

# THE BUSINESS CASE FOR SUPPORTING WORKING CARERS

## The demographic drivers

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Currently 3 million people in the UK juggle paid work with unpaid caring responsibilities - 1 in 9 people in any workforce - and this number is set to increase by half as much again in the next 25 years due to:

- An ageing population and more people living longer with disability as a result of advances in medical technology
- An ageing workforce, with fewer young people entering the job market and later retirement ages (including later state pension ages)
- Tighter public sector budgets for care and support services which will increase the pressure on families and friends to care
- More people therefore needing to work and care longer – most people will look after an older, disabled or seriously ill relative or friend at some stage in their lives, the majority during their working lives.

## The business case for employers

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Forward looking employers now recognise caring as an issue which will have an increasing impact on their employees and on themselves as businesses. Already 90% of working carers are aged 30 plus – employees in their prime employment years. The peak age for caring is also 50-64 when many employees will have gained valuable skills and experience. Research<sup>1</sup> has indicated that over 2 million people have given up work at some point to care for loved ones and 3 million have reduced working hours which is a real loss for employers as well as for families.

### Recruitment and retention

The Corporate Leadership Council estimates that the cumulative costs to an employer of

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<sup>1</sup> Carers UK and YouGov (2013) as part of Caring & Family Finances Inquiry UK Report, Carers UK (2014)  
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an employee leaving work are equal to the employee's last salary, while Hay Group suggests it could cost anywhere from 50-150% of their salary<sup>2</sup>. During recent years, and especially during times of economic downturn, more and more employers have been recognising the value of retaining - and re-hiring - skilled workers rather than incurring the costs of recruiting and retraining new staff.

### Productivity and performance

Analysis of the 2011 Census shows that working - and working age - carers, pay a heavy penalty in terms of their own health if not adequately supported to work and care. Those with heavy caring responsibilities are more than twice as likely to be in poor health as people without caring responsibilities<sup>3</sup>. Research<sup>4</sup> has also shown that caring for 20 hours a week or more starts to have a substantial effect on employment, particularly for women. In addition, latest evidence<sup>5</sup> suggests that caring, if unsupported, can begin to have an adverse effect on an employee's ability to remain in the workplace once it involves just more than 5 hours per week. Supportive employers can play a key role in mitigating these impacts, and in thereby increasing staff resilience, productivity and performance in the workplace.

Far from compromising business objectives, research<sup>6</sup> shows that recognising caring and adopting a flexible approach achieves impressive **business results** including:

- Attracting and retaining staff
- Reducing stress, sick leave and absenteeism
- Reducing recruitment and training costs
- Increasing resilience and productivity
- Improving service delivery
- Producing cost savings
- Improving people management and staff morale

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<sup>2</sup> Cited in *Supporting Working Carers: The Benefits to Families, Business and the Economy, Final Report of the Carers in Employment Task and Finish Group*, HM Government, Employers for Carers and Carers UK (2013)

<sup>3</sup> Census 2011

<sup>4</sup> *Carers, Employment and Services Report Series*, Carers UK and University of Leeds (2007)

<sup>5</sup> *Walking the tightrope: The challenges of combining work and care in later life*, Age UK and Carers UK (July 2016)

<sup>6</sup> *Supporting Working Carers: The Benefits to Families, Business and the Economy, Final Report of the Carers in Employment Task and Finish Group*, HM Government, Employers for Carers and Carers UK (2013). This includes evidence from over 200 employers of the business benefits of supporting carers in the workplace.

Or, to summarise, the 4 Rs:

- **Retention** of key staff (reduced recruitment and retraining costs)
- **Resilience** of staff (increased health, engagement and productivity and reduced stress, sick leave and absenteeism)
- **Recruitment** of talent to the workforce
- **Results** for the bottom line

## The business case for the economy and society

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Supporting carers in the workplace also has business benefits for the wider economy. A study by the London School of Economics<sup>7</sup> has estimated the public expenditure cost in England of people leaving their jobs to care as £1.3 billion a year in carers' benefits and lost tax revenues. In addition, analysis from Age UK<sup>8</sup>, building on the LSE research, showed a cost of £5.3 billion a year to the economy in terms of lost earnings and tax revenue and additional benefit payments.

Supporting people to combine work and care also has benefits for society as a whole and, as with the economy, there are associated risks if this is not addressed. The contribution of unpaid carers has been calculated at £132 billion per year<sup>9</sup> – close to the cost of a second NHS. Carers (80% of whom are of working age) play a crucial role both in providing (unpaid) care and in helping their relatives or friends to stay out of hospital or residential care. They provide a very valuable contribution, therefore, not only for individuals and families but also for our wider economy and society.

## Workplace examples

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### Listawood (SME)

With a workforce of around 150 people, Listawood are a manufacturer of promotional products such as ceramic mugs, fridge magnets and mouse pads. The company have made a firm commitment to creating a culture of flexibility and support for those needing to

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<sup>7</sup> *Public expenditure costs of carers leaving employment*, Pickard, L, LSE Health and Social Care Blog, London School of Economics & Political Science (25 April 2012)

<sup>8</sup> *Estimation of the financial impact of leaving work due to caring responsibilities*, Age UK (2012)

<sup>9</sup> *Valuing Carers 2015 – the rising value of carers' support*, University of Sheffield, University of Leeds and CIRCLE, published by Carers UK (2015)

balance their home and work lives, often at short notice, which they believe is a significant driver of their strong record of staff retention.

The recent economic downturn, and increased competition from emerging low wage economies, has placed enormous strain on Listawood's sector, creating pressure to keep staff costs low. As part of their performance management framework, Listawood regularly survey their employees to measure staff satisfaction. The company are aware that they do not offer the best salary levels in the area – indeed only 56 per cent of staff surveyed felt their pay was competitive when compared with other employers locally. However their deep rooted culture of flexibility is well recognised by staff – 97 per cent felt that the company offered better opportunities for work life balance than other employers in the area.

Explaining their approach, Managing Director Alex Turner said: *“Losing highly trained staff is incredibly disruptive in any business. In the sales environment it fractures customer relationships which can result in reduced levels of business, and in the factory it compromises manufacturing efficiency. On top of this you then have to bear the costs associated with recruitment and training for their replacement. We are in no doubt that our staff retention levels are driven by our attitude to work life balance rather than the generosity of our remuneration packages. This makes it possible for us to remain competitive and profitable in a highly competitive market, even during these unusually difficult trading conditions.”*

### **Centrica/British Gas**

Centrica/British Gas have led on innovative family friendly and flexible working practices and in 2004 were one of the first employers to set up a carers' network. They reported quantified business benefits from their innovative flexible working programme, “work:wise”, in 2004 and from a subsequent study in 2007 on the impact of flexible working on performance. The company have had particular success in retaining engineers, whom they had identified as leaving the workplace. More recently, they have estimated potential cost savings of £2.5 million through increased staff retention and £4.5 million through reduced unplanned absenteeism<sup>10</sup>.

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<sup>10</sup> <https://www.workingfamilies.org.uk/employers/case-studies/case-studies-carers/centrica-winner-2015-the-national-grid-and-carers-uk-best-for-carers-and-eldercare-award/>

With a 1,000 strong employee carers network, Centrica are one of a very few large companies who make it easier for employees to combine work with caring responsibilities by offering paid leave to carers. The company recognise the valuable contribution a diverse and inclusive workforce can make to its business success, and that achieving this requires a commitment to retaining older workers, including carers, not only for the depth of professional expertise they bring, but also for their valuable life experiences.

Centrica's innovative carer's leave policy provides up to one month of matched leave per year. This scheme means that each time an employee books, for example, a day off for care needs, this will be matched by doubling the leave. The company have found that few carers need to take weeks off, but some may need a few days at a time on several occasions in a year, for instance, to make long-term care arrangements. Geoff Kitchener, Chair of the Centrica Carers Network explains how he has benefitted from the carers leave policy: *"It has helped me in the past when my wife, who I have cared for since 2001 had a major episode. It allowed me the benefit of being able to take extensive time off using the matched leave option, and discussions with my Team Leader meant I could deal with the issues and not worry about work"*.

### **Sainsbury's**

Sainsbury's estimate that around 20,000 of their colleagues are providing care for an ill, frail or disabled family member or partner, friend or neighbour at any one time. The organisation is committed to supporting these colleagues as part of a wider recognition of the growing issue of balancing working and caring in today's society, and a belief in the role big businesses can play in driving progress and improving things for carers in the workplace.

Sainsbury's are longstanding steering group members of Employers for Carers and the organisation is proud of its leadership approach to supporting colleagues who are balancing work with caring responsibilities. It is one of the few FTSE100 companies with a specific policy for carers, which is known as the Carers People Policy. Staff say that a formal policy in place has made a huge difference in having conversations with other colleagues and their own line managers around the support that is available during challenging times, such as taking time off to go to appointments, changing schedules to fit around caring commitments or making adjustments to ways of working (for example, allowing mobile phones on the shop floor in case of emergencies).

Sainsbury's strive to create a positive workplace culture and encourage people to think about what it means to be a carer through involvement in campaigns such as Carers Week and Carers Rights Day. The organisation sees this not just as a support to colleagues, but also to the wider public. With over 1,300 supermarkets and convenience stores across the

country the organisation is able to reach out to customers and help spread awareness of local community organisations.

## **Employers for Carers membership forum**

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*“We have come together as employers who believe that supporting carers is good business. By working smarter, and offering real opportunities for people to transform the way they work, our members have seen how they can reduce costs and improve productivity as well as help to retain their most skilled staff at a time they can least afford to lose them.*

*Accommodating carers isn't difficult, disruptive or expensive, it's just plain business sense – a small change in working hours or flexible arrangements can make all the difference both to the workforce and to the business.”*

**Ian Peters, Chair of Employers for Carers and former Managing Director of British Gas**

## **Contact us**

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### **Employers for Carers**

Tel: 020 7378 4956 Email: [employers@carersuk.org](mailto:employers@carersuk.org) [www.employersforcarers.org](http://www.employersforcarers.org)