

# Assessing Employees' Emerging Elder Care Needs and Reactions to Dependent Care Benefits

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This article explores employees' emerging elder care needs and their reactions to two currently adopted dependent care benefits, a dependent care spending account and the leave of absence program. Survey data was collected from employees in several public service organizations (a utility, a branch of the American Red Cross, and a not for profit hospital). Experiencing problems with elder care arrangements was related to having negative attitudes regarding managing work and elder care responsibilities and increased likelihood of missing work. Exploratory analysis revealed that demographic variables such as gender, household employment configuration, adult living arrangements, and form of adult dependent care used were related to variation in the extent that employees experienced elder care problems, and their elder care related attitudes and absenteeism. While the group of employees who presently need assistance is small, about one third of total respondents (35%) indicated that they expect to have elder dependents in the future. Employees' evaluation of existing dependent care benefits, a flexible spending account and an unpaid leave of absence program showed that while these programs were perceived to be somewhat effective, users felt that improvements in their communication and implementation were needed. Employees who were managers or male were significantly more likely to hold more positive attitudes regarding the effectiveness of the leave of absence program than those who were nonmanagers or female. Nonmanagers tended to use the dependent care account to a significantly lower degree than managers. A rank ordering of present and potential employee benefits revealed sick care as the top preference for employer assistance.

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## Background on the Need for Elder Care Assistance

Elder care, which is employer assistance with managing care for elderly dependents, is predicted to be the pioneering benefit of the 1990's.<sup>1</sup> The U.S. Senate Special Committee on Aging predicts that by the year 2010 there will be 22 elderly persons per 100 persons of working age, and that the figure will increase to 38 elderly per 100 working age persons by the year 2050.<sup>2</sup> Currently, only 22% of people over 85 are in nursing homes<sup>3</sup> and for every nursing home inhabitant, it is estimated that there are at least two others with an equivalent level of disability that are not institutionalized<sup>4</sup>. Approximately, 80% of their noninstitutional care is provided by family members<sup>5</sup>. This care can lead to emotional, physical and financial strain of the caregivers, many of whom are employed.<sup>6</sup> A National nong-

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We would like to thank Mark Sullivan and Ken Sperber for their professional collaboration in the development of the needs assessment instrument and for providing access to the hospital and utility datasets. Please address all correspondence to Dr. Ellen Ernst Kossek, School of Labor and Industrial Relations, East Lansing, Michigan 48824-1032.

Term Care Survey by the U.S. Department of Health and Human Services reported that 31% of all caregivers were employed outside of the home and that this figure is expected to rapidly grow.<sup>7</sup> While it might seem reasonable to assume that working caregivers would spend less time on elder care than those who are not working, studies have indicated that employment status is unrelated to the overall amount of help provided to elderly persons.<sup>8</sup> Surveys have reported that, on average, employees who provide elder care assistance spend from 6-10 hours per week<sup>9</sup> to as much as four hours per day, seven days a week<sup>10</sup>.

A survey of personnel executives revealed that while 70% believed that some percentage of their employees were negatively affected by elder care at work, most of these firms were just beginning to explore providing elder care assistance.<sup>11</sup> Given that the growth in the number of employees with elderly dependents is expected to continue well into the next century, it is important for employers to understand the implications of employees' elder care responsibilities and prepare for the changing benefits needs of their work forces. The purpose of this article is 1) to share highlights from a recent survey exploring employee elder care needs and preferences for employer assistance, 2) to describe the reactions of employees to two currently adopted benefits, a dependent care spending account and the leave of absence program, and 3) give examples of the types of information an organization could collect to conduct an elder care needs assessment.

### **How Workforce Demographics Relate to Elder Care Needs and Work Effectiveness**

As a result of elder care responsibilities, one national study reported that 29% of working caregivers had to rearrange work schedules, 21% reduced work hours, 19% took time off without pay, and 9% of the respondents had quit work to become a caregiver.<sup>12</sup> Another study reported the following employee problems related to elder care: absenteeism, tardiness, visible signs of stress, excessive phone calls, unavailability for overtime work, requests for reduced hours, turnover, health problems, decreased quality of work and increased work accidents.<sup>13</sup>

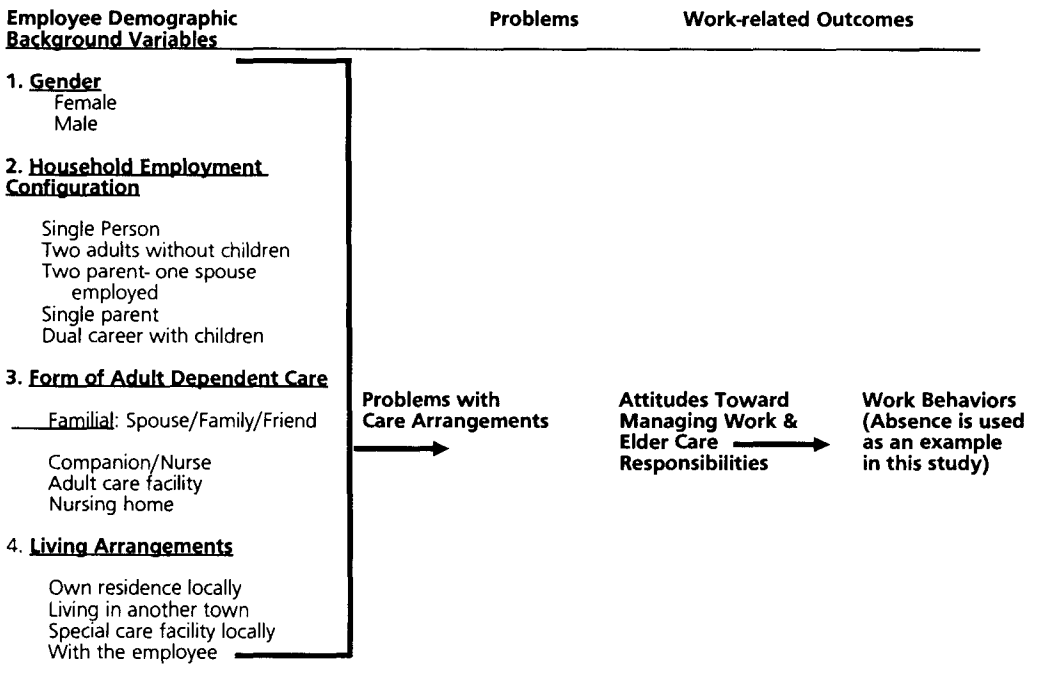
We have found that an employee's demographic background such as gender, household employment configuration, form of adult dependent care used, and the elderly person's living arrangements may help explain which employee groups are most likely to be in need of elder care assistance. As Figure 1 shows, these demographic variables are related to the extent to which an employee will have problems with elder care arrangements, their attitudes and absenteeism, and preferences for assistance. Prior to adopting elder care benefits, it is advisable for an organization to conduct a needs assessment survey that collects information on these background variables. The decision to implement a particular elder care option should depend not only on the program's direct costs, but also on the anticipated

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level of acceptance by management and employees and the extent to which employees have needs and interests that will be addressed by the program.

**Figure 1 How Workforce Demographics Relate to Elder Care Needs and Work Effectiveness**



*Gender.* Social norms regarding the roles of men and women in society result in women shouldering the bulk of the burden of family care. In evidence of this, studies have consistently shown that most elder care is performed by women.<sup>14</sup> Women tend to help more with personal and household tasks which are generally needed on a daily basis, while men help more with transportation, home repairs and financial management.<sup>15</sup> Research also indicates that daughters are twice as likely as sons to assume the primary responsibility for caregiving.<sup>16</sup> One study reported that being employed decreased the average level of a son's assistance by 20 hours per month but that employment was not a significant predictor of a daughter's hours of caregiving.<sup>17</sup> In addition, studies show that female employees tend to have a greater preoccupation with family matters and experience more work and family interrole conflict and overload than male employees.<sup>18</sup> Overall, it is likely that female employees will experience greater problems with elder care arrangements, have less positive attitudes about managing work and elder care responsibilities, and are more likely to miss work.

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**Household employment configuration.** Variation in the configuration of the caregiver's household such as caregiver marital status, whether one or both spouses are employed, and whether there are children under age 18 at home are likely to influence on the conflicting demands placed on the caregiver. Employees with children under 18 years who also have elderly dependents, the "sandwiched" group, generally have the greatest difficulty in managing elder care.<sup>19</sup> Dual career households may have sufficient money but less time available to manage elder care. Conversely, having a nonworking spouse can result in the availability of physical and emotional support for caregivers. One study found, for example, that spousal support helps employees cope with work-family conflict.<sup>20</sup> In summary, we believe that employees in dual career families with child dependents and those who are single parents are most likely to have problems finding satisfactory elder care arrangements. Consequently, they are more likely to hold negative attitudes about managing work and elder care responsibilities and will miss work.

**Form of Care.** The form of dependent care used, that is, whether it is paid or unpaid, whether the care is in the elder's home or an institution, and whether the care is provided by a family member or friend is likely to influence the extent to which employees will need assistance. It has been reported that only 10 to 20% of caregivers use paid helpers and that elderly, on average, receive five times the number of hours of informal assistance as they do formal assistance.<sup>21</sup> Researchers have observed that formal care, such as institutionalizing the elderly, is often viewed as a last resort when care responsibilities become too complex to handle alone or informally.<sup>22</sup> Employees' anxieties about final separation usually begin at the time a decision to place a parent in a nursing home is being made and extend until a parent enters the institution. Consequently, perceived problems with care may increase and attitudes about work may become more negative during this entire period.<sup>23</sup> In terms of the long run impact on employee's work attitudes and behaviors, however, formal care in a nursing home or group facility is likely to be more reliable, and provide better trained and more closely supervised caregiving than paid care in a home. It is thus, employees using paid care in their home who are most likely to experience problems with care and will have more negative work attitudes and behaviors than employees using alternative arrangements.

**Living arrangements.** Researchers have found that the elder's living arrangements are likely to influence work attitudes and behaviors. In one study, for example, sharing the residence with the elder was associated with decreased caregiver well-being in the areas of mental health, social participation and financial resources.<sup>24</sup> Shared households often become a more common phenomenon as the health of the older person deteriorates.<sup>25</sup> In general, the greater the level of disability among elders, the more likely living arrangements are shared.<sup>26</sup> Assuming that shared households reflect either poorer health of the elderly person and increased assistance required

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or increased employee daily contact with direct management of the care, it is expected that employees who live with the elderly person are likely to hold less positive attitudes about managing work and elder care duties. Employees using paid companions or in home nurses are also expected to have greater problems and less favorable attitudes and absenteeism rates. Paid in home care tends to be more likely to break down due to transportation problems and instability of care giving, which will result in increased occurrence of unexpected interruptions to manage problems when the arrangement breaks down. Employees with institutionalized dependents are less likely to experience problems with care due to the increased reliability of the care. Although employees whose elders can live self sufficiently in their own residence are likely to also experience unexpected problems related to managing care, they will probably have few absences due to the probable better health of the elder.

## Evaluation of Existing Dependent Care Benefits

It is important for a firm to conduct a needs assessment that collects information on the variables we have discussed prior to implementing any program. In addition, it is equally important to systematically evaluate the effectiveness of dependent care benefits *after* adoption. Another goal of this article is to share data on employee reactions to two dependent care benefits that are widely used for child and elder care needs. Of the employers offering dependent care assistance, a recent national survey<sup>27</sup> found that the most prevalent assistance program was dependent care spending accounts, which was offered by over half of employers offering child care benefits and over a fourth of those with elder care. The next most popular form of support was unpaid leave of absences, which was offered by 40% for child care and by 20% for elder care. Each of these programs have unique advantages and disadvantages. However, in general, little is known about employee acceptance of these assistance programs. Reports have typically been based on the results of surveys or interviews with a single spokesman per firm. In addition often these programs are adopted without input from needs assessment surveys.

### Dependent Care Accounts and Leave of Absence Options

Dependent care accounts are often part of an overall flexible benefits plan and are allowed under Internal Revenue Code provisions stating that up to \$5000 of employer payments for dependent care expenses may be excluded from an employee's annual taxable income. By placing deductions from an employee's pay check in a reimbursement account, the employee is able to use pre-tax dollars for dependent care expenses. The employer incurs no additional costs other than the administrative cost.<sup>28</sup>

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Galinsky<sup>29</sup> found that although an estimated 1,500 companies currently provide dependent care accounts as an option to employees, most firms report relatively low usage. This lower rate can be attributed to several factors: 1) salary reduction plans are most useful to the small group of higher income employees, 2) employees were unable to "double dip", that is claim a Dependant Care Tax Credit and use a dependent care account, 3) not all employees used providers who were willing to give their social security number, which is required under law for reimbursement, and 4) the complexity of federal regulations governing these accounts creates red tape in reimbursing employees and requires employees to predict their expenses one year in advance.

Currently, more employers have adopted unpaid leave of absence programs than dependent care spending accounts. Leaves are generally used more by women than by men. Typically, the duration ranges between 4 weeks to a year with a leave of five to twelve weeks being the most common. Returning employees are entitled to either their old job or one of similar responsibility. The primary disadvantages to leave of absence programs relate to productivity losses, difficulties in covering absent worker's jobs and the social stigma of lower career expectations for managers and professionals taking these leaves

## Methodology

The data used to assess the elder care needs of employees in public service organizations were based on the results of needs assessment surveys that were collected from three Midwest firms (a utility, a branch of the American Red Cross, and a not for profit hospital). These organizations were firms that had requested that dependent care needs assessments be conducted by either the first author or local nonprofit dependent care consultants with whom the first author had collaborated with to develop a needs assessment instrument. All of the needs assessments were conducted pro bono in terms of the consultants' time in exchange for allowing access to the data for research analysis. In each organization, prior to administration, the survey was piloted at a focus group representing a cross-section of employees. The survey included questions on current dependent care arrangements and problems, employees' attitudes toward managing work and elder care responsibilities, the number of days missed due to elder care, and preferences for assistance. All of the structured questions used Likert-type scales. Only surveys from employees who are *currently* managing care for an adult dependent are included in this analysis (n = 69), which is a subset (3%) of the responses to a child and elder care needs assessment survey that had a total response rate of about 52% (1144 usable surveys) of the 2200 employees in the firms. However, it also should be noted that about a third of the total respondents (35%) indicated

that although they currently don't have elder dependents, they will sometime in the future. The results of the three needs assessment surveys are in line with national demographic trends which indicate that while the current group of employees with severe elder care needs is relatively small, elder care assistance will be an important employee need in the near future.<sup>32</sup>

**TABLE 1A Items Used to Develop Scales**

**Problems with Elder Care Arrangements**

*Rate the following items as they relate to your elder care arrangements using the scale (1) no problem to (5) major problem:*

- Availability of care
- Cost of care
- Quality of care
- Hours of care
- Location of care
- Sick care arrangements
- Emergencies
- Provider dependability

**Attitudes Toward Managing Work and Elder Care Responsibilities**

*Please indicate the extent that you agree with the following statements related to the impact of elder care responsibilities using the scale from 1 (strongly disagree) to 5 (strongly agree).*

- I have considered quitting my job because of my elder care responsibilities.
- I am satisfied with my current elder care arrangement.
- I find it easy to combine my work with my elder care responsibilities.
- Illness or other elder care emergencies create problems for me at work.
- I have found it easy to find reliable care.
- I feel a lot of stress at work because of elder care.
- I often miss work because of elder care.
- My productivity has been hurt by my elder care arrangements.

**Days Missed**

*Approximately how many full days have you had to miss in the last month because of elder care arrangements or illness?*

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**TABLE 1B Means, Standard Deviations, and Correlation Coefficients for Measuring Problems with Elder Care Arrangements, and Work Attitudes and Behaviors**

<u>Variable</u>	<u>Mean</u>	<u>s.d.</u>	<u>1</u>	<u>2</u>	<u>3</u>
1. Problems <sup>a</sup>	2.04	.75	—		
2. Work/Care attitudes <sup>b</sup>	3.58	.77	-.4426**	—	
3. Full days missed	.95	1.65	.3642*	-.4127**	—

\*p < .05

\*\*p < .01

<sup>a</sup> 5 point scale: 1 = no problem; 5 = major problem

<sup>b</sup> 5 point scale: 1 = strongly disagree; 5 = strongly agree

Of survey respondents presently experiencing elder care needs, 69% were female, 48% had children, and 32% held at least a bachelor's degree. Elder dependents were identified as living with the survey respondent (24%), living in their own residence locally (29%), living in a special care facility locally (23%) or living in another town (24%). The form of adult dependant care used included care by a spouse (15%), family/friend (33%), companion/nurse (13%), adult care facility (12%), nursing home (17%), and other (10%).

Scales were created for the study, based on three constructs. The items in these scales are shown in Table 1A and could be used by other organizations wishing to conduct needs assessments. *Problems with elder care arrangements* were measured using an eight item scale (alpha reliability = .90), adapted from Fernandez's dependent care scale<sup>33</sup>. Respondents indicated the extent to which they were having problems (1 = no problem; 5 = major problem) with various components of their elder care arrangements. Items measured included availability, cost, quality, hours and location of care, sick care arrangements, emergencies, and provider dependability. The higher the score, the greater the problems with care. The *attitudes toward managing work and elder care responsibilities* used a five point Likert-type scale (1 = strongly agree; 5 = strongly disagree) adapted from Kossek's scale.<sup>34</sup> Respondents indicated the extent to which they agreed or disagreed with eight statements measuring their attitudes toward managing work and elder care responsibilities (alpha reliability = .81). All items were averaged with negatively worded items reverse scored. The lower the score the more negative the attitudinal impact of managing employment and eldercare responsibilities. A third scale, *days missed*, was an annualized measure that was based on self-reports of the number of days missed during the past month due to elder care. As Kossek and Nichol have found, employee self report of absences due to dependent care are significantly correlated with their supervisors' perceptions of days missed for care.<sup>35</sup>

Respondents were also asked to indicate their demographic backgrounds: their gender and household employment configuration, form of adult dependant care, and elder living arrangements. In order to conduct analysis of variance on sample, it was necessary to group some of the variables together so that there would be enough employees in each group for statistical analysis. The household employment configuration was grouped to reflect the potential level of stress and conflict, either negatively due to additional responsibilities for children, or positively due to the presence of an unemployed adult in the home with whom to share care duties. The groupings were as follows: single person/two adults without children, traditional family, and single parent/dual career family. Single parent and dual career families were grouped together since we believed both of these groups would have greater difficulty managing care due to work responsibilities than members of two parent households with only one spouse working. Such a grouping also enabled meaningful statistical



analysis, given our sample size. In a larger sample, however, it would be desirable to separately analyze significant differences in the effects of dependent care on these two groups. The form of adult dependant care was coded to reflect the formality of care. The groupings are arranged from informal to formal: spouse/family/friend, companion/nurse, and adult care facility/nursing home. The living arrangements were categorized as follows: living in own residence locally; living in another town; living in a special care facility locally; living with the employee. Examination of the means revealed that responses of employees with elders living in their own residence locally were very similar to those with elders living in another town. These groups were combined in our analysis, as it was thought that the daily level of involvement in managing care problems and being interrupted on the job would be similar. Using these groupings, a SPSS-X statistical package was used to conduct analyses of variance (ANOVA) exploring relationships between employees' demographic backgrounds and the extent to which they had problems with care, their attitudes about managing work and elder care duties, and the number of days missed.

Respondents were also asked to rank the following options in order of preference: job sharing or part time work, eldercare referral assistance, companion program, sick care assistance, adult day care facility, voucher system to assist financially in purchasing elder care of choice, flexible spending accounts, leaves of absence, and educational seminars or discussion groups.

In one of the organizations (the utility), we also collected data from 552 employees evaluating the effectiveness of two existing dependent care benefits that could be used for either child or elder care (a leave of absence program and a dependent care spending account.) The survey included standard questions about the effectiveness of the communication and administration of these programs and also asked employees to comment on what they liked most and least about the dependent care account and the leave of absence programs.

## Results

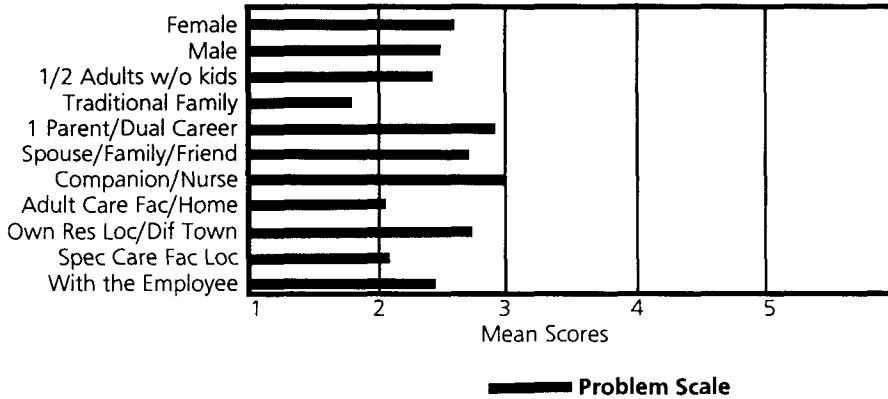
### **Employee Dependent Care Problems, Attitudes Days Missed and Preferences**

Table 1B shows the relationships between the dependent variables assessing the impact of elder care. The significant correlation of  $-.44$  ( $p < .05$ ) indicates that the more that employees experience problems with arrangements the less favorable their attitudes regarding managing work and elder care responsibilities. The significant correlation of  $.36$  ( $p < .05$ ) shows that the more that employees experience problems with arrange-

ments, the more days missed from work. Similarly, the significant ( $p < .05$ ) correlation of  $-.41$  shows that the lower an employee's attitudes about managing work and elder care, the higher the absenteeism.

**Table 2A Mean Problem Scores\***

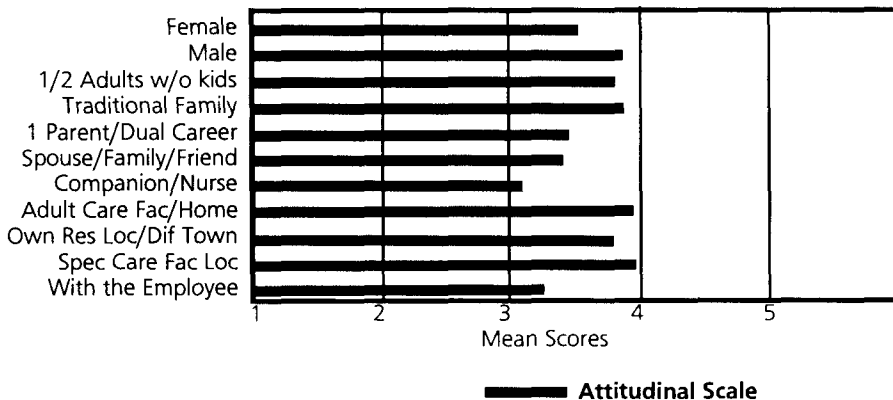
**Background Variables**



\*the higher the score, the greater the problems with elder care.

**Table 2B Mean Attitudinal Scores\***

**Background Variables**



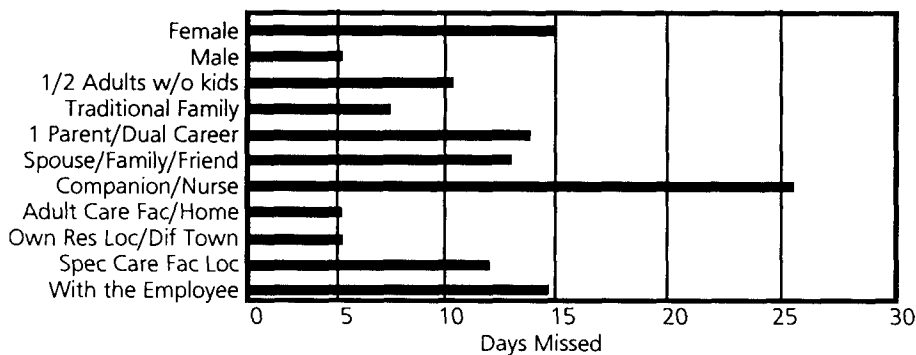
\*the higher the score, the more positive the attitude toward managing work and elder care responsibilities.

Tables 2A-C summarize the mean scores of employees' elder care problems, attitudes and attendance by demographic background variables.

The comparisons should be viewed as exploratory since the number of employees in each group is small. Significant differences between means based on the analysis of variance were done using either t tests for comparisons between 2 groups, or Tukey tests for comparisons between three or more groups. (Tukey's tests allow one to compare significant differences between more than two means at a time, while t tests can only be used to compare a single pair of means.) Although men (mean = 2.48) and women (mean = 2.60) reported about the same level of problems with their elder care arrangements, elder care responsibilities had a greater negative impact on the attitudes and work behaviors of women than those of men. Women (mean = 3.48) reported less positive attitudes about managing work and care than men (mean = 3.76), and were more likely to miss work at a level that was approaching statistical significance ( $p < .1$ ). On an annual basis, women missed 15 days per year due to elder care compared with 5 for men.

**Table 2C Mean Annualized Days Missed Due to Elder Care**

**Background Variables**



*\*the higher the score, the more positive the attitude toward managing work and elder care responsibilities.*

Single parents and dual career parents (mean = 2.91) were more likely to experience problems with their care arrangements than other two parent households with only one spouse working (mean = 1.80) or households without child dependents (mean = 2.45) at a level approaching significance ( $p < .1$ ). Single and dual career parents (mean = 3.49) held less favorable attitudes about managing work and elder care than two parent households with one spouse working (3.78) or employees without children (3.65). Dual career and single parents were also most to miss work than other household configurations.

Employees using a paid companion or nurse in the home on average reported greater problems with arrangements (mean = 2.99) and higher work absences (26 days per year) than those using other forms of care at a

level that was approaching significance ( $p < .1$ ). In addition, employees using paid companion or nurse in the home (mean = 3.07) were significantly more likely to have negative attitudes about managing work and care than employees using a spouse/family or friend (mean = 3.45) for care or an adult care facility or nursing home (mean = 3.94) ( $p < .05$ ).

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**Table 3 Employee Average Ranking of Options for Elder Care Assistance\***

Sick Care Assistance <i>(improved leave policies for care of dependent elders)</i>	3.26
Companion Program <i>(Home-visitors organized by employer)</i>	4.22
Elder Care Referral Assistance <i>(service offering information on available programs and resources)</i>	4.74
Adult Care Facility <i>(day care center for employees' dependent elders)</i>	4.82
Voucher System <i>(financial assistance in purchasing elder care of choice)</i>	4.94
Leave of Absence <i>(extended leave policy with guaranteed position upon return)</i>	5.30
Educational Seminars <i>(seminars presenting information on managing elder care)</i>	5.85
Flexible Spending Accounts <i>(pre-tax deductions from employee paychecks)</i>	6.68
Job Share/Part Time <i>(less than full-time work schedules)</i>	7.20

\*Average rank order from 1-9. Lower number indicates higher preference.

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Regarding living arrangements, employees whose elders lived in a special care facility locally reported the fewest problems with care (mean = 2.1) compared with employees whose elders lived with them (mean = 2.55) or had their own residence locally or lived in another town (2.76). Employees whose elders lived with them (mean = 3.28) had significantly lower scores on the attitudinal scale than those whose elders resided in their own residence or in another town (mean = 3.66) or in a special care facility (3.95) ( $p < .05$ ). Employees whose parent either lived in their own residence or in another town reported the lowest absenteeism rates.

As shown in Table 3, overall employees ranked sick care the most desirable type of employer assistance. Elder care referral, companion programs and support of an adult care facility were also ranked highly. It

is interesting to note that flexible or dependent care spending accounts and leave of absence programs were not ranked toward the top of the list, which were the options available at the utility in our study. Analysis of variance revealed a number of statistically significant differences in preferences for specific forms of assistance by demographic groups. Women were significantly more likely to prefer job sharing or part time work ( $F = 6.2, p < .05$ ), while men were more likely to prefer elder care referral services ( $F = 4.5, p < .05$ ). Employees with elders who were already in a special care facility had significantly higher preferences for an employer-sponsored adult care center ( $F = 4.9, p < .05$ ).

## **Employee Evaluation of Leave of Absence and Dependent Care Account Programs**

Since the way that an organization implements an option is likely to influence acceptance, it is important to discuss how these programs worked at the utility we studied. The company considered the leave of absence program to be an employee privilege, not an automatic benefit. To use the program to accommodate personal family needs, an employee had to fill out all the required paperwork, and get signatures from their supervisor and other managers. In order to qualify, the rationale for the leave had to be stated. All leaves were unpaid.

The Flexible Spending Account was more readily available to all employees. Employees were eligible to request cash reimbursement of unused funds in the spending account up to ninety days following the end of the plan year. After this date, the money was forfeited.

The results of the evaluation of the leave and dependent care options are shown in Table 4. Table 4A shows the percent of respondents that agreed (i.e., answered 5 (strongly agree) or 4 (agree) on a five point scale) to structured questions on the adopted dependent care assistance programs. In general, while employees weren't very enthusiastic about either program, they believed that the flexible spending account program had been better communicated, and did a better job of addressing child care programs than the leave of absence program. Surprisingly, over one third of the employees were unaware that a formal leave of absence program existed and many felt that there was subtle pressure not to take a leave of absence and that those who did were less likely to get promoted.

**Table 4A Percentage of Respondents Agreeing to the Statement**

<b>Statement</b>	<b>Spending Account</b>	<b>Leave of Absence</b>
<b>Common Items</b>		
1. I am aware that our firm has this program	82%	63%
2. In general, this program has done a good job of addressing dependent care needs.	25%	14%
3. In general, communication on this program has been good	32%	11%
4. A lot of improvement should be made in the way this program is run.	22%	15%
5. My supervisor supports this program	26%	25%
6. This program is of little importance to me.	39%	41%
7. It wouldn't bother me if this program was ended.	31%	60%
<b>Specific items</b>		
If two employees are equally qualified, the one who has taken the leave of absence will probably not get the promotion.	—	39%
There is subtle pressure not to take a leave of absence.	—	75%
It takes too long to get your reimbursement check.	11%	—
The "use it or lose it" rule discourages me from using this program.	40%	—

**Table 4B Percentage of Positive and Negative Comments by Leave of Absence Users**

<b>Positive Comments</b>	<b>%</b>	<b>Negative Comments</b>	<b>%</b>
Liked LOA Program Simply Because It Was	34	Lack of Effective Communication	21
LOA Acceptable Method for Taking Care of Child Care Needs	02	Paternity Leave Not Encouraged	1
LOA Program Increase Job Security	21	Leave Without Pay	14
LOA Program Provided Time Off for Medical Purposes	3	Supervisors Not Supportive	7
		Maternity Leave Should Be Paid in Part	7

**Percentage of Positive and negative Comments: FSA Program**

<b>Positive Comments</b>	<b>%</b>	<b>Negative Comments</b>	<b>%</b>
The FSA Program Saves Money	96	Program is Administered Poorly	69
Program Allows Flexibility	32	Paperwork Cumbersome	22
Able to Use for Extra Vacation or Medical Insurance	9	Difficult to Predetermine Need for Coming Year	16
		Difficult to Comprehend	16
		Poor Communication	9

Specific results for the programs are as follows. Out of the 552 respondents, eighteen percent ( $n = 99$ ) have used the Flexible Spending Account (FSA). While most (82%) of the entire sample of respondents were aware of the program, there is some ambivalence about the option. Over one third of the respondents agreed with the statement, "The FSA is of little importance to me." Less than one third (30%) of the respondents agreed with the item, "Overall, I think the FSA program is very well run." About one fifth (19%) of respondents agreed with the item, "The FSA is too complicated to use." Forty percent of respondents agreed with the item, "The use it or lose it rule keeps me from using FSA." (This latter statement refers to U.S. tax regulation that requires forfeiture of unused money after the end of the calendar year.) Only one fourth (25%) of respondents agreed with the statement, "In general, the FSA has done a good job of addressing dependent care needs." About one fifth (22%) of the respondents agreed with the item, "A lot of improvement should be made in the way the FSA is run." Only one fourth agreed with the item, "My supervisor supports the FSA program." Eleven percent felt that it took too long to get an FSA reimbursement check. Only one fourth (27%) indicated that communication on the FSA had been good." Nearly one third (31%) of the sample agreed with the item, "It wouldn't bother me if FSA were discontinued." and nearly two-fifths (39%) agreed with the statement, "This program is of little importance to me."

Regarding the unpaid leave of absence program, about 50 or 9% of the total utility company respondents have actually used the leave of absence program. Only two thirds (63%) of the entire sample were even aware that the firm has a leave of absence program." Over one third (37%) of respondents agreed with the item, "A lot of improvement should be made in the way the leave of absence program is run." Only one fourth (25%) agreed with the item, "My supervisor supports the leave of absence program." About two fifths (39%) agreed with the item, "If two employees are equally qualified, the one who has taken the leave of absence will probably *not* get the promotion." Three fourths of the respondents agreed with the statement, "There's subtle pressure *not* to take a leave of absence." Nearly two thirds (60%) agreed with the item, "It wouldn't bother me if the leave of absence program were discontinued" and forty-one percent of respondents agreed with the item, "The leave of absence program is of little importance to me." Only 11% of the respondents agreed with the statement: "In general, communication on the leave of absence program has been good." Only fourteen percent of respondents agreed with the statement, "Overall, I think the leave of absence program is well run," and only ten percent indicated that the program has done a good job of addressing dependent care needs.

## Content Analysis of Written Responses Regarding Existing Benefits

Table 4B summarizes a content analysis of the write in comments on these programs, which provides additional insight into the employee ambivalence toward them. We analyzed the write-in comments made only by the employees who had used the programs, since they would be the most familiar with each benefit.

The most frequently cited positive attribute of the leave of absence program is that employees liked just having the option to take the leave of absence if they needed it. In other words, some felt secure just knowing that the option was available. The main complaints about the leave of absence program were that it wasn't well communicated and that it was without pay. In addition, the next most common write-in comment was from men who felt that paternity leave was not encouraged. A *t* test of the mean of a scale based on the sum of eight items assessing the leave of absence program in Table 3A indicated that nonmanagers and females tended to feel significantly less positive regarding the leave of absence program than males or managers. In addition, *t* tests of users of the program indicated that nonmanagers were significantly less likely to use the leave of absence program than managers ( $p < .05$ ). Write in comments indicated that many employees perceived a lack of supervisor support of the program. This relationship may link to the disadvantages of leave of absence programs identified by Galinsky: productivity losses and the temporary replacement of employees, which are likely to be issues of greatest concern to supervisors.<sup>36</sup>

While nearly three fourths of the employees who had used the program felt that the flexible spending accounts' most positive feature was that it allowed employees to save money, nearly three fourths felt that the program was poorly administrated. Cumbersome paper work, difficulty in predetermining needs a year in advance and difficulty in understanding the rules of the programs were common complaints. *T* tests of the means of users by management status of the spending account indicated that management used this programs to a significantly greater extent than non-management ( $p < .05$ ). One explanation for this occurrence is that management salaries are typically higher than their hourly counterparts. Management personnel are probably able to float the cost of care prior to reimbursement for the money that has already been set aside from their paycheck, or sacrifice a portion of their salaries to take a leave and still be able to meet daily living costs. Hourly personnel, however, may face severe economic hardship by participating in either program.

We also surveyed employees about their general attitudes about the benefits package at the utility in order to make comparisons with our results for these specific benefits. In general employees were more favorable about



their overall benefits package than the way they were about these particular options. Slightly more than two-thirds of the utility company sample ( $n = 552$ ) respondents (68%) agreed with the statement, "In general, benefits programs are well administered at organization x." About two-thirds (64%) agreed with the statement, "Organization x has benefits that fit my needs." Only about half (52%), however, agreed with the statement, "My supervisor understands organization x's benefits programs." Only a little more than half of the total respondents (58%) agreed with the statement, "Employees deserve to have help with their dependent care needs."

## Discussion and Summary

This paper has discussed the kind of data an organization may wish to collect to assess its employees' elder care needs and the effectiveness of existing dependent care options. We found a significant relationship between experiencing problems with elder care arrangements and having negative attitudes about managing work and elder care responsibilities and absenteeism. Exploratory results indicate that employee background variables such as gender, the household employment configuration, the form of care used and the living arrangements may help employers predict which groups may be in the most need of elder care assistance. Although future research is needed that includes a larger sample, it appears that the following attributes may indicate the employees who most likely to be negatively affected by elder care responsibilities: women, employees who are in single parent or dual career parent households, employees who are using paid care in the home, and employees whose parents are living with them. In short, employees in different types of families may require different forms of assistance with elder care.<sup>37</sup> Overall, however, sick care is an option that appears to be highly preferred. In addition, perhaps the greatest form of assistance that companies can offer is flexibility in the administration of human resource policies and practices when elder care problems arise. Supervisory training in the area of managing work/family conflict is needed since supervisors are likely to have the most direct effect on employees ease in managing elder care difficulties. In addition, to help employees cope with medical emergencies, some employers are offering long-term care insurance to employees<sup>38</sup>

A drawback of this study was its use of cross-sectional data. Employees may have elder care responsibilities at different times in their lives. As Brody writes elder care "is not a single time-limited episode in the life course". Clearly, future longitudinal analysis is needed.<sup>39</sup> Also, care responsibilities may fluctuate according to the health and proximity of the parent. Consequently, needs assessment should be done periodically.

Although only 3% of an employee population in this study currently needed elder care assistance, the figure will grow dramatically to about one third of the workforce in the next decade as documented in the literature and this study. It is likely that this figure underestimates elder care needs. Employees may be reluctant to talk about elder care problems since they may not see their employers as a potential source of support<sup>40</sup>, or fear retribution from supervisors concerned about productivity or absenteeism<sup>41</sup>. In addition, they may not necessarily view their parents as formal dependents in the same sense as young children. Because many employees are informally managing care, surveys should be carefully worded to tap into employee's needs. Perhaps an employee might not consider their handling of informal care and occasional emergencies as being labeled "dependent care." Progressive employers should not wait for elder care to dramatically harm productivity but should act in anticipation of the aging trends predicted by national studies such as the Work Force 2000 report by the Hudson Institute.<sup>42</sup> For example, IBM, whose nationwide elder care referral service has received considerable media attention, was developed not as a response to employee demand, but rather "a proactive response to undeniable demographic trends."<sup>43</sup>

Turning to the results of the evaluation of existing dependent care benefits adopted in the utility, it appears that improvements are necessary in their communication and in garnering supervisor support, and that these programs were not implemented in a way that effectively met employees' needs. There were inconsistencies in the administration of the leave of absence program, since utilization was left entirely up to supervisor discretion. Consequently, some employees had supervisors who were more supportive of using this program than others. The program did not appear to address the needs of some employees since the leave is without pay. Most employees outside of the management ranks can not afford two months off without some form of financial assistance. This issue emphasizes the controversial aspect of the leave of absence program, in that equal access to this benefit may depend entirely upon an employee's economic conditions. General complaints of the Flexible Spending Account program also echo this sentiment, since its economic benefits do favor employees with incomes in the higher tax brackets. Also, the Spending Account needed improvements in helping employees to estimate their dependent care needs and in making employees perceive the program as being more user friendly. It can also be pointed out that management tended to utilize both programs to a greater degree than non-management. Leaving economic issues aside, the difference in use can also be attributed to a lack of program communication to the lower levels of the work force. These two options were not rated the most preferred forms of support for dependent care in this study. Not surprisingly the programs had been adopted without conducting a needs assessment. In summary, while the utility company should be commended for offering dependent care assistance, the firm may want to reconfigure their options to include programs that are

designed to allow more employees access assistance regardless of supervisor relations or financial circumstances.

Clearly, employee's perceptions of the desirability and usefulness of dependent care benefits must be considered during the planning stages of any innovative benefit program. Dependent care assistance, specifically, appears to be a subject that severely divides people. Strong emotions prevail on both sides of the issue with individuals in need of assistance demanding employer support and employees without need demanding equitable distribution of benefit funds. Employees who had dependent care needs in the past may, additionally, feel disgruntled that the company is helping other workers when they themselves had to manage without aid.

### **Tips or Lessons to Consider**

In closing, the following list provides tips or lessons employers should consider when developing and enhancing dependent care assistance programs.:

1. Use employee focus groups to assist in the development of a needs assessment survey. Then survey your employees to assess their dependent care needs and preferences prior to the adoption of programs. Consider analyzing elder and child care needs in the same survey, since nearly all employees will be interested in one of these options either now or in the future. This approach will not only result in a more accurate needs assessment, but it may help improve morale among employees (i.e., management cares about our personal needs).
2. Using some of the demographic variables identified in this study (e.g. gender, household configuration, form of adult care, type of living arrangements) analyze the dependent care survey data to determine similarities and differences in the kinds of assistance needed and preferred between employee groups. Consider moving to flexible benefits options if your needs assessment data indicates the existence of wide variation in preferences, problems and needs.
3. Recognize that while the employees who currently need elder care assistance will be relatively small, a rapidly growing number of employees will require aid in the near future. Consequently, proactive firms will wish to have assistance available to handle elder care needs before they become a problem.
4. Elicit employee participation from all levels of the organization in designing and implementing dependant care programs. Having employees from all potential groups participating in the process will assure all concerns are heard, and provide an opportunity for management to act upon them before they become issues after implementation. This allows employees the opportunity to provide feedback on how to make the program user friendly and also ensures acceptance of the programs among the majority of the work force.
5. Ensure proper attention and resources are given to communication and training for program implementation. If employees or supervisors are

unaware of dependant care program benefits or they are unsure how they are to be administered, the program will have little or no impact on the individuals it seeks to aid.

6. Request on-going feedback from assistance users to determine what modifications can be made to improve the implementation and effectiveness of these programs.
7. Develop an organizational philosophy toward the rationale for having programs to manage work and family integration. The philosophy should be linked to the organization's overall human resource management mission and objectives. In this way, new programs and forms of assistance can be viewed in a holistic way rather than piecemeal.

## Notes

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