



# Tackling Childcare: The Business Case for Employer-Supported Childcare

CASE STUDY

**Schön Klinik**  
Healthcare, Germany

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**Economy name:**  
Germany

**Main business city:**  
Berlin\*

**Region:**  
OECD high income

**Income level:**  
High income

**Population:**  
80,889,505

**Female population:**  
41,167,323

**Labor force participation (15+):**  
55% female  
66% male

**Compulsory primary education enrollment age:**  
6 years



### Leave policies

Paid maternity leave	Yes	98 days
Paid paternity leave	No	Parental leave is available to men
Paid parental leave	Yes	360



### 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?	No	No
Non-tax benefits to employers to support childcare? (monetary and/or nonmonetary benefits)	Yes, (subsidy to cover the cost of daycare center construction and operation)	Yes, (subsidy to cover the cost of daycare center construction and operation)



### Quality of private childcare services

License or registration required?	Yes	Yes
Zoning requirements?	Yes	Yes
Pupil-teacher ratio required?	Yes	Yes
Pentalties for noncompliance 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](http://wbl.worldbank.org)



# Schön Klinik

## Healthcare, **GERMANY**

### **PARENTS, WORK, AND CHILDCARE IN GERMANY**

In the last decade, the work-family landscape has changed significantly in Germany. After decades of low investment in childcare and policies that promoted a family model where mothers stayed at home to raise their children, there has been a significant expansion of investments in public childcare, incentives for mothers to return to work sooner after childbirth, and for fathers to more equitably share in child rearing tasks (Blome, 2017). The lack of public supports had led to record low fertility rates (Germany, with low birth rates of 1.44, is the only country in the world with several decades of fertility rates well below the replacement rate of 2.1 (Bujard, 2015)) and costly losses in terms of human capital for German employers as skilled female workers had long periods of absence from the labor market.

The reforms introduced by the German government to encourage both increased female labor force participation and increased birth rates have had a strong impact. These reforms include reducing the costs of having children and making it easier to be a working parent (Bauernschuster, Hener, and Rainer, 2013) and implementing the European Commission's 2002 Barcelona objectives for increasing the availability of high-quality, affordable childcare (European Commission, 2013). Between 2006 and 2014, the labor force participation of mothers of young children increased dramatically, from just 9 percent to 42 percent for mothers of two-year-olds, and from 13 percent to 55 percent for mothers of three-year-olds (European Commission, 2015). During the same period, women's labor force participation rate increased by 11 percentage points to 69.3 percent, albeit still substantially below the rate for men of 77.8 percent (Bundesagentur für Arbeit, 2016).

The reforms included updated parental leave rights and a substantial investment in childcare. Parents are entitled to three years of job-protected leave per child. Since 2007, 14 months of this leave is partially paid (at approximately two-thirds of prior salary) as long as each parent takes at least two months leave (BMFSFJ, 2016). As an incentive for mothers to return to work earlier, and to make leave more attractive to fathers, paid parental leave can be extended and combined with part-time work (BMFSFJ, 2016).

#### Schön Klinik's **Employee Profile** in 2016:

- 75% of its 9,500 employees nationally, and 75% of its 999 employees in Neustadt are women
- Women are 42% of nursing care staff, 11% of doctors, and 13% of heads of departments and senior management

#### Schön Klinik supports **employees with children** through:

- Free childcare centers during early and late shifts
- On-site childcare in some locations
- Subsidized summer camps
- 20 days emergency back-up care per year (in some locations)
- National hotline to provide advice on childcare and caregiving issues and help find care solutions
- Advisory service for finding nannies and babysitters
- Part-time work options in all positions and a variety of different working time options

#### **Main business impacts** of providing childcare supports:

- Employer of choice in competitive labor market
- Staffing for 24/7 operations



PHOTO: COURTESY OF SCHÖN KLINIK

SCHÖN KLINIK NEUSTADT STAFF WITH THEIR CHILDREN.

Investment in early and preschool education was substantially expanded, and, from 2013 onward, all children age one and older have been entitled to at least four hours of publicly provided childcare per day (European Commission, 2015). Although elementary schools still typically operate for only half of the workday, 60 percent of secondary schools now offer full-day options (European Commission, 2015). Yet, demand for childcare still substantially exceeds supply, particularly for children ages one to three, and for noncore times (early in the morning, later afternoon, and evenings). The demand for childcare for older children is better met (BMFSFJ, 2017). Only about half of all childcare provision for preschool children is full time (largely corresponding to parents' wishes), and only 17 percent of elementary school children are in all-day care (BMFSJ, 2017).

As part of efforts to increase the supply of childcare and improve the reconciliation of work-family life, the federal government has supported several initiatives. These include the support of knowledge-sharing networks for employers, the publication of company good practice examples, a free consulting service for companies interested in providing childcare, and financial subsidies for companies that invest in childcare supports (BMFSFJ, 2016).

This case study discusses how Schön Klinik, a private hospital group in Germany, supports its employees with children through subsidized workplace childcare, summer camps, flexible working, and other supports that make it possible for them to stay at work and be productive. Childcare supports contribute to making Schön Klinik an employer of choice in a highly competitive labor market and help the company staff its 24/7 operations. The study is focused on Schön Klinik Neustadt in Holstein (Neustadt) in the north of Germany.<sup>1</sup>

## COMPANY BACKGROUND

Schön Klinik is a private hospital group in Germany focused on orthopedics, neurology, surgery, and internal medicine. The group has 9,500 employees across 17 locations and serves approximately 100,000 patients annually. Schön Klinik is family-owned and was founded in 1985. The group follows a patient-focused quality-oriented strategy that was recognized in an international study as providing “striking improvements in outcomes and efficiency, and growth in market share” (Porter and Lee, 2013) and has won several awards for its quality management in healthcare. In 2016, Schön Klinik had revenues of 796.8 million euros (\$893 million) (Schön Klinik, 2017).

## BUSINESS CONTEXT FOR SUPPORTING CHILDCARE

Three quarters of Schön Klinik's employees are women, including half of its medical staff, and almost nine in 10 of its nursing care staff. As a hospital, Schön Klinik provides services around the clock and throughout the year. Although Schön Klinik's main focus is on orthopedics, rehabilitation, and psychosomatic care, specializations where services can be more easily scheduled than in some other medical disciplines, the Neustadt hospital also provides accident and emergency care to patients. Neustadt is a tourist resort in the north of Germany and demand for such services swells during the summer months, when the city's population doubles from 100,000 to 200,000. Supporting its staff so they are able to provide quality service when it is needed is a key business objective for Schön Klinik.

The labor market for doctors and skilled nursing care staff is highly competitive and expected to remain so into the foreseeable future in response to the aging population and retirement of the baby boomer generation of skilled workers (Blum and Löffert, 2010; Bundesministerium für Gesundheit, 2016). The majority of the new generation of doctors is female: 60 percent of medical students are women, and many expect a working environment that allows them to combine work and family (Bundesärztekammer, 2016). Schön Klinik Group Human Resources Specialist Michaela Preis explained, "There is a lot of competition in the hospital sector. Most of our staff could walk into a new job tomorrow if they wanted. We have to differentiate ourselves as a good employer if we want to retain a good workforce." The hospital is also competing for nursing care staff with the growing eldercare sector. Thomas Brachmann, Director of Personnel at Schön Klinik Neustadt, explained, "The eldercare facilities around here will take

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**Michaela Preis, Human Resources Specialist,  
Schön Klinik Group**

anyone with the required qualifications. The demand for skilled staff is very high." Although Neustadt itself is not a big city, several other cities are within easy commute.

Terms and conditions in some of the hospitals in the Schön Klinik Group are set by collective agreements, but even the Schön Klinik hospitals that are formally outside of these agreements tend to stick to the collective rates for most staffing categories. As a result, the Schön Klinik hospitals only have limited options in terms of offering higher salaries to improve recruitment and retention. Given considerable overcapacity in the German hospital sector and financial and structural reforms that tightly control reimbursement rates for medical procedures, hospitals also operate with tight margins. In response to these pressures, Schön Klinik differentiates itself through its emphasis on quality management, both as a provider of medical services and as an employer. Recognizing and supporting employees' responsibilities as family caregivers is an important component of Schön Klinik's philosophy.



## HOW SCHÖN KLINIK SUPPORTS EMPLOYEES WITH CHILDCARE NEEDS

Schön Klinik Group offers a large variety of childcare supports to its employees, including guaranteed spaces in a local childcare center, free childcare for workers in the early morning and late afternoon/evening hours, subsidized summer camps, back-up care, and free membership to a service that provides help with finding childcare or eldercare services. Schön Klinik also offers extensive options for working part-time and/or alternative shift patterns. The management of each of its 17 locations decides which of these childcare benefits to implement. At each location, any childcare benefit offered is open to all employees, irrespective of their gender or professional status.

At Schön Klinik Neustadt, employees benefit from on-site daycare for children younger than three years old (U3 in German parlance), extended opening hours, subsidized summer camps, and a consulting service to help workers find solutions to childcare and other care needs. The impetus for offering extended daycare and investing in childcare for under threes came when Dieter Schön, CEO and Chairman of the Board of Schön Klinik, attended the opening of a new hospital wing in Neustadt in 2009. He was approached informally by several employees who told him of their difficulties with finding childcare, especially during early morning and evening hours and for children younger than three years old. He committed then and there to the mayor of the city that Schön Klinik would work with the city to find solutions to the area's lack of childcare.



PHOTO: COURTESY OF SCHÖN KLINIK

DIETER SCHÖN, CEO AND CHAIRMAN OF THE BOARD OF SCHÖN KLINIK, FACES QUESTIONS FROM THE PRESS AT THE OPENING OF THE NEW CHILDCARE CENTER FOR UNDER-THREES IN NEUSTADT.

### Private-public partnership for an on-site childcare center

In February 2014, Schön Klinik Neustadt opened the doors to a new childcare center with 20 spaces for children ages 2 months (the earliest a mother is allowed to return to work after giving birth under German law) to three years. The 360-square meter U3 facility is on the hospital grounds and is the result of a private-public partnership (PPP) with the local city government. Schön Klinik provided the land, paid for two-thirds of the facility's construction costs, and is responsible for its maintenance. Building the facility took just seven months. The city has leased the building for 25 years and employs and pays for the staff. Barbara Hamann, Director of the crèche, explained that operating the crèche as a PPP has a lot of advantages for the company. In her words, "Running the crèche as a private-public partnership is much easier: if Schön Klinik had decided to run the facility itself, it would have been very complicated given all the regulations of childcare centers."

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**Barbara Hamann, Director of crèche at Schön Klinik Neustadt**

Ten of the 20 crèche spaces are reserved for the children of hospital employees; the other 10 are open to all Neustadt residents (but currently include another three children of hospital staff). The center is operated by the city as a satellite of a larger childcare center that caters to children ages three to six (when primary school starts), with joint spaces for 100 children. Once children in the early care center reach age three, they transfer to other public childcare centers in the city. However, Schön Klinik has no reserved spaces for its staff at this and other centers for older kids in the city; allocation is prioritized for local residents. This transition period can be difficult for employees.

The fees for care are set by the city and paid by parents directly to the childcare facility. For infants and children younger than three, the fee for full-day care, from 7:30 a.m. to 4:00 p.m., is 390 euros (\$435) per month. For children aged three to six, full-day care is 194 euros (\$217) per month. There are also several part-day options for parents who work part-time, or who prefer part-time care for their children.

The manager of nursing care services at the hospital and father of a three-year-old who was in the crèche and is now transferring to the childcare center for older kids, explained, “The crèche was the reason that my partner, who manages nursing care services for one of the wards, came back to work just nine months after she gave birth to our son. We drop him off at 5:45 a.m. in the morning for a 6 a.m. start, and then she picks him up at 14:30 [2:30 p.m.].” Although there are core hours when parents cannot drop off or pick up, so as not to disrupt the children’s routines, parents have some flexibility in the drop-off and pick-up times.

### **Extended operating hours**

Since 2011, all publicly run childcare centers in the city, including the on-site early care center, offer extended hours, starting at 5:45 a.m. and potentially staying open until 8:30 p.m. Schön Klinik pays the city for the costs of extended care in all the city’s facilities; the use of the extended hours service is free for employees. In 2016, 35 employees, approximately half of them mothers, made use of the extended opening hours for their children.

The on-site early care center is open from 5:45 a.m. until 5:00 p.m. Initially, the center also offered extended evening hours until 8:30 p.m., but this was discontinued due to insufficient demand. According to Hamann, “Most queries about the availability of extended evening care come from parents before a child is born. But once the child is in the crèche, so far no one has wanted to use the extended evening option. Parents are covering those hours in other ways, through grandparents or by working alternative shifts so that one parent can drop off, and another pick up. So we no longer offer it.”



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Although all Schön Klinik Neustadt employees can use one of the 10 reserved places in the crèche, services in the childcare centers in the city are prioritized for residents. Nonresidents can only use the public service if there is no waiting list from local residents. They also need their local government to agree to pay for the costs of the childcare place beyond the fees paid by the parent.

### **Emergency and back-up care**

Schön Klinik Group has contracted with a national service provider that can help employees find childcare and eldercare solutions, whether on a long-term basis or just in a crisis situation. The service can be accessed through a national hotline. The service is anonymous and Schön Klinik is only provided with a count of different types of inquiries, but no personal details. The service also acts like an agency, connecting families to care providers willing to provide in-home childcare or babysitting services. For routine daycare services, Schön Klinik carries the costs of using the service and the employee pays the costs of the actual care. In two of its locations, Hamburg and Munich, both large metropolitan areas, Schön Klinik offers its employees 20 days of fully paid in-home emergency back-up care per year. So far, however, it has not been possible to offer this service to employees of the Neustadt Klinik because of a lack of babysitters or caregivers available to offer such services at short notice.

Since the end of 2015, employees at Schön Klinik's administrative headquarters in Prien, at Lake Chiemsee in Bavaria, can use a “child and parent” room that is equipped with a PC, mats, and toys for children. The space is available to workers in a childcare emergency, for example, when their usual childcare arrangement falls through or when the child is mildly ill. Parents must stay with their children at all times. Such an arrangement, however, is not possible in Schön Klinik's hospital locations because children cannot accompany parents while they perform their work with patients in the medical wards.

### Summer camps

Schön Klinik Neustadt offers subsidized summer camps for children ages three to 12 years. Although public childcare centers often are open during school vacations in the spring or fall, typically they are closed during the six-week summer vacation period. Parents of school-age children typically have enough paid leave to cover shorter school holidays. Under German law, employees are entitled to a minimum of 20 days of paid vacation, and many have 25 or 30 days based on full-time work, prorated for part-time workers. However, school vacations during the summer can present a real challenge for many working parents. The availability of commercial summer camps is limited outside the former East German region, where it was—and still is—more common for mothers to work full time, supported by an extensive offering of childcare, including in the summer. In former West Germany, finding care can be more difficult. A female doctor explained, “Between my husband and I, we can cover the fall, winter, and spring school holidays of the kids through our normal paid leave, but the six-week summer period would be a real challenge. During the last six years my kids have used the summer camp. This keeps me working at Schön Klinik.” In 2016, 24 employee parents (12 female and 12 male) from Schön Klinik Neustadt used the summer camp for their children.

The Schön Klinik Group started the “SCHÖNe Ferien” summer camp program on a pilot basis in one of the hospital locations in 2010, and now offers the program at all of its locations.

Children can attend full time or part-time for a fee of 2 euros (\$2.25) per hour, reduced to 1.70 euros (\$1.90) for siblings. The fee represents one-third of the costs, and Schön Klinik carries the other two-thirds, paid directly to the provider. The fee is the same for all parents, irrespective of their earnings;

however, single mothers or fathers in lower-paid positions can apply to Schön Klinik for a 50 percent reduction of the fee. Lunch, snacks, and all costs for trips and activities are included. Parents sign disclaimers, acknowledging that they carry any risk of injury while their child is at the camp.

### Maternity, parental, and other paid leave

Mothers and fathers at Schön Klinik are entitled to Germany’s statutory parental leave. Birth mothers receive 14 weeks of paid maternity leave (of which eight weeks must be taken after the birth). The leave is paid at 100 percent of previous salary, largely paid by the employer with some contribution from the employee’s healthcare insurance (Blum, Erler, and Riemer, 2016). Each parent is entitled to up to three years of job-protected leave, of which 24 months can be taken until the child is eight years old. Parents can receive up to 14 months of parental leave per child, as long as each parent takes at least two months; the remainder can be freely shared between parents. Payment is approximately two-thirds of prior salary (depending on the earnings level) and is paid by the federal government (BMFSFJ, 2016).

Parents of children born since 2015 can alternatively use Parental Leave Pay Plus, which allows them to extend the period of paid leave to 24 months (28 months if both parents take leave) at half of their pay and combine it with up to 30 hours of part-time work per week. Since 2001, both mothers and fathers have had the right to shift to part-time work, with

**“My kids have used the summer camp for the last six years. This keeps me working at Schön Klinik.”**

**Doctor, mother of four children, working part-time**

**Parental Leave at Schön Klinik in 2016**

**514** women were on parental leave in Schön Klinik (7% of all female employees), including 53 in Neustadt.

**9** men were on parental leave in Schön Klinik (0.4% of all male employees), including three in Neustadt.

a right to return to full-time work once their child is three years old.

In 2016, 7 percent of women employed by Schön Klinik (514 women across its locations, including 53 in Neustadt) were on maternity/parental leave. Most mothers in nursing care jobs take a full year of leave and return to work on a part-time basis once the period of paid leave is over. Among doctors it is more common to return after six months of leave, but working part-time following leave is not uncommon. Typically, mothers no longer breastfeed once they return to work, and Schön Klinik Neustadt does not have a dedicated breastfeeding location.

Fathers are less likely to take parental leave, and the overwhelming majority of employees (98 percent across Schön Klinik and 95 percent in Neustadt) who take parental leave are women. Still, the number of fathers taking parental leave is growing. In 2016, across the Schön Klinik Group, nine fathers were on parental leave (0.4 percent of all male employees), including three fathers in Neustadt.

Under German law, employees are entitled to 10 days of paid leave to care for a sick child (capped at 20 days for parents of four children or more). These leave days are remunerated at 67 percent of salary, paid by the employee's healthcare insurance. Schön Klinik recognizes that often when a child is sick parents may prefer to provide care themselves. Yet, given the costs of absenteeism, Schön Klinik is exploring ways of providing emergency back-up options to parents, as described earlier.

**Working time flexibility**

Schön Klinik Neustadt offers an array of alternative work arrangements. The majority of its employees—66 percent of its female and 18 percent of its male workforce—work part-time. Part-time work is common across different types of work in the hospital, including among doctors. Male part-time workers are most common in nursing care jobs. One mother explained that when she returned from maternity leave, she

**"Some of our nursing care staff with kids work only nights, some work three days per week. We and they are keen to stay connected after childbirth. We have good scheduling software and can be very flexible."**

**Thomas Brachmann, Director of Personnel,  
Schön Klinik Neustadt**

sat down with her clinical director and discussed the working hours that would fit best for her and her team. Some wards and specialties are easier than others in terms of customizing working hours; she works in orthopedic rehabilitation, where there is high level of part-time work.

Thomas Brachmann, Director of Personnel at Schön Klinik Neustadt, explains that given scheduling software, dealing with varying shifts and working time preferences is not too time intensive. However, he stressed that working time flexibility has to be give and take, respecting both the needs to provide 24/7 service and the work-family needs of employees. All employees will at some stage be expected to work less popular night or weekend shifts, he explained. To avoid backlash, working less popular shifts cannot solely be the task of employees with fewer care needs.

## **BUSINESS IMPACT OF SCHÖN KLINIK'S CHILDCARE BENEFITS**

Childcare supports are an essential part of Schön Klinik's efforts to recruit and retain medical staff in a tight labor market. They are also integral to running 24/7 services and to realizing the company's quality-focused business strategy.

### **Cost of providing childcare**

Under the agreement with the City of Neustadt, Schön Klinik Neustadt contributed two-thirds, or 870,000 euros (\$975,000), to the cost of building the crèche on the grounds of the hospital, and the city contributed 380,000 euros (\$425,000) (Schön Klinik, 2014). The building is the property of Schön Klinik and has been leased to the city for 25 years. These costs were carried centrally by the Schön Klinik Group. Under the agreement, the city and Schön Klinik each agreed to pay for half of any operational costs not covered by fees collected

**"Thirty years ago, when the field of orthopedics and rehabilitation started to take off, hospitals could pick the doctors they wanted. Now it is the reverse, and doctors can pick the hospital they want."**

**Dr. Peter Sand, Clinical Director for Rehabilitation and Director of Quality Assurance, Schön Klinik Neustadt**

from parents or from other sources. The costs for Schön Klinik were approximately 90,000 euros (\$105,000) in 2016. Schön Klinik Neustadt is also responsible for maintenance and repairs on the building; these services are provided by Schön Klinik Neustadt's general maintenance staff. The crèche staff are directly employed and paid by the city.

Schön Klinik Neustadt also pays the costs for the extended opening hours in the crèche and the preschool centers for older children, as well as the costs for the summer camp. Together these costs were approximately 90,000 euros (\$105,000) in the last financial year, or 10,000 to 20,000 euros per location per year were specifically for the summer camp.

**“Many young families are attracted to Neustadt because it is a family-friendly small town. Yet, the first question we will typically get from potential applicants is, ‘Will I have a space in a childcare center?’”**

**Thomas Brachmann, Personnel Director,  
Schön Klinik Neustadt**

### Benefits for recruitment

Childcare supports are an essential component of Schön Klinik Neustadt’s recruitment package. After experiencing a considerable surplus of doctors and other medical staff in the 1990s, hospitals now face shortages, which are expected to last into the foreseeable future. The number of female doctors is increasing rapidly, and female, as well as male, doctors expect good work-life balance, including supports for working parents. Dr. Peter Sand, Clinical Director for Rehabilitation, Director of Quality Assurance, and a specialist in rehabilitation, explained that, unlike in the past, doctors can pick where they want to work. The labor market for nursing care staff is similarly tight, and is expected to remain so well into the foreseeable future. Thomas Brachmann, Director of Personnel at Schön Klinik Neustadt, explained that the hospital benefits from its idyllic location in a family-friendly small town by the sea, which makes it attractive to young families. Yet, one of the first questions asked by many applicants is whether they will be able to get a space in a childcare center.

Childcare supports is one of several benefits offered by Schön Klinik Neustadt to set itself apart as an attractive employer. Other benefits include a focus on employee engagement and involvement, starting with a structured induction period for employees, a staffing ratio that is perceived as allowing enough time for patient care, a proactive approach to meet employees’ working time preferences, and access to its private healthcare services for all employees, irrespective of their individual insurance coverage.

### Benefits for retention

Childcare supports also help Schön Klinik Neustadt retain experienced staff. The impact is particularly strong for new parents, but having a childcare center also reduces the likelihood that an employee will leave for another job. Staff turnover is approximately 10 percent at Schön Klinik Neustadt, lower than in the hospital sector overall, according to Brachmann. The 10 percent turnover rate partly reflects the inevitable movement of junior doctors to expand their experience and medical expertise; turnover for nursing care staff is lower.

Having childcare on-site makes a critical contribution to improving maternity return rates, and to encouraging a return that is before the end of a parent’s full leave allocation. Crèche staff help new parents transition to their new status of being both a parent and an employee. “The crèche makes a big contribution by helping new parents to transition back to work. New parents are often very nervous whether they will be able to manage both work and care, whether it is good for their child if they come back to work. The crèche provides good care, and it links them to other parents in similar situations,” said Brachmann.

Replacing experienced nursing care staff is costly and difficult. Much of the knowhow of Schön Klinik's staff is firm-specific, making it difficult to hire someone who can step straight into a full task load. The director of nursing care services estimates that it takes about three months for an experienced qualified nurse to be a fully productive team member. It takes considerably longer for a newly hired, newly qualified nurse to become fully productive. During the first three months the new nurse mainly observes other members of the team; during the following three months he or she is expected to perform about 30 to 40 percent of a full task load, with about another 10 percent each of the following months until the employee is fully productive. In specialist positions, such as intensive care or surgical nursing care, it takes up to two years. It also takes a new junior doctor about six months to be able to carry a full load because during the initial months, he or she will primarily shadow an experienced doctor. The costs resulting from lower productivity are additional to any costs directly related to recruitment and selection or to the costs for temporary replacement of staff who have left.

The monthly salary for a relatively junior nurse is 3,000 euros<sup>2</sup> (\$3,360). Conservatively estimating a cost of approximately four months' salary to hire and train a new staff member (there are no well-established estimates for the replacement costs of healthcare staff (Jones and Gates, 2007)), the savings from preventing one staff member from leaving because of lack of childcare are 12,000 euros, and 120,000 euros for the 10 infant care places reserved for Schön Klinik staff in the childcare center. These retention-related costs alone cover Schön Klinik's annual costs for childcare. In addition, the prospects of a crèche are also likely to motivate workers with more long-term plans of having a family, and thus are multiplied beyond those who directly benefit in any given year.

### Supporting 24/7 operations

As a hospital, Schön Klinik Neustadt is open 24 hours each day and needs to have care staff on-site to provide services. Childcare supports make this possible. Providing childcare supports for parents during early morning hours ensures that staff are available to provide services during the morning shift. Ensuring that parents are supported through summer camps during summer vacations, when usual childcare arrangements are often not available but when demand for services tends to be particularly high at the hospital, improves staffing during this critical period. The cost of the summer camp subsidy provided by Schön Klinik is easily covered by the benefits of greater staffing availability and reduced need for temporary staff during summer months.

**"Even if we do not offer crèches everywhere, all our locations offer some supports for employees with kids. But we need to communicate more about the different options. Employees are not aware of how much support we offer and how much we invest."**

**Michaela Preis, Human Resources Specialist,  
Schön Klinik Group**



### Quality management

Schön Klinik Neustadt has won several quality awards. For a private hospital that largely provides elective surgery and nonacute care, where patients have time, and information, to choose between providers, excellent quality ratings are a critical competitive advantage. All staff are trained in essential team processes to ensure quality; predictability and reliability of staffing are essential elements for delivering quality services. As Sand explained, “As long as there is predictability, everything is fine.” Childcare supports contribute to predictability by improving attendance and retention of staff trained in the quality processes and procedures used in the hospital.

### LESSONS LEARNED

Given the German hospital sector’s tight labor market and its largely female workforce, offering childcare benefits is arguably no longer optional. Schön Klinik has recognized the importance of offering family supports to its employees, and now provides a comprehensive set of childcare-related benefits across its 17 locations. However, in light of the different childcare and labor market environments that characterize its 17 locations, Schön Klinik follows a decentralized approach to the benefits it offers to employees with children. “All of our locations offer at least something, but what precisely varies and is up to local management. Rural locations have different needs and options than urban locations. Regulations, such as the ratio of staff to children, differ across regions; different locations have different recruitment and retention needs. Only summer camps are offered in each of our locations,” explained Schön Klinik Group Human Resources Specialist Michaela Preis.

### Working with partners

Schön Klinik Neustadt draws on the services and cooperation of a variety of childcare specialists to offer childcare services in a cost-effective manner. This includes partnering with the City of Neustadt for its crèche provision and contracting with private providers on the summer camps and on providing access to childcare and care-specific consulting and referral services.

### Systematic needs analysis

To assess demand, every five to seven years, hospitals conduct dedicated staffing surveys on the need for childcare and other care supports. Importantly, as Preis explained, such surveys are only conducted if a hospital is willing to invest in childcare solutions as any such survey will raise expectations. Survey data can help to identify needs and target scarce childcare resources. One recent survey found that there was a lower than expected demand for childcare spaces, not least because some of the female doctors reported that their husbands or partners were the primary carer or had jobs, such as in teaching, that gave them more flexibility for working around childcare schedules.

**“If we want to have good doctors, we have to do even more on work-family benefits. The health sector has fallen behind employers in other sectors.”**

**Michaela Preis, Human Resources Specialist,  
Schön Klinik Group**

**“The babysitting service tried to help find someone to pick up my son from the childcare center at 3 p.m. while I am still at work. It is impossible around here.”**

**Doctor, mother of four children**

On-site childcare is currently only offered in four of Schön Klinik's locations. In some locations, public investment in childcare is now covering most of the demand for standard care. Yet, because of considerable commutes for many of its staff (in more rural locations, commutes of 50 to 70 km are not uncommon), on-site childcare is not necessarily a solution that is very attractive to employees.

### **Constraints on expanding childcare supports**

Similar to many German employers, particularly in the 24/7 service sector, Schön Klinik continues to be impacted by the lack of childcare provision outside of normal childcare and school hours. The small town or rural locations of most of its hospitals limit the ease with which some options can be offered. For example, ideally Schön Klinik would offer emergency back-up in-home care service at most locations. However, currently this benefit can only be offered in its two large city locations where there is a ready supply of caregivers interested in doing such work. In the smaller and more rural locations, it has not been possible to find people available on a short-term casual basis and/or willing to work during the

early morning or late evening hours when such services are needed. A doctor and mother of four children recounted, “The babysitting service tried to help find someone to pick my son up from the childcare center at 3 p.m. while I am still at work. It is impossible around here.” Schön Klinik is exploring alternative options with its corporate partner.

Such constraints on childcare availability in the later afternoon also reflect traditional beliefs about the responsibilities of mothers, still held by many in the communities around Neustadt. Parents reported that it is hard to find care in the afternoon, from 3 to 6 p.m., when many childcare centers are closed. One mother noted, “In our area, they do not even offer something like a school bus to take children home at 3 p.m. The assumption is that as mothers we should not be at work in the afternoon, and should be able to pick up our children ourselves.” The director of nursing care explains that this lack of full-day care is a problem for many of his staff. He estimates that approximately half of them have young children. Some have parents or in-laws who can step in, but many, particularly among the medical staff, have no nearby family. While Schön Klinik has taken steps to expand the supply of such care, its ability to progress will at least partly depend on changes in gendered cultural expectations in the communities in which it has locations.

Schön Klinik has made considerable progress in retaining parents and finding scheduling solutions that meet both the parents' and the hospitals' needs. Given that the working time preferences of parents are often fairly identical, as a result of school and childcare hours, the company is exploring more proactive ways of putting together teams and working groups to cater to diverse working time preferences.

## Endnotes

- 1 Interviews for this case study were conducted in person by IWPR staff in Neustadt in Holstein in January 2017 with a cross-section of Schön Klinik staff, including the Group's Human Resource Specialist for Work-Life Benefits; Schön Klinik Neustadt managers for human resources, benefits, quality control; three employees using childcare facilities; and the director of the childcare center.
- 2 Estimate is based on rates for a nursing care worker with five years' experience (PraktischArzt, 2017a). The starting salary of a junior doctor is approximately 4,300 euros (\$5,060), and of a specialist 5,560 euros (\$6,540) (PraktischArzt, 2017b).

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