



Tackling Childcare: The Business Case for Employer-Supported Childcare

CASE STUDY

Akamai Technologies
Information Technology, United States

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United States



Economy name:
United States

Main business city:
New York City*

Region:
OECD high income

Income level:
High income

Population:
318,857,056

Female population:
161,907,741

Labor force participation (15+):
56% female
75% male

Compulsory primary education enrollment age:
6 years



Leave policies

| | | |
|----------------------|----|---|
| Paid maternity leave | No | o |
| Paid paternity leave | No | o |
| Paid parental leave | No | o |



Legal obligation for employers to support childcare

| | 0-2 years | 3-5 years |
|--|-----------|-----------|
| Obligation for employers to support childcare? | No | No |
| Based on the number of female employees? | N/A | N/A |
| Based on the number of employees regardless of gender? | N/A | N/A |
| Special legislation on employer-provided childcare? | No | No |



Government incentives to employers to support childcare

| | | |
|--|-----|-----|
| Tax benefits to employers to support childcare? | Yes | Yes |
| Non-tax benefits to employers to support childcare? (monetary and/or nonmonetary benefits) | No | No |



Quality of private childcare services

| | | |
|---|-----|-----|
| License or registration required? | Yes | Yes |
| Zoning requirements? | No | No |
| Pupil-teacher ratio required? | Yes | Yes |
| Penalties for non-compliance with laws? | Yes | Yes |

*The *Women, Business and the Law* data are based on domestic laws and regulations that apply to the main business city of the economy. For more information on the methodology including the maternity/paternity/parental leave calculation methodology, visit wbl.worldbank.org



Akamai Technologies

Information Technology, **UNITED STATES**

PARENTS, WORK, AND CHILDCARE IN THE UNITED STATES

Women make up almost half of the U.S. workforce, and they represent half of all workers with university degrees. Among recent graduates, women are a third more likely to earn a bachelor's degree, and almost 50 percent more likely to earn a master's degree.¹ Many women balance employment with parenthood: 50 percent of mothers return to work within a year of their child's birth, and more than 70 percent of mothers with children under 18 are in the workforce (U.S. Bureau of Labor Statistics, 2016). In most families, all adults work, so they often do not have a family member at home who can easily deal with care responsibilities and domestic emergencies (U.S. Bureau of Labor Statistics, 2016).

Men's involvement in unpaid family work in the United States has risen substantially in recent years, but women continue to do the majority of childcare and household work, and are more likely to reduce their time in paid work when childcare is unavailable (Pew Research, 2015). The labor force participation rate of mothers is substantially below that of fathers, and after several decades of increasing labor force participation rates, there has been no further increase in mothers' rates of paid employment since the late 1990s (Hess et al., 2015).

Working families have little public support to help them provide care for their children. There is no statutory right to paid maternity or paternity leave in the United States. The 1993 Family and Medical Leave Act entitles both mothers and fathers to 12 weeks of job-protected unpaid leave; however, because the statute only applies to larger employers and to employees who work for their employer for at least 1,250 hours per year and for at least 12 months, only 60 percent of all workers qualify for this benefit (Gault et al., 2014). More recently, the Patient Protection and Affordable Care Act requires employers to provide mothers of infants up to 12 months with reasonable breaks (unpaid) to express breastmilk, a private room for expressing, and a fridge where the milk can be securely stored.² Publicly financed care for infants and preschool children is limited, and private childcare can be expensive, or alternatively, of low quality and reliability. Universal education starts at age six and kindergarten education is available for five-year-olds in most states, but often only on a part-time basis.

In 2016, **women represented:**

- 24% of Akamai's permanent U.S. workforce

Akamai **supports employees with children** through:

- Paid maternity leave
- Paid paternity and adoption leave
- Back-up care benefits
- Discounts at childcare centers
- Assistance with au pair services
- Financial assistance for adoption
- Flexible working arrangements and a flexible time-off policy

Main **business advantages** of offering childcare benefits:

- Competitive benefit package in a tight labor market, supporting recruitment and retention strategies
- Building block of Akamai's diversity strategy, by demonstrating support of parental and other care responsibilities of employees

MEMBERS OF AKAMAI'S WOMEN'S FORUM IN 2015.



PHOTO: COURTESY OF AKAMAI

In the absence of public benefits, some employers are directly supporting their employees' childcare needs. In 2014, one in 10 private sector workers had access to childcare through their employer (Stoltzfus, 2015). The work-family stress resulting from unreliable or low-quality childcare can lead to lower productivity and motivation, and result in costly loss of human capital when an employee feels pushed to leave the workforce to ensure proper care of their loved ones. Employees, both current and potential, and male and female, increasingly expect their employers to actively support their need to manage both work and family and achieve a better work-life fit (Harrington et al., 2015; PwC, 2014).

This case study discusses how Akamai, a global IT company with a highly professional workforce, supports working parents in its U.S. operations by providing back-up care benefits. These benefits contribute to making Akamai a competitive employer in a tight labor market and, by demonstrating support of parental and other care responsibilities of employees, are a building block of Akamai's diversity strategy.³

COMPANY BACKGROUND

Akamai, one of the world's largest cloud delivery platforms, is a global, publicly-traded IT company with revenues of \$2.34 billion in 2016. It was founded in 1998 and has been listed on the NASDAQ Stock Market since October 1999. Akamai has nearly 7,000 employees in locations around the world, spanning more than 50 countries. Half of these employees are based in the United States (Akamai Technologies, 2016a). The company is headquartered in Cambridge, Massachusetts, where over half of its U.S. employees are based, and has 16 locations throughout the United States.

Maternity and Paternity Leave at Akamai

**Number of women
who went on maternity
leave (in last 3 years)** 122

**Number of men
who went on paternity
leave (in last 3 years)** 234

AKAMAI'S BUSINESS CONTEXT FOR SUPPORTING CHILDCARE

Akamai operates in a highly competitive labor market. Attracting and retaining IT staff is cited as the top challenge by CEOs of IT companies globally (PwC, 2016). Demand for IT services is growing, yet the industry's capacity to respond is limited by the availability of software developers, engineers, and related IT professionals (Bagley, 2014). To improve their attractiveness to potential employees and increase retention rates, leading IT companies are offering a range of work-life benefits, including generous maternity, paternity, and adoption leave policies (Reed and Borison, 2016), childcare supports, and flexible working hours (Alsever, 2013; Frauenheim and Peters, 2016).

The demand for female talent is particularly high, due in part to the scarcity of women in the technology field. Employment trends in the science, engineering, and technology (SET) fields have shown that 41 percent of highly qualified scientists, engineers, and technologists are women; nonetheless, 52 percent of women working for SET companies quit their jobs over time, often citing uncondusive work environments and lack of clarity regarding career progression (Center for Talent Innovation, 2014). Additionally, women earn only 18 percent of information sciences degrees (U.S. Department of Education, 2014b). Because of these factors, women are a minority of employees in the IT sector in the United States. At the entry level, women in the U.S. tech industry make up 37 percent of

employees,⁴ far below their share of the U.S. workforce (47 percent). At each level of the hierarchy, women's share of the IT workforce falls, reaching a low of 15 percent at the most senior levels, according to a recent survey by McKinsey and LeanIn.org (Krivkovich, Kutcher, and Yee, 2016).

The business benefits of having a more gender-diverse workforce, from entry level all the way to senior leadership, are well documented (Barker et al., 2014). A global productivity boost of \$430 to \$530 billion could be generated through closing the global tech industry's female leadership gap, and additional \$470 to \$570 billion in new value for the U.S. technology industry through full representation of ethnic and gender diversity (Thomas et al., 2016).

At Akamai, "diversity is a mission-critical goal, and executives are held accountable for demonstrating progress throughout the year toward our strategic objectives" (Akamai, 2016b). Creating an attractive and enabling working environment for all its employees, including employees who have or are planning to have children, is part of Akamai's mission to be a diverse company.

HOW AKAMAI SUPPORTS EMPLOYEES WITH CHILDCARE NEEDS

Akamai's U.S.-based employees with children face several challenges. Work at Akamai is time-intensive; employees work long hours and they often bring work home in the evenings (although the company has a strong tradition of keeping dinner time, from 6 to 9 p.m., free of meetings and urgent memos, to allow employees to spend that time with their families). Depending on an employee's department within the company, they may face additional challenges, such as syncing transnational schedules or managing client meetings. Many parents working at Akamai have a partner who also works full time, a situation that is particularly common for female employees, and some are single parents. In addition, many Akamai employees do not have grandparents or other family members close by who can step in to help with childcare

tasks, particularly those employees who have moved to the United States from other countries. In the United States, publicly provided childcare for infants, toddlers, and preschool children is limited, and private childcare can be very expensive. In Cambridge, where Akamai is headquartered, the estimated annual cost of infant care is \$19,326, and care for a four-year-old in Massachusetts is close to \$13,000 (Child Care Aware of America, 2017).

In 2014, company founder Tom Leighton stepped in as the CEO of Akamai Technologies. In travelling to several Akamai locations around the globe to speak with employees about their needs, he learned of the widespread desire for assistance with childcare. In addition to internal feedback, there was an external impetus for amending the benefits package. Akamai benchmarks its benefits against its main competitors in the IT industry and noted that more of these companies were offering benefits addressing the needs of working parents, creating pressure on Akamai to revise its benefits package to stay competitive in its recruitment efforts.

Akamai provides its U.S.-based employees with a number of childcare-related benefits, including paid maternity and paternity leave, subsidized back-up care, discounts at selected childcare centers, a \$500 voucher toward the use of an au pair agency, and a voucher toward the use of an adoption agency. Akamai also offers flexible working arrangements and is one of the few companies that offer "unlimited" paid time off for vacation or illness (paid time off can be individually agreed upon with one's supervisor, without reference to specific leave entitlements). Akamai further offers employees a Dependent Care Spending Account, which allows employees to pay for childcare-related expenses (such as daycare or summer camps) from pre-tax earnings.⁵

Maternity, paternity, and adoption leave

Akamai offers all U.S.-based workers who have been with the company for at least 12 months both paid and unpaid parental leave. As noted earlier, the 1993 Family and Medical Leave Act stipulates that employers with at least 50 employees must offer 12 weeks of job-protected unpaid leave for employees with serious health conditions, birth-related medical leave, or for employees to bond with new children. In accordance with national policy, Akamai provides 12 weeks of unpaid family leave for new parents. In addition to the statutory requirement, birth mothers at Akamai can receive pay for up to 18 weeks of this family leave—eight weeks through the company's short-term disability insurance and 10 weeks of paid family leave provided by Akamai, which is paid at 100 percent of past salary. New fathers and adoptive parents also receive 10 weeks of paid leave via Akamai's family leave policy, but do not qualify for the temporary disability insurance benefit because the benefit only covers medical needs.

Back-up care benefit

Akamai's research on benefits commonly provided in the IT industry (the company regularly benchmarks its benefits package against its competitors) showed that back-up care and other work-family benefits are becoming increasingly common. As a result, the company decided to offer back-up care as a starting point for helping its employees address their childcare needs, while continuing to consider additional potential benefits, such as building an on-site daycare center at the planned new company headquarters, which will also be located in Cambridge, Massachusetts.

In March 2015, after a year of preparation and outreach, Akamai introduced its new back-up care benefit. Under the benefit, each employee can use up to 15 days per year of subsidized back-up care. It is open to all employees,⁶ male and female, irrespective of level of seniority or number of children. Half of all users of the benefit are men. The benefit can also be

Akamai's Back-up Care Use, 2015–2016

87 employees used the service; 43 users (49%) were women

On average, employees used:

162 in-center days 480 in-home days

7.4 days, on average, used by employees who used the benefit. Number of days used range from 1 to 15 days

used for eldercare, although to date, it has almost exclusively been used for childcare. Back-up childcare is available either on an individual basis by a nanny at a subsidized rate of \$6 per hour, or at designated childcare centers, where employees pay \$20 per day per child. The center-based back-up care must be used in one-day installments; the individual back-up care requires a minimum of four hours at a time.

Akamai's back-up care benefit is provided through Care@Work by Care.com. Launched in the United States and listed on the New York Stock Exchange, Care.com is the world's largest online marketplace for finding and managing family care services and spans more than 20 countries, serving more than 24 million members. The networking platform connects families looking for a caregiver (such as nannies or eldercare providers) with caregivers seeking employment. In addition, the Care@Work program allows employees to access a separate network of care providers that are engaged by Care.com to provide back-up care services in-home or in childcare centers. To be part of the network, in-home agencies and childcare centers must meet all relevant licensure and registration requirements and comply with certain quality standards established by Care.com.⁷

To use the back-up care benefit, Akamai employees individually register on their company's customized Care@Work portal, and can find sitters or a slot at a childcare center through the desktop portal (see Figure 1) or via the Care@Work app. As an additional benefit, employees receive the full membership benefits of Care.com in case they want to use services beyond those included in the Akamai back-up care package. Employees that employ an in-home caregiver, such as a nanny, have access to Care.com HomePay, a service that handles the payroll, tax withholding, and tax filing needs for household employers.

Akamai designed the back-up care benefit in consultation with the Care@Work team. Based on their experience with other corporate clients, the Care@Work team provided estimates about the percentage of employees who would use the benefit, and how many back-up care days they were likely to use. Akamai purchased a set number of back-up care days that placed them among the higher end of client utilization at the time, with the option to purchase additional days on an as-needed basis. Employees at Akamai exhausted the original set of days before the end of the first year, which was, according to Ben Robinson, Care.com's Global VP of Sales,

a reflection of both Akamai's employment growth and the success and popularity of the program. In response to the high demand for the program in its first year, Akamai increased the number of back-up care days by 40 percent in the program's second year.

Other childcare-related benefits

Akamai employees who prefer to have their children looked after in the home, or to have childcare supplemented by in-home care, can receive a \$500 voucher toward the costs of hiring an au pair.⁸ Au pairs can help cover the time between daycare, school hours, and working hours, or they can sometimes work like nannies and provide care for preschool-aged children. Eighteen employees have registered to host an au pair through this program.

HOW EMPLOYEES BENEFIT FROM CHILDCARE SUPPORT OFFERED BY AKAMAI

Employees report benefiting from Akamai's childcare supports in three main ways: they save on the costs of care; they save on the time needed to organize and find care; and they gain confidence in the quality of care. Parents who do not have family close by are the primary users of the back-up care benefit. This includes both single and married mothers, as well as married fathers whose wives also work full time. One mother—a member of Akamai's Women's Forum, one of Akamai's employee resource groups set up to raise awareness of diversity and inclusion at the company (Akamai Technologies, 2016b)—explained, "The daycare is closed very often and I have no family here. My husband's family is in Florida, my family is in Montreal; there [are no] relatives here. There is no one who is not working who is able to come and take care of my child."

Figure 1. Employees enter their back-up care needs through the Care@Work interface.

The screenshot shows a web interface titled "Backup care" and "Tell Us About Your Family". On the left, under "Your Backup Care Benefits", it lists: In-Home Co-Pay: \$6.00/hour, In-Center Co-Pay: \$20.00/day, Days Allocated: 15, Days Used: 1, and Days Remaining: 14. The main section, "Tell Us About Your Family", includes a statement: "We'll keep this information on file and use it to help you find backup care now, and in the future." Below this is a "Your Children" section with a "+Add Child" link. A form for a child named "Jennifer Fernandez" is shown, with fields for "Child Date of Birth:" (January 1, 2013) and "Female" gender. There is a "General notes" text area and a checkbox for "Is child address different than parent?".

A marketing executive, a divorced mother who raises her two boys on her own, also with no family nearby, recounted how back-up care made it possible for her to attend an important out-of-town business meeting. She used her back-up care benefit to find a sitter to look after her children from 8 a.m.–5 p.m., and her au pair provided cover during the evening and at night. Without the benefit, she said that it would have been “very challenging” to find childcare for her children while she was away, and that she may have had to fly family in from out of town. Akamai’s \$500 au pair benefit, apart from the financial support, helped her identify an au pair agency whose staff was willing to work around her full-time schedule to make navigating the process easier.

A senior software engineer reported how much she has benefited from both the back-up care arrangement and the discounted daycare center option. When she had her first child, before joining Akamai, she found it impossible to find suitable infant care, and, in the end, brought over her mother from India for nine months to look after the baby. For her second baby, she was able to benefit both from the back-up care and the center discount. She found out about these options when Akamai and Care@Work organized a “bring your children to work day” to promote the new caretaking benefits. The event gave parents the opportunity to meet nannies

“The daycare is closed very often and I have no family here. There is no one who is not working who is able to come and take care of my child . . . So what I feel good about is that I know that my child can be taken care of by someone who has been vetted.”

Mother of a preschool child and Women’s Forum group member

“I’ll be going away for a customer conference in San Francisco. I don’t have any parents in the area, so I have my back-up care provider doing 8–5 for the entire week and then my au pair will do the early morning and bedtime so that I have around the clock coverage. It would have been very challenging . . . I would have had to fly family in from out of town for the week if I didn’t have that benefit.”

Single mother of two children and Women’s Forum group member

and sitters from the Care@Work back-up care network, and watch them play with their children. She also made use of the discounted daycare option. Researching daycare centers can be bewildering and can take a substantial amount of time. Having a list of centers to choose from reduced the time she needed to find a center and increased her confidence in the choice she made, in addition to providing a welcome reduction in the cost.

Another software engineer with a two-year-old, whose wife also works full time and with no family living in the country, reported that he used the back-up care program to work from home when his child was sick. The sitter distracted his child while he worked, and the child felt comfortable knowing that his father was close by.

Paid vacation and leave for illness

Akamai's benefit package includes "unlimited" vacation and sick days for its employees, who schedule time off in consultation with their supervisor. Although Akamai offers access to unlimited leave, employees generally take three to four weeks of leave per year. A manager explained that she felt that having unlimited time off meant that Akamai employees did not have to stress about missing work, and that she was not concerned when employees on her team had to take time off or worked from home: "My focus is on showing progress. As long as people are making progress with their tasks, I don't care when exactly they're working . . . we are hiring people with sufficient experience and maturities that I can trust them to do a good job, and I don't care what time they work or where they're working from."

Paid vacation time and sick days help parents deal with periods when schools are closed, when children are sick, and/or times when parents themselves or other family members fall ill. Although the freedom to stay home to care for a sick child was clearly appreciated, the lack of clear guidelines on how much leave was appropriate to take provided an area of uncertainty for some new parents. In the United States, new parents typically draw on accrued sick days to add time to their paid maternity or paternity leave. One father reported that after his child was born, he felt unsure whether he could also take paid vacation under Akamai's unlimited paid leave policy in the same year in which he had taken his paid paternity leave. He did not want to be seen as exploiting the policy by adding additional paid time off. He felt that perhaps a clear allocation of leave days would have made such a decision easier. Akamai is aware of these potentially unintended effects of their unlimited leave policy and plans to address them with further clarification and communication.

"My focus is on showing progress. As long as people are making progress with their tasks, I don't care when exactly they're working . . . we are hiring people with sufficient experience and maturities that I can trust them to do a good job, and I don't care what time they work or where they're working from."

Maya Bustan, Senior Product Manager

Flexible working arrangements

Flexible working arrangements are becoming a trend among many tech companies and other employers, with 80 percent of companies offering flexible work arrangements in 2015 globally (WorldAtWork, 2015). Although Akamai maintains a traditional office working culture, employees are allowed flex hours and afforded the option to work from home. Sarah Sardella, Senior Director of Global Benefits, explained, "We hire smart people, who know what they are doing, and we let them do it. We treat them like adults."

Akamai's company-wide policy of allowing informal workplace flexibility for all its employees, in addition to "Akamai Anywhere," a formal policy that facilitates 100 percent work-from-home arrangements for a smaller number of employees, promotes a results-based culture where it matters less where you perform your work than what you deliver. As long as their supervisor agrees, employees are free to work when and wherever suits them and their team. In a limited number of areas, where face-to-face interaction is perceived as vital to the work process, such as in the design team, flexibility is more limited. Still, even there, employees are typically able to work from home on a limited basis if they so desire. In addition to the

“I’ve been in the tech industry and one of the biggest flaws [was] the flexibility. But at Akamai, if I have to leave at three to do something at the children’s school, I just log in late that night and everyone’s pretty cool—they’ve been really good with it. That’s been critical for me being able to work while having children.”

**Mother of three children and
Women’s Forum member**

general encouragement of flexible working, Akamai also has a formal work-from-home arrangement, where the employee receives resources to set up a home office.

Parents highly value this flexibility. Many Akamai employees regard the option to leave the office early and make up hours in the evening or on weekends, or to work from home during the day to care for a sick child, as one of the most valuable benefits the company offers. Given Akamai’s locations in areas with high volumes of traffic (in addition to its Cambridge, MA headquarters, Akamai has locations in major cities such as Atlanta, Chicago, New York, and San Francisco), flexible working arrangements help employees manage commute time. One father stated that having the option to manage his own start time was an important factor in his decision to take a position with Akamai.

A senior software engineer explained the importance of having flexibility over her schedule to fit in with her two children. She said, “If I didn’t have the [flexible working] option, I actually might have had to take a long leave of absence or quit, but

knowing that Akamai is so flexible and seeing that they are putting all these things [such as the back-up care benefit] into place makes things much easier.”

THE BUSINESS IMPACT OF AKAMAI’S CHILDCARE BENEFITS

The childcare benefits offered by Akamai are a small part of the company’s overall benefits package, which includes health insurance, a wellness initiative, unlimited leave, and a retirement benefit plan. Through the company’s customized Care@Work benefits program, Akamai pays for employee access to premium membership on Care.com, back-up care, senior care planning services, and the childcare center discount program. Under the annual contract with Care.com, employees can access back-up care for the 15-day benefit at a substantially subsidized rate. Because of its contract with Care.com, Akamai’s additional costs for administering the benefit are limited. The company does not need to spend time enrolling individual employees; each employee must sign up on the Care.com website. Care.com handles payment of back-up care providers after directly collecting an employee’s hourly or daily copayments. Akamai’s administrative costs are limited to communicating the availability of the benefit to employees, and to organizing occasional events, such as “bring your children to work” events, to raise awareness about the Care.com options.

“To me it [offering caretaking benefits] means that Akamai acknowledges the fact that people have children and they get sick sometimes . . . That acknowledgement that Akamai has, it’s definitely meaningful to me.”

Software engineer, father of a toddler

“If I didn’t have the option I actually might have had to take a long leave of absence or quit, but knowing that Akamai is so flexible and seeing that they are putting all these things [such as back-up care] into place makes things much easier.”

Senior software engineer, mother of two children, California

Although Akamai has not conducted a detailed impact analysis, simple back-of-an envelope calculations suggest that the company recoups the costs by allowing employees to keep working when they would otherwise have to take off work, and/or convincing even one person to stay at Akamai who may otherwise have decided to leave. The cost to the company for a day of back-up care is significantly less than a software engineer’s average daily salary and is more than met given the conservative assumption that on a normal day an employee’s productivity is at least equal to 100 percent of his or her salary. Indeed, the productivity benefits from back-up care alone more than cover expenses for the total care support package.

Once the potential impact on improved retention and recruitment are also taken into account, the benefits to Akamai are substantial. According to Akamai, it takes approximately nine months until a newly hired professional worker is fully productive. Added to the costs of lower productivity are the recruitment costs, the lost revenue while the position is vacant, and the time spent by colleagues and managers to bring the new person up to speed. The costs for replacing an experienced professional employee are estimated to be at least nine months’ salary (Allen, 2008). If only one or two employees who would otherwise have left choose to stay with Akamai, the costs of the benefit are more than fully recouped.

RECRUITMENT

The business benefits extend beyond the comparably small number of employees—approximately 50 of Akamai’s 3,500 U.S. employees—who directly use back-up care by allowing Akamai access to the talent pool it wants to recruit and retain. This contributes to Akamai’s broader strategy of being a diverse and inclusive company.

Akamai’s back-up care benefit and flexible work environment are useful tools in the company’s recruitment strategy to stay competitive with other tech companies. Although the back-up care benefit is not as extensive as the childcare-related benefits offered by some of its competitors, it sends an important signal that Akamai welcomes employees with children. Work-life balance is one of the selling points for the company when appealing to potential mid-career employees, students, and recent graduates alike.

According to Diversity, Inclusion, and Corporate Social Responsibility Manager Julia Bonarrigo, part of Akamai’s recruitment messaging is that Akamai is a place where employees can build a career and maintain their work-life balance. Although potential candidates rarely raise work-family issues during the interview process directly, they may turn to other channels of information, such as Glassdoor or Monster.com, to see how current employees rate the work environment at Akamai. As another manager explained, “From a recruiting and retention perspective [is] where [the back-up care benefit] matters most . . . it would be harder to compete with [peer] companies for top talent, if we did not offer something on childcare.”

Retention and motivation

Akamai has a loyal workforce, with a U.S. employee turnover rate of 10.7 percent.⁹ Yet, managers do not see this as a reason for complacency. In addition to saving Akamai the significant expense of replacing even loyal employees who feel they must leave the company because they cannot find workable solutions to their childcare needs, care-related benefits serve as motivation for employees who do not even use the benefits. Employees note that they appreciate the company’s efforts to help employees with children have a

better work-life fit, and many believe the caregiving benefits are representative of the company's commitment to diversity and support for its staff. This effect of the childcare benefit on the motivation and commitment of employees, whether they are individually benefiting or not, is borne out by research (Butts, Casper, and Yang, 2013; Grover and Crooker, 1995). One manager, Marissa, said, "If some of these things weren't in place I don't think that we would be as successful as a business. I don't think our people would be as happy [and] I don't think that we would retain people as long as we do."

Productivity

Although in a knowledge-based company such as Akamai, it may not be easy or appropriate to quantify the value of one day of work, when employees must be absent unexpectedly, their work with colleagues or customers is interrupted, possibly leading to a short-term loss of productivity of the team. A manager explained that for client-serving employees, an unexpected loss of a day's work can require more than one day for the employee to catch up, requiring them to "[jump] through hoops" to reschedule a client meeting. Although work can typically be rescheduled, it then increases the workload of the parent who was off (and possibly of colleagues), resulting in higher levels of stress, burn-out, and lower productivity later.

The back-up care benefit allows employees to keep up with their work during childcare and other care emergencies. One mother described how back-up care has helped her: "I would say it improved my productivity. You can use your time better and you have peace of mind. You're not worried about how to make it work—trying to work from home when you have [a] sick baby . . . This is a much easier option." For her, being able to have back-up childcare meant that instead of trying to work and take care of her sick child from home—or worrying about her child being at school or daycare even though he is sick—she was able to go about her day as normal with peace of mind.

"I do believe in terms of employees . . . they'll probably feel better about the company. They'll feel more loyal to the company. It'll probably make them more productive knowing that they have that flexibility to take care of their children when they need to."

Nicola Peill-Moelter, Senior Director of Environmental Sustainability

Diversity

The back-up and other care-related benefits are a small but significant component of Akamai's strategy to create a truly diverse tech company. Akamai is committed to gender diversity from the top down. Three of Akamai's 12 board members are women, the result of a conscious strategy to increase gender diversity on Akamai's board that started in 2001 (Leung, 2013). The retention and promotion of women into leadership positions is an important goal for Akamai. The company complements its internal diversity strategy through outreach efforts to address the shortage of gender and racial/ethnic diversity in the tech talent pool, such as the Akamai Technical Academy, a training boot camp designed as a mechanism for discovering and contracting diverse talent from traditionally overlooked talent pools, including women reentering the workforce after having children, and support for programs targeted at girls in middle and high school, such as Girls Who Code, Chick Techs, and Green Light for Girls (Husain, 2016).

LESSONS LEARNED

The back-up and related caregiving benefits send important signals to Akamai's current and potential employees that the company recognizes the demand for greater support of employees' work-life balance, including the particular needs of employees with children. Although only a relatively small number of employees with childcare and adult care needs use the back-up care benefit, awareness of the benefit is much greater, and contributes to Akamai's goal of being perceived as a company that welcomes employees with caregiving responsibilities.

In designing and delivering its back-up care program, Akamai benefited from choosing an experienced partner, Care.com, who helped scope the benefit. Once Akamai identified the need for childcare-related benefits, through both its internal consultation process and its benchmarking activities, it was able to draw on the Care@Work team's experience working with similar clients to decide on the benefit's initial design. Akamai's contract with Care.com also provided sufficient flexibility that Akamai could increase the number of days of care when it became clear that demand exceeded the initial estimate.

Akamai only recently introduced its childcare-related benefits in March 2015, and is still exploring how best to support and maximize the benefit's impact, for example, by more explicitly weaving stories and experiences of back-up care users into its general employee communication strategy. Although it is clear that employees who were in the greatest need of such childcare support made full use of the benefit, there are other employees who have less actively engaged with Care@Work's benefit options and feel less certain that an on-call network of sitters or daycare would be helpful to them.

Communicating and sharing stories of Akamai employees who have used the benefit will help to strengthen the message that Akamai recognizes and accepts the care responsibilities of its employees (whether they use back-up care or not).

Akamai offers a competitive compensation package with benefits designed to match industry standards. Although no single policy can meet the needs of all of a company's employee parents, Akamai has established a benefit that enables employees with children to more seamlessly fulfill their responsibilities at home and at work. Offering the back-up care benefit is a starting rather than an endpoint in Akamai's work-family benefit strategy. Combined with its flexible work policy, Akamai's childcare-related benefits have helped build a company culture that upholds the company's commitment to, as the Akamai diversity statement says, "foster a work environment in which all employees feel that they can contribute and perform to the best of their abilities." Akamai's childcare-related benefits work alongside efforts to support Akamai's goals of developing a more gender-diverse talent pool and enrich the Akamai work environment by recruiting and supporting employees from different backgrounds and perspectives.

Endnotes

- 1 Calculated based on U.S. Department of Education, 2014a.
- 2 The law formally applies only to hourly paid workers, not to workers in supervisory, managerial, or salaried positions (U.S. Department of Labor, 2017).
- 3 Interviews for this case study were conducted in person and over the phone in September 2016 with a cross-section of Akamai staff, including compensation and benefit specialists, managers responsible for diversity and inclusion, sustainability, finance, and facilities; three users of back-up care benefits; and a focus group discussion with members of Akamai's Women's Forum. Of the 13 Akamai staff interviewed individually and six focus group participants, three were based in California and the remainder in Massachusetts. Interviews were also conducted with representatives of Care.com's enterprise arm, Care@Work, through which Akamai offers back-up care and subsidized childcare.
- 4 This concerns women's share of all employees in tech companies. In critical tech roles, the share tends to be smaller (Cheng, 2015). For example, 31% of Google's global workforce are women, compared with 19% of workers in tech roles (Google, 2017).
- 5 In 2013, 36 percent of private sector workers in the United States had access to such dependent care accounts (Stoltzfus, 2015).
- 6 Only permanent employees qualify, temporary or contract workers are not included.
- 7 Care.com enters into agreements with in-home care agencies and childcare centers to provide the Care@Work back-up care services. With few exceptions, each participating network agency and center employs its providers and is responsible for the services it provides.
- 8 An au pair is a young person from another country who spends a limited time (typically 12 months) with a host family to learn about the host country's culture and language. In exchange for room and board and a weekly stipend, au pairs are expected to perform household duties, including childcare. In the United States, au pairs must be hired through a limited number of official agencies. Annual costs for an au pair, including agency fees, language classes, healthcare insurance, return flight, and a monthly stipend, are slightly under \$20,000 (Care.com Inc., 2017).
- 9 This is the annualized U.S. employee turnover rate for June 2016–May 2017.

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