorable, and the facility produced positive changes in employee attendance.

Although impossible, an interesting factor would have been to identify the numbers of employees that would have left or not accepted em-

ployment had the facility not been in existence. In addition, a cost/savings utility calculation would provide a solid basis for program evaluation and for future research. Perhaps employee commitment and productivity have improved as a result of the facility. Future empirical studies could explore these factors further. A higher return rate on survey response would have provided greater evidence of employee attitudes, however there was a clear and strong pattern of those employees who chose to respond. Although the facility is a success for St. Albans, each company must evaluate the advantages and disadvantages of each alternative prior to reaching a decision. Because each alternative ranges in cost and extent of employer involvement, it is important that the preliminary research be thorough and well-grounded.

As noted earlier, the numbers of women entering the work-force will continue to grow at a rapid pace. It follows then that the importance of adequate and suitable day-care arrangements will also rise. As a result, it is necessary for practitioners to continue research that will provide clarification and guidance to employers regarding this issue. As more and more empirical studies are conducted, each employer will be presented with the knowledge required to make the best decision for his/her company. In addition, the American family will benefit by receiving the support necessary in responding to a rapidly changing society, where traditional roles are no longer traditional.

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