By leading with empathy and easing the burden on caregivers, employers demonstrate both kindness and business smarts as they mitigate the risk of losing critical talent.

The pandemic continues to exact a heavy toll on working caregivers. According to BCG’s last COVID-19 caregiver survey, from October 2020, those with paying jobs who also provide care for family members, including children and aging parents, were feeling greater stress than noncaregiving employees. More than half of working parents reported
that their overall responsibilities at home—including housework, childcare, and help with schoolwork—had grown significantly.

Today, with most children back in school and daycare, along with greater availability of vaccines, it would be easy to assume that caregiver stress levels have receded. But the latest BCG research reveals that as companies in many parts of the world try to bring employees back onsite despite the continuing unknowns of the pandemic, caregivers are feeling more stressed than ever.

“This crisis is hitting working caregivers so hard that it could lead to declining productivity and increased attrition. But by implementing new—and lasting—ways of working, fostering a culture of inclusion and openness, and offering a variety of innovative caregiver support options, employers can both ease the burden on caregivers and mitigate the risk of losing critical talent.

The Struggle Continues

Many working caregivers are experiencing a strange new reality. A recent BCG survey of 19,220 employees in Germany, Japan, and the US shows that those who take care of children or aging parents are 1.4 times more likely to say that they are worried about their future at work and their well-being overall than those without such responsibilities. (See the sidebar “Survey Methodology.”)
This fourth article in our caregiver series is based on a survey of 19,220 working individuals conducted in July 2021 in Germany, Japan, and the US—countries that together constitute 35% of world GDP and are three of the top four economies in the world. The data includes 8,968 employees who had responsibilities caring for children or adults (including 6,502 parents) and 10,252 who did not have those responsibilities. Where we share an aggregated view because the results largely follow the same trend, each country has an equal weighting that is not dependent on the number of respondents from a given country or its population size. When the survey was conducted, all respondents were full- or part-time employees at companies with 500 or more employees.

And compared with our 2020 survey, a higher share of caregivers are now reporting these worries. (See Exhibit 1.)

Exhibit 1 - The Stresses of the Pandemic Continue to Hit Employees Hard—Especially Caregivers

Average share of respondents who agree with the statements below (%)
“I am worried about my future in my company” and “I am worried about my well-being”

<table>
<thead>
<tr>
<th>Country</th>
<th>Noncaregivers</th>
<th>Caregivers</th>
<th>Change since October 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>30</td>
<td>48</td>
<td>0</td>
</tr>
<tr>
<td>Japan</td>
<td>N/A</td>
<td>49</td>
<td>N/A</td>
</tr>
<tr>
<td>US</td>
<td>30</td>
<td>44</td>
<td>+3 pp</td>
</tr>
</tbody>
</table>

Note: Because of rounding, not all numbers add up to the totals shown. Pp = percentage point.

*Japan was not included in the October 2020 survey.
“Every Monday, our daycare center tests all the children for COVID-19,” says Simone, who lives in Germany with her husband. The couple depends on daycare to look after their 16-month-old son while they work long hours every day. “And every Monday, I find myself getting nervous, fearing that one child will test positive, and all the children will have to quarantine for a full week.”

The increased stress and responsibilities of working caregivers during the pandemic have affected their perceptions of their job performance as well. In Germany and the US, employees with caregiving responsibilities are twice as likely as others to feel that their ability to perform has decreased during the pandemic. In Japan, caregivers are 1.4 times more likely to feel that their productivity has suffered. (See Exhibit 2.)

Some countries have established national policies to support working parents. In Germany, for example, parents who miss work to care for a sick child nevertheless receive partial pay. During the pandemic, the government expanded this assistance from 10 days
(per child and parent per year) to 30, with a maximum of 65 days for a couple and 130 days for a single parent. The augmented policy also covers daycare and school closures. But even in Germany, it’s hard for parents like Simone and her husband. Though the support is helpful, their work still needs to get done.

In other countries, employees don’t receive any governmental support. The US, for example, is one of six countries in the world that currently offers no paid family leave. Where government policies don’t exist, or fall short of meeting needs, employees must rely on their employers. The flexibility and understanding of line managers and teammates are particularly important, as they may be best able to help with reprioritizing and shifting deadlines. But for situations where the deadlines can’t be changed or the employee’s job cannot be performed from home, the solutions tend to be few and far between.

The crisis has only highlighted—and exacerbated—the difficulties of juggling jobs with care for others. According to Seramount Research, formerly Working Mother Media, 79% of mothers and 61% of fathers feel that an expansion of childcare benefits would be a very or extremely important factor in their effectiveness at work.

Part of the challenge lies in staffing shortages in the care industry, as workers switch to higher-paying jobs. The attrition of workers and, in some cases, the rising cost of childcare have reduced options for working caregivers—a major reason some employees have been forced to leave the workforce to take care of their families. In September 2021, nearly 5 million US adults were not seeking employment because they were caring for a child who did not attend school or daycare.

 companies need to step in and support their caregiving employees, both to retain them and to enable others to enter the workforce.
Structural changes—such as higher salaries for employees of daycares and nursing homes, along with new or improved national policies, such as paid family leave—are a critical part of the solution to the crisis. But since effecting such changes could take a lot of time, companies need to step in and support their caregiving employees, both to retain them and to enable others to enter the workforce. (See the sidebar, “Roche’s Innovative Approach to Leveling the Playing Field for New Parents.”) But most companies have yet to treat childcare benefits as a priority. According to NYCEDC’s Women.nyc Childcare Innovation Lab, only 20% of organizations have surveyed employees on what they want or need most in childcare benefits, which likely puts the percentage of companies providing innovative benefits much lower.

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**ROCHE’S INNOVATIVE APPROACH TO LEVELING THE PLAYING FIELD FOR NEW PARENTS**

Roche’s policies signal that it cares about its employees, including those who care for others. The global health care company offers its caregiving employees a wide variety of benefits (depending on location), including daycare located near the office, support in finding childcare and eldercare, income-dependent partial funding for care centers, and backup childcare.

Such benefits are likely part of the reason that Roche’s gender diversity numbers are impressive: 49% of all employees—and 32% of those in key leadership positions—are women. Fortune’s Great Place to Work rankings have named Roche as one of the world’s 25 best workplaces for three years straight.

Yet despite this plethora of offerings, the company continues to look for new ways to support caregivers. In an inclusion survey among its employees in Germany, Roche discovered that one of the key obstacles to women’s advancement within the company is the extended parental leave of one to two years that is typical in the country and that many women take.

The company wanted to enable new mothers to return to work earlier and still have time with their children, thereby maintaining momentum for promotions and other opportunities. But for such an approach to work and to really tackle the
gender advancement gap, new fathers had to participate, too.

So, Roche launched an innovative pilot program in Germany that offers employees €10,000 to €15,000 if both parents simultaneously reduce their schedule to 28 to 32 hours per week for at least 12 months during the first four years of their child’s life—a benefit they can take advantage of even if only one parent works at Roche.

By encouraging both mothers and fathers to return to work at part-time capacity, the program attempts to redress the burden of family and household chores, which women shoulder at a disproportionate level, while keeping both partners engaged in a substantive but manageable way in the workforce.

“We have realized that if we want to have an impact on society, if we want to motivate parents to share the load at home more equally, then this needs to go beyond Roche,” Andreas Schmitz, the head of people and culture at Roche in Germany, told us recently. “Of course, this kind of program can be costly, but we truly believe that it is the responsibility of companies to step up when the current system is falling short in some way.”

The program started in September 2021, and the first parents have already applied. And although this new program has only just been implemented, Andreas’s team is already thinking about what else Roche can do to support the company’s caregiving employees.

The Flexibility Imperative

The positive benefits of flexible work models were well-known before the pandemic hit, but many company leaders were mired in the outdated belief that office workers had to be onsite to deliver high-quality work. In fact, personal productivity has been just as high, if not higher, during the lockdowns than before the pandemic began. And prior BCG research has shown that 89% of employees able to do their job remotely would like to be permitted to do so at least part of the time, even if offices are fully open.
The good news is that many companies seem willing to adapt to new flexible ways of working. Before the pandemic, 62% to 80% of the employees we surveyed said that their employers expected them to be in the office full-time. Now, of those who already know their postpandemic work arrangements, 52% to 66% are reporting that they have the option of hybrid or fully remote work. Only 34% to 48% said that their employers expect them to be back in the office full-time.

Large and influential companies from the tech industry are leading the way in flexible work models. SAP and Spotify have introduced long-term work-from-anywhere policies, and Microsoft and HubSpot are offering a wide variety of work models. Although a number of companies, including many Wall Street firms, are still hoping to revert to their prepandemic practices of requiring full-time, in-office work, they may be feeling the pressure to match or exceed tech’s flexibility during this hot global employment market.

The stakes for employers are high. On average, almost one-third of surveyed employees said that they will switch jobs if not offered remote or hybrid options. And employees with caregiving responsibilities are, on average, 50% more likely than noncaregivers to look for a different job if forced to work onsite full-time.

In Germany and the US, that likelihood increases with seniority. While 28% of caregiving women in nonmanager roles in the US and 21% in Germany would switch jobs if they’re not allowed to work at least some of the time from home, 48% of executive women in the US who are caregivers, and 62% in Germany, said that they would switch jobs. In Japan, the share of women who would switch for a more flexible job is lower, especially among senior managers and executives. (See Exhibit 3.) This is likely because employees in Japan tend to switch jobs less often in general than those in the other two countries. And once they reach age 35, they’re even more inclined to remain loyal to their employers.
Companies that return to their old work models risk losing their most senior women. This would be a significant blow for those that have invested in building gender diversity in the leadership ranks and could cause a loss of the performance benefits gained by those with diverse leadership teams.

Of course, not every job can be done offsite. According to estimates by Global Workplace Analytics, 44% of US employees have jobs that are not compatible with remote work—the same percentage as in Germany. In Japan, where more than 70% of Japanese employees work in the services sector, working from home is most often out of the question.

But even if remote work is off the table, there are ways to incorporate flexibility into how work gets done. By supporting caregivers and the rest of the workforce with adaptable ways of working, companies will not only find it easier to retain the senior leadership
teams they have worked so hard to build but will also open opportunities to attract the best talent for future roles.

Four Ways to Ease the Caregiver Burden

To stay competitive, companies will need to make caregiver support a top priority, both now and after the pandemic. The possibilities for employer support can and should be much broader than simply allowing people to work from home. If employers offer innovative and needs-based support, they’ll be in an excellent position to attract talent for the long term. They should consider taking the following four actions to solve the caregiver crisis.

Use the current momentum to embed and accelerate new ways of working and flexibility. The pandemic has changed where and when people work and how they collaborate. If a company has offered flexible work options in the past, it should be sure to keep or even enhance them. Make digital solutions readily available. Wherever possible, support the staff with up-to-date technology and efficient home offices. Many companies have subsidized home office arrangements.

Flexible work schedules with variable start or stop times and options for longer breaks, for instance, allow parents to pick up children from daycare and then get back to their work in the evening. Part-time options also bring greater flexibility and can help lure back those who have left the workforce. For jobs that cannot be done at reduced capacity, job sharing—with multiple people covering a single, full-time job—may be an option.

Flexible models should be gender neutral and available for any reason to ensure that all employees can benefit. The only way to fully integrate flexible working models into a company is to make them the norm. It is essential that people who make use of these new ways of working, from the CEO down, are supported and compensated for their efforts equitably.

Offer the range of benefits that employees need. Caregiver benefits should address the unique needs of employees, from everyday care support, including subsidies and
funding, to emergency support and flexibility in when, how much, and where employees work.

When paid family leave is not provided by the government, companies should offer it as a matter of course, including for adopted children. And when parents do go back to work, companies should step in to alleviate the financial burden of childcare, which can be prohibitive: according to OECD, both Japan and the US are in the top ten of the most expensive countries for childcare, costing up to one-third of a couple’s earnings.

Facebook, for example, reimburses full-time employees $3,000 per year for childcare and babysitting services in addition to giving parents the option of using pretax income to pay for childcare. And the Broad Institute provides up to $7,500 for childcare to eligible employees.

For emergency situations—when kids are sick or care centers and schools are closed—employees need either paid days off or backup or onsite childcare.

Some benefits, such as unpaid leave, should be available to all employees and provided regardless of tenure and performance. These benefits serve companies well in the long run, since replacing an employee is expensive: with hiring and training, bringing a new employee on board can cost up to 50% to 75% of their annual salary—as much as 200% for highly trained individuals.

HR and line managers need to be aware of all the options available to employees and monitor the continued challenges they may face. Regular check-ins can help make sure that changing situations receive attention right away. Employers can also work with external providers that offer caregiver support. (See the sidebar “Caregiver Benefits: So Much to Offer.”)

**CAREGIVER BENEFITS: SO MUCH TO OFFER**

While the measures below can help ease the burden for employees with caregiving responsibilities, many are relevant across the workforce, including options that
Pregnancy and Childbirth Support

Employers can ease the burden on parents by offering the following:

- Adoption, fostering, and fertility assistance, including financial support
- Protected time off for mothers before delivery, if not provided by the government
- Paid parental leave for both parents, including for adoption, if not provided by the government
- Paid leave after miscarriage

Everyday Childcare and Eldercare Support

A range of childcare and eldercare support options—from basic to innovative—lighten the load for caregivers:

- Support finding appropriate care, including easily accessible links to local options
- Additional support for care-related questions, such as creating a contract with in-home childcare providers
- Onsite or nearby daycare centers
- Additional support for parents of children with disabilities
- Funding or subsidizing of daycare or in-home care
- Funding or subsidizing of care with extended hours when standard daycare is closed
- Tax benefits, such as the option of paying for daycare with pretax income
- Virtual educational and tutoring offerings
Backup Childcare and Eldercare Support

Employers should step up when caregivers’ usual daily support is not available:

- Paid backup days to care for sick family members if daycare or school is closed
- Help finding external backup care if standard care is closed
- Space onsite for parents and children if remote work is not an option
- Support finding and subsidizing summer and vacation programs to cover school and daycare closures

Built-In Flexibility

Flexibility is critical to help employees juggle busy lives:

- Flexible work location, if possible
- Flexible work hours, with the option of taking longer breaks during the day
- Part-time model options of different capacity, such as 60% or 80%
- Compressed work week, such as 100% capacity over four days
- Temporary paid and unpaid leaves of absence
- Alignment on team norms and ways of working, such as agreeing on protected times or establishing “focus Fridays,” with no meetings in the afternoon
Mental Health

Efforts that support employee well-being should be a top priority:

- Company-supported tools, such as Headspace and Calm
- One-on-one check-ins with leaders trained to provide support
- Access to, and subsidies for, mental-health providers, including 24-7 hotlines for crisis situations
- Extra company-paid days around holidays
- Periodic recharge days

Communication and Leadership Training

Listening and learning are key:

- Regular organization-wide pulse checks
- Regular check-ins with individual employees
- HR and line manager awareness of stressors on caregivers
- HR and line manager awareness of the full range of support offerings available

Resource Groups and Tools

Employees should be able to look to their employers for answers:

- Caregiver resource groups for networking, support, and tips and tricks
- Career and life coaching for employees who face specific challenges, such as parental or life transitions, coping with a sick family member, and other challenges
Foster a culture of openness and inclusion. An inclusive culture—in which employees feel comfortable being themselves at work and feel safe speaking up and expressing opinions—is essential to encourage open and honest conversations about the challenges that employees face.

Prior BCG research has shown that people who work for inclusive companies are three times more likely than those who work for companies that are not inclusive to be happy at work; and they are 23% less likely to say that their work stress affects their private relationships. It’s important not to lose valuable employees because they feel uncomfortable or intimidated when it comes to making their vital needs known.

Ensure that taking advantage of flexibility options does not hinder career advancement. According to a report by the family ministry in Germany, 37% of men hesitate to take advantage of flexibility options because of concerns that they will miss out on interesting assignments and promotion into leadership roles; 35% said that participating in such programs would be frowned upon by their line manager.

When it comes to career development, promotion, compensation, or any other important career decision, there should be no repercussions for taking advantage of benefits. Performance assessments must be as objective as possible, gauging output against pre-established expectations. This means, for instance, that those who opt for remote work will not be placed at a disadvantage compared with those who are onsite and more visible.

Finally, beware of comparing the output of full-time employees with those who work at reduced capacity. Make sure that all staff are offered opportunities to grow within the company, whether they are full-time or not, and that open positions are posted for both full- and part-time roles. And leaders should schedule regular conversations with caregiving employees to discuss their ambitions and goals instead of making assumptions about their situation and possibly passing them over for stretch assignments or mobility opportunities.

• Subsidized time-saving services
Although it may feel like the beginning of the end of the pandemic in some places, most caregivers are still caught in the impossible situation of having to choose between caring for loved ones and preserving their careers.

Now is the time for employers to lead with real empathy and provide necessary support—not simply as an act of kindness but because it’s good for business.

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