

**BUILDING A  
SUSTAINABLE  
FOUNDATION FOR THE  
FUTURE:  
INTRODUCING INDIA'S  
MATERNITY BENEFIT  
(AMENDMENT) ACT**

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## Building a Sustainable Foundation for the Future: Introducing India's Maternity Benefit (Amendment) Act



Maximizing labor force participation rates is growing in importance globally. This emphasis has led to an awareness of key barriers to full participation. For families with young children, a significant barrier can be access to a high-quality childcare provision. India has a young workforce, with most employees in many organizations under the age of thirty. Despite gender gaps in education narrowing fast in India, social factors such as the lack of job creation attracting women and the role of caregiving can lead to issues around the retention of women and the “leaky pipeline” contributing further to the decrease in labor force participation.

In India, the government has made a concerted effort to remove childcare as a barrier to parents’ – and in particular women’s – participation in the workforce.

*“The most immediate concern for policy makers, therefore, should be to alleviate the constraints that women face in choosing to enter the labour market and address the barriers they are confronted with once they are in the workplace.”*

International Labour Organization – World Employment and Social Outlook – Trends for Women 2017

### The Maternity Benefit (Amendment) Act

In 2017, the Indian government passed an Amendment to the Maternity Benefit Act of 1961. The Maternity Benefit (Amendment) Act requires several new mandates, greatly enhancing employers’ responsibility to offer benefits that support employees and their families including:

- Increased Paid Maternity Leave from the existing 12 weeks to 26 weeks.
- Maternity leave for adoptive and commissioning (surrogacy) mothers.
- A work from home option available after the expiration of the 26 weeks' leave period.
- Employee awareness – mandatory for employers to educate women about the maternity benefits available to them at the time of their appointment.
- A crèche facility for every establishment employing 50 or more employees. Women employees would be permitted to visit the crèche four times during the day.

The legislation is in place and employers are identifying how best to respond, in particular, to the crèche mandate.

## Why Employers Invest in Childcare

An employer investment in a worksite crèche has far reaching value to the success of an organization, the positive impact on working parents and the development of the nation's children.

### **Employers Benefit**

Many employers around the world acknowledge the business case for investing in a high-quality childcare program for employees. Whether it is targeting specific workplace settings such as a call center environment or responding to local competitive challenges, employer supported childcare can be leveraged to address business needs and be a key part of an organization's talent management strategy.

#### **Employers Benefit**

- Increases Attraction
- Increases Retention
- Improves Productivity

As a tool for employees with young children, a crèche provision is truly a gender neutral resource. There are many ways employers have invested in a childcare solution, and they have done so with a focus on meeting employee needs, ensuring quality, and supporting the business. In fact, the crèche provision can become a tangible extension of the employer brand, company culture, and the organization's commitment to the workforce, resulting in positive outcomes for the employer.



The 2016 *Lasting Impact of Workplace Nurseries* survey, published by Bright Horizons, studied employees utilizing a workplace childcare provision and found this benefit had a significant positive impact on employees' decision to return to work after the birth of a child (90%), likelihood to recommend their employer to other working parents for job opportunities (95%), and ability to focus more effectively on their work (93%). In addition, 90% of parents using a childcare provision were more likely to continue to work for their employer and 94% said it positively impacted their decision to join the company.

### **Working Parents Benefit**

For working parents around the world, there is an experience shared by many – the childcare trilemma. This trilemma looks at the interrelatedness of the cost of care (affordability), how well the program is operated (quality), and whether or not there is care available where parents need it (accessibility).

#### **Working Parents Benefit**

- Increases career mobility
- Improves work/life integration
- Reduces stress

Parents need high-quality early education for their children that is accessible and affordable in order to participate in the workforce. Nationally, early education has been viewed as a

critical factor for all children and families, highlighting the importance of quality early education and not just the supply of childcare.

In focus groups of financial services employees, the absence of a high-quality care option for young children was viewed as one of the key reasons women elected not to return to work after the birth or adoption of a child. Researchers note this phenomenon: women taking career breaks has contributed to the gender-pay gap disparity between men and women (Monster Salary index, Monster India 2016).

Likewise, the *2016 Lasting Impact of Workplace Nurseries* survey found that 85% of respondents reported that high-quality workplace childcare positively impacted their ability to pursue or accept a higher position. Additionally, 96% of all respondents reported that childcare positively impacted their ability to integrate their personal and professional demands, and 95% reported it reduced the amount of stress they face in managing work and personal responsibilities.

### **Children Benefit**

In addition to the business benefits of a worksite crèche, the data on the importance of the early years for children is well documented. In 2017, the Center on the Developing Child at Harvard University, released a report titled *3 Principles to Improve Outcomes for Children and Families*.

It highlights how early childhood experiences affect the quality of the architecture of the brain by establishing a sturdy or fragile foundation for all the learning, health and behavior to follow. In the first few years of life, more than 1 million neural connections are formed every second. Therefore, the type of care and education children receive in the first few years of life is critical for their future success as adults.



The relationship between access to early education for young children and child outcomes continues to be measured through research as economies recognize the future contributions of their nation's youngest citizens. A five year longitudinal look at India's young children in *The India Early Childhood Education Impact Study* by UNICEF in 2017 established a link between school readiness and early care and education as well.

### **Children Benefit**

- Builds social/relational skills
- Increases school readiness
- Increases future success

Access to trained caregivers in space designed for age appropriate learning and development can have a profound impact on how children prepare for early learning in primary grades as well as learning throughout their lives.

## The Employer Crèche Mandate: What to Consider and Why

The crèche mandates are worksite specific, and relevant to any location with at least 50 employees at that location. Therefore, employers with multiple worksites will have to consider each location and its employee population, taking into account the following workforce characteristics when considering employee demand for crèche provisions.

- The crèche solution must fit the **employees' work schedules**. Working nights and weekends may represent a lower demand for care because of family logistics.
- The **gender make-up of the workforce** is important as the presence of a high percentage of female employees is likely to drive up potential demand for childcare supports.
- **The age of the workforce** impacts demand. According to the World Economic Forum's 2017 Global Gender Report, the mean age for women giving birth to a first child in India is 27 years and the average number of children per woman is 2.33. The typical window of need will be for families with children under 6 years old.
- Since the mandate is site specific, the **workforce size** at each location impacts the best approach. Employers may have locations with a hundred employees and other sites with more than 1,000 employees in one location. Each location may require a different solution for the employee population.
- **Employee commutes** can influence whether employees are likely to travel to work with their young child and utilize a workplace crèche. Getting to work, long commutes, and the challenges of transportation in general are factors that need to be explored. Companies that provide transportation for employees will also need to re-think if and how young children will be included.

## Crèche Provisions at the Workplace: What's Best for Your Worksite Location?

There are several models that currently provide childcare supports for employees in India. These models deliver childcare support to working parents and vary in terms of level of employer investment, location and autonomy of the employer.

- An **Onsite Crèche** at the workplace is often highly valued by working parents, particularly if they are nursing mothers. Worksites with employee populations of more than 750 employees might consider an onsite (or near site) crèche option that meets the current and future demand for care.
- A **Tie-Up** is a negotiated arrangement by an employer on behalf of its employees with a locally operated childcare crèche. The employer arranges access (buys space, negotiates priority access, pays tuition, etc.) to an existing childcare provider located near the worksite. This contractual agreement can include a number of elements negotiated to support the needs of employees such as extended hours and reduced fees. This model can provide flexibility for employers to meet the changing demand

for care, assuming the crèche will have space as needed. Worksites with less than 500 employees may benefit in particular if a high-quality option exists close to the worksite.

- A **Workplace Consortium** is a model that allows multiple employers to collaborate and share a crèche provision usually located on or near the worksite of participating employers. This model is often successful in workplaces such as a business park, campus, or an office building with multiple employer tenants. While it can be time intensive to negotiate between employers, the consortium model shares the financial investment to develop the crèche, ongoing expenses for the management and operations of the crèche, and access for employees to the spaces created in the program. This model is also worth considering in areas with limited availability of existing childcare provisions near the workplace, high real estate costs for first floor space, and limited first floor space.

There are different approaches for how employers structure a workplace crèche investment for their workforce. It can be a highly customizable benefit and include a variety of services. This employer investment is influenced by the type of relationship and level of accountability agreed upon with the provider operating the program. While in some cases employers have chosen to self-operate the crèche and internally manage the operations of the program, the outsourcing of the management of a workplace crèche is more typical.

A workplace crèche that limits enrollment to only serve employees of the sponsoring organization can provide a customizable and controllable model. While the investment level of a childcare tie-up is substantially less, this approach also offers the least level of control and accountability. Utilization of either a tie-up or a workplace crèche is an indicator of success. Understanding the demographic profile of the employees using the program and the respective impact on their tenure, performance, and advancement are important metrics to track.



## How to go about Investing in a Workplace Crèche Solution?

Managing a crèche investment requires a level of understanding about the service, the needs of employees, and what already exists in the community. Organizations with multiple worksites have to consider each location separately. The crèche can be an important part of an organization's talent management strategy. Decisions about what option to develop and how to proceed should be informed by an analysis of business priorities, employees' needs, and community childcare supply.

- The ideal way to identify the needs and priorities of the organization and truly leverage the impact to the business is to interview senior leaders and key stakeholders within the organization.
- It's a good idea to work with HR internally or use a consultant that has an understanding of talent management strategies and the intersection with the potential benefits of a worksite crèche.

### 1. Clarify Business Goals

In order to integrate a crèche into the fabric of an organization, the business needs of the organization need to be determined so a crèche response can be customized to address the organization's business objectives.

### 2. Assess Employee Demand

An assessment of the current and future need for childcare can be done in-house or with a consultant. The goal is to project demand for and utilization of a crèche solution keeping in mind the Maternity Benefit (Amendment) Act mandate for a crèche is worksite specific. The process can include the analysis of both quantitative and qualitative data including an analysis of workforce demographics, residential locations, commute distances and patterns, survey data regarding current and future childcare needs and preferences, and employee focus groups to understand the nuances of employees' work/life needs. The objective is to gather data that will provide learnings about:

- Employee demographics
- Number and ages of current children
- Type of care currently used and associated costs
- Hours of care needed
- Transportation realities (local infrastructure)
- Affordability
- Interest in specific care options
- Future demand for childcare services
- Profile of the potential crèche users

### 3. *Determine Community Supply*

A childcare market analysis is needed to truly understand what formal childcare provisions are currently available to employees in the community. It is important to gather both concrete and more subjective information.



Concrete information can be gathered through phone calls or internet research regarding the location of the existing programs, hours of operation, ages served, adult-to-child ratios, group sizes, and tuition rates. The more subjective information will most likely require visits to the local programs to truly understand the curriculum and adult to child interactions that are occurring, the policies around parent involvement and health and safety standards, and the program's approach to working with employers.

### 4. *Decide on Best Approach*

After gathering all of this data, employers need to decide on the best approach to address their workforce's needs and preferences as well as their business goals and their ability to maximize community resources.

For example, an on-site crèche can be the preferred option for larger employers who have a strong business need to attract and retain women and increase female representation in leadership positions. It also may be the only option for employers located in areas without community crèches available for tie-ups.

### 5. *Find a Suitable Provider*

Finding a suitable partner which matches an organization's needs is crucial. As a baseline, employers should expect the crèche operator to provide a high-quality programme of care and education and to be able to meet all necessary regulatory and legislative requirements.

When looking for a suitable partner, questions to explore include:

- Do they have global expertise and local knowledge?
- Are they experts in providing onsite crèche facilities – do they understand the details of employer-sponsored childcare?
- Do they have in-depth local knowledge of the existing childcare infrastructure?
- Do they operate crèches close to your offices?
- What is their reputation as childcare providers?
- Do they have extensive experience in working with employers? If so, request to talk with some of their clients.
- Can they support the design and build of a crèche?
- Do they have an employee marketing communication plan available?
- Can they provide pro-active account management and detailed Management Information Reporting?
- If possible, visit one or more of their existing nurseries.

## 6. Measure Outcomes

After the decision is made about a crèche provision, putting measurement practices in place is recommended so the organization will be able to track the value of the crèche against its objectives. Establishing a baseline before a crèche is put into place is an effective way to assess the impact. For example, voluntary turnover rates before and then after the crèche is available to employees can be compared along with other measurements such as the return rate to work rate from maternity leave, the promotion rates of women, volume of call outs/absenteeism, and other factors that are identified as important for the employer.

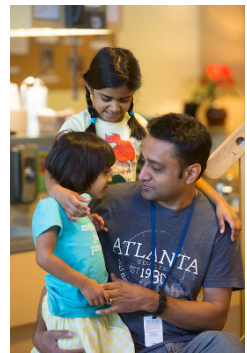
If a crèche is already in place and historical data is not available prior to the crèche's establishment, company data on current crèche users can be compared to non-users trying to control for demographic variables such as employees with young children (or in a certain age range if parental status is unknown).

Self-reported data from the crèche users in terms of the impact of the crèche on them at work is another approach. Employees can rate the degree to which the crèche has impacted their productivity, commitment, job satisfaction, engagement, and desire to remain with their employer.

## What Does High-Quality Care Look Like?

Benefits that support the family are an extension of an employer's commitment to the workforce and providing access to crèche provisions are no exception. Understanding and delivering quality educational experiences for young children is integral to the success of a crèche solution.

The chosen provider should be able to deliver high-quality early education programs (designed and delivered in an age appropriate way) to meet the needs of young children in group settings.



Look to partner with a provider who can match the following criteria:

- Excellent health and safety record – keeping everybody safe should be priority #1.
- Robust policies and procedures.
- Dedicated and qualified staff members.
- Ongoing staff training and opportunities for personal and professional development.
- An exciting and inspirational child-focused curriculum.
- Child-to-adult ratio matched/above legislator requirements.
- Small classroom group sizes.
- Outstanding facilities with indoor and outdoor activity spaces equipped with developmentally appropriate, exciting and stimulating equipment and materials.

## How do You Ensure a Successful Journey from Idea to Implementation?

- Build upon tying the crèche solution back to organizational goals throughout the process.
- Embed good communication and manager support – how do you engage and train line managers to accept and encourage employees to use the crèche?
- Consider the universal milestones that all employees can have that are key disruptors in careers (e.g., moving their residence, having children, children starting formal education, looking after elders, etc.) – how can benefits be used to mitigate the level of disruption for the organization and the individual?
- Engage with a professional partner to ensure you have the right support; employers can avoid expensive mistakes if they know the questions and conversations to have at the start of the journey. An experienced partner can mitigate any risk and increase the reward.

Finally, the investment in a workplace crèche provision is meaningful for different reasons to different stakeholders. When operated by or contracted with a reputable high-quality organization, the operations of a crèche facility can provide employers with peace of mind.

Ensuring that the crèche is being run in an appropriate manner, confidence that all regulatory requirements are being met, and regular management information and reporting to understand the value of the benefit and level of usage is critical to employers.

Employees can feel supported that their co-workers with young children are able to focus and fully participate with access to high-quality provisions for their children. The benefits of crèche provisions are only realized when the programmatic features and operational components are well managed. Employers that take the time to ensure quality childcare provisions for their employees experience positive business outcomes, resulting in higher labor force participation to fuel India's economy and good foundations for the workforce of the future.

- India Mandates Corporate Social Responsibility: The **2 Percent Bill** legislates that large companies must annually spend at least **2 percent** of their profits on corporate social responsibility (CSR).
- It could be a win-win for companies to explore if and how CSR investments can be used to strengthen the infrastructure to deliver high-quality childcare in communities where employees live and work.



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To find out more about Bright Horizons and how we can help your organization please visit: [solutions.brighthouse.co.uk](https://solutions.brighthouse.co.uk)

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#### **About Bright Horizons:**

Bright Horizons partners with more than 1,000 leading employers globally to address the work life and dependent care challenges that can impact productivity and engagement. Solutions are tailor made to support clients' evolving business needs and include workplace nurseries and nursery place arrangements; back-up care for adults and children of all ages; maternity/paternity coaching and work life consulting. We are proud of the longevity of our client relationships reflecting decades of consistently high levels of satisfaction with our services.