

New references

Family-focussed regional economic policy: Beyond simply ensuring the presence of qualified personnel or work-life balance

Dr. Jan Schröder

Gearing towards the family as a driving element of economic and family wellbeing – this is the strategy that provides coherence to a family focussed economic region. The innovative model presented here in its extensive concept of gearing towards the family in economic regions clearly goes beyond current family-friendly initiatives. It came about thanks to the close collaboration with economic promoters, local alliances for family and cluster managers as a focal point for integration. In this way, the viewpoints and visions in the areas of the ‘economy’ and the ‘family’ were closely intertwined from the beginning.

Family and the economy: The pooling of both areas has until now been almost exclusively embodied by family-friendly staffing policies. The focus is centred on in-company measures aiming at employee loyalty, recruitment and motivation. In addition to this, in recent years the idea of making compatible family and career life has come about as a way to ensure that qualified personnel settle down. In this way, the region becomes ever more a field of action.

A series of regions including Jena, Potsdam and the metropolitan regions of Central Germany and Nuremberg prioritise family-friendly measures in their marketing as a location factor. This is why cluster managers and economic

promoters focus ever increasingly on them as an important economic factor. Demographic change gradually spreads family-friendliness in labour and economic policy.

Demographic change gradually spreads family-friendliness in labour and economic policy – does this make for a sure-fire success?

The main issues involved in this situation are: Will development be just allowed to occur freely? Is family-friendliness likely to be simply imposed as a factor for economic success and a guide in terms of family policy without further efforts? Is family-friendliness even likely to change into a family focus? Would that basically mean considering families in all their guises in terms of economic importance and not merely as employees with family responsibilities? Does all this represent automatic development that is simply subject to circumstance and the inherent necessities of demographic change?

Or, are new and successive pushes required to promote the integration of two policy areas – the ‘family’ and the ‘economy’? We cannot ignore how the drive, through which ‘work-life’ balance affects the economy, at times loses momentum. The large number of German companies, the limited effects of arguments relating to staff management and the huge effort that goes into making individual presentations lead to doubts about the possibility of establishing family-friendly initiatives as an integral principle for the German economy. We cannot, therefore, speak of a sure-fire success, of conscious volition.

Rather, new lines of thought and new arguments are needed, as well as new access that connects to companies’ core business. In this way, not only could we ensure family-friendly initiatives are deemed as ‘necessary’ in staff management but also that a family focus has greater relevance for business interests.

It seems to be a good time to achieve this, incorporating procedures in the policy areas of the ‘economy’, ‘work’ and ‘family’. In times of high unemployment, family and business wellbeing were not as connected as they are today. Employees were seen as ‘expendable’ and it was very difficult to move forward in topics of human resource management. The lack of qualified personnel due to demographic changes, the high demand for labour thanks to the favourable backdrop and the development of the “knowledge society” – in which creativity and employee qua-



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fications are ever more highly valued – have turned this situation on its head. This dynamic needs to be seized to redefine the relationship between ‚family‘ and ‚economy‘.

We need to redefine the relationship between ‚family‘ and ‚economy‘

With the family-focussed economic region, there is a model that opens up new perspectives for business and the regions and, consequently, boosts economic dynamism and family wellbeing through new ideas and approaches. This model goes beyond merely solving problems linked to a lack of qualified staff and employee commitment.

Why can't the family focus develop in the same way as environmental issues? When ecology started to fill the headlines, many detractors wagged their fingers and subsequently regulatory ideas came about such as the eco-tax and environmental audits. Today, ecology is a recognised driver of economic dynamism with highly positive social effects. Perhaps we may be able to say the same about family focus in the future. This article is a contribution aimed at providing a boost.

The family-focussed economic region – an innovative driver to integrate economic and family policies

Family and economic wellbeing directly depend on one another. This basic understanding conditions the family-focussed economic region. This is the basis for integrated action that closely links family focus with economic development. An intensive creative collaboration in implementing initiatives should replace

the mere coexistence of the players in both these policy areas we are used to see.

New approaches for driving economic dynamics and family wellbeing

An analysis of different timeframes provides an initial impression of the positive outcomes of such integrated regional development.

- Family-focussed initiatives increase productivity in companies in the short-term, reduce errors, raise employee commitment and cut costs for hiring staff. Families benefit both in their daily life and workplace and enjoy more free time, another essential element for a happy family life besides a fair salary.
- Family-focussed initiatives even promote higher development in commercial and industrial sectors in the medium-term. The supporting point comes from product and process innovation, settled qualified personnel and higher sector and regional allure for investors and entrepreneurs with a forward-facing outlook. All this provides families with better salaries and more stable employment relations in the corresponding commercial or industrial sector.
- Family-focussed initiatives positively change direction of migration and even birth rates in the long-term. In this sense, families remain rooted in the regions as customers with high purchasing power and ensure the continuance of businesses and generational renewal for the active population. Commercial and industrial locations remain active and offer perspectives for new and established businesses.

The family-focussed economic region model mainly supports the medium-term outlook. Sector and regional

access come together. Sector access offers several advantages:

- Sector focus provides a backbone for the region, both in terms of the job market and from an investor perspective. Family-focussed initiatives represented and implemented in different commercial and industrial sectors can make a high contribution to making a region more attractive.
- Time structures within sectors, such as in the manufacturing sector, call centres, tourism and the project-oriented media entail specific sector characteristics concerning family focus. There is a possibility of offering shared solutions amongst companies that are not within reach of a single firm, especially when it comes to SMEs.
- Businesses in one sector are closely linked in many locations, or at least act together, especially in areas that develop cluster strategies. Taking advantage of current structures having a family focus may contribute to drive innovation and sector marketing strategies.

Regional access complements the above with inter-sector ideas such as support for entrepreneurs and investors through family-focussed initiatives and developing the general impression of a family-focussed economic region.

The added value for the region comes from bringing together hard and soft location factors

In this context, we should highlight that a family-focussed economic region may only be fully realised if the initiatives and measures geared towards families are embraced in the infrastructure areas for childcare and elderly care, public transport, housing, schooling and other location features.

The family-focussed economic region is also based on hard location factors such as transport networks, industrial areas, etc. The added value for the region comes about by systematically reconciling the positive location features via active family-focussed economic promotion.

The four pillars of the family-focussed economic region

When designing a family-focussed economic region, focus should be centred on industry-wide action. The agenda includes developing the job market and the business base geared towards families, family-focussed product and process innovation, and family-focussed marketing management. In this

way, and from an economic standpoint, families can be seen in all their facets: as a consumer, a training or educational focal point that aids generational renewal in the active population and as a centre for promoting entrepreneurs and qualified personnel. If we also add to this the long-term perspective for investors, who believe only families can guarantee a location's vitality and sustainability, it is clear that the family-focussed economy goes far beyond a mere staffing policy that is geared towards families.

The four pillars of the family-focussed economic region will be described below and practical suggestions for their consolidation will be set out. Concrete consolidation on the ground will generally lead to interaction between stakeholders, taking into account the specific conditions of the region and sector. Observations on the practical

realisation will be set out at the end of this article.

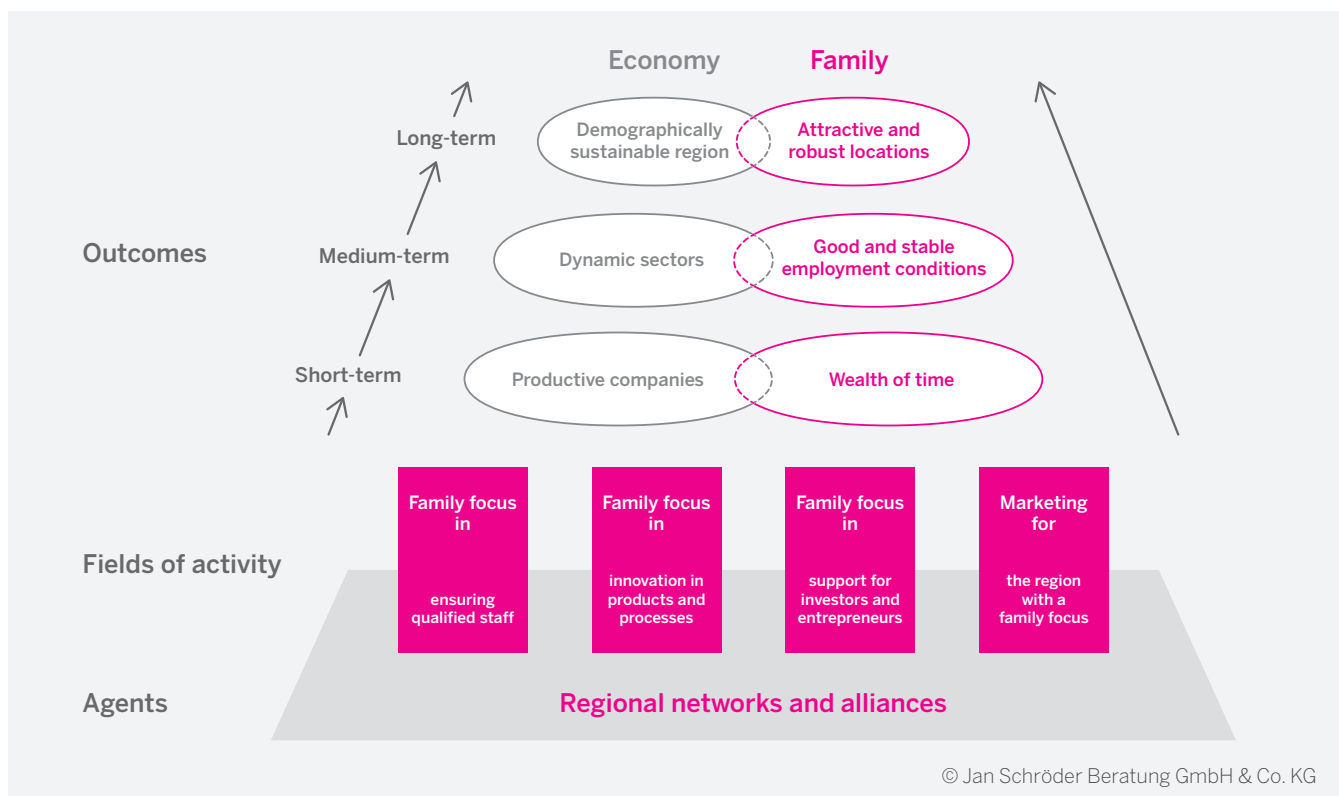
Family-focussed support for investors and business founders make up the first pillar.

Service measures for investors today often refer to providing buildings or land, support for obtaining subsidies, facilitating bureaucratic procedures, etc. Thus, it is generally a question of technical, administrative and economic support. In this context, the focus on the family only occurs very early on in the location selection process by investors and, once more, when employees start to settle down in the location. In this sense, good possibilities for business and the region are wasted: the possibility of finding good employees, but also the possibility of starting the business or expanding a company in the location in the best possible way.

Family-focussed economic region

Model Outline

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A focus on the family only influences investor services at the beginning

Why not bring together current links in some way and incentivise a wide range of family-focussed services for investors? These services could include, for example, the following measures:

- Defining the adaptation needs of the time structures of a (future) company and its location entails from the start a productive dialogue with service centres for childcare and elderly care, transport services and public institutions. This local policy of effectively using time helps efficient development of business activity and a more relaxed family life.
- Facing up to large employee changes by quickly reacting with support measures for employees with family responsibilities; where applicable, adapting current regional offers, whether for employees with dependent family members in need or care or for those with small children.
- Providing human resource departments with a specific information catalogue for the location and the sector that shows job applicants the advantages of a dynamic family-focussed sector in the region.
- Offering recently hired employees and their families a specific welcome package for each sector so that they quickly adapt to their new location and sector. Tailored designed offers for specific groups speed up this adaptation phase.

In no way is this list exhaustive. The examples given aim to clarify the following: the entire investment and setting up process, from initial planning to the employee adaptation stage, needs to include family-focussed measures and initiatives. In this way, the return on investment is increased. At the same time, families receive substantial support at a decisive stage of their lives and this contributes to a close tie to the region.

Support for business creation through family-focussed initiatives fills the relevant gaps in services for start-ups today. In a five-year timeframe, Germany has lost 350,000 newly established businesses. Almost half of these companies closed due to personal reasons mainly linked to family issues. We should state here that only 30% of companies established are run by women, which shows that balancing family life and business creation still is full of difficulties. Support for business creation still has a dominant economic and legal character. The growing number of business incubators that offer childcare shows the problem is being recognised, but a family-focussed economic region cannot limit itself to such measures.

A large number of start-ups gives up their business for family reasons

As with investor services, the following criteria need to be applied: the sooner family-focussed support options are put on the agenda, the better the positive effects will be for companies and families. Business angels should be informed about the local offer in childcare services. In especially difficult situations the possibilities of conflict resolution for families should be stated by them and alongside Chambers of Commerce and Industry, since the business creation stage is often highly tense and stressful for the family structure involved. An emergency service for founders of business could alleviate pressure when time is short. For this to provide results, the support measures should be set out in the stage prior to business creation. When time starts to run short, business founders have no margin to try and release the pressure valve. S/he should already be aware about the options at hand.

In this context, it is also a good idea to access a higher level to complete the picture. Family-focussed offers

and initiatives should have a place at conferences that bring together investors, funding and advice institutes and business founders, both in corporate programmes and in exhibition spaces. These proposals should be referred to in business renewals as well.

Family-focussed innovation support

– the sector focus takes on a more specific dimension here. The idea behind this is: focussing on the family is not exclusively embodied in services that are subsidised by business or the state or through direct financial assistance. A large number of companies appreciate families as solvent customers with good purchasing power. Until recently, family MPVs would have been unthinkable, both for how they look and how they affect the brand image.

Over time, they have become a real sales success. Family hotels are well-positioned on the market. Rehabilitation centres have copied this idea, offering accommodation and services to the entire family even though only one member is receiving treatment. The first apps aimed at families are now coming onto the market. Mobile, properly heated nappy changing units for babies have been designed in Italy, ideal for ski resorts or places with limited infrastructures. The beneficiary in this example is the family and the customers are the tourism offices and local hotel associations. We need to ask ourselves about the need for products that adapt to the needs of families in workshops and seminars for entrepreneurs and at specialised fora for each sector. If we do not take this into account, the right ideas will definitely not come out.

Focussing on the family is not exclusively embodied in services that are subsidised by business or the state

Innovation also includes innovating processes. Here, the aim is to increase efficiency, minimise errors and in-

crease quality. Family-focussed process innovation should play a role in this. Stress is known to distract. We also know that members of a family are often overwhelmed by time pressures. At company-level, things can be done in certain areas linked to using time better. Timeframes are often defined through the demands that come from customer and supplier relations. What is required is putting forward convenient sectorial changes between companies.

Family-focussed process innovations can even help to improve a product's image and, where appropriate, affect its market price. Why not market family-friendly produced commodities in the same way as Fair Trade products? This approach has been adopted in the food sector in Luckenwalde (Brandenburg, Germany) since 2012 through a pilot project of 'Bündnisfamilie 2.0'.

Finally, we come to the job market. **Ensuring qualified staff through family-focussed measures** should be used as the general concept that the different approaches to activate the job market are based on. Different related phenomena need to be taken into account:

- Successful sectors suffer or will likely suffer in the future from a shortage of qualified staff. To offset the effects of this trend, stakeholders nowadays dedicate their efforts and investments mainly to education and professional training. The collaboration between schools and universities should guarantee a renewal of the active work population. Workplace training drives skills, accreditation and loyalty amongst employees.

Businesses still fail to take into account at the right level those qualified people who want to expand or re-start their working relationships, generally women caring for dependents or older people. Specific initiatives for each sector could substantially contribute to improving this situation, extending for example the

number of facilities for child- and elder care, on sectorial level.

Other approaches linked to creating job portals at sector and regional levels affect staff turnover within the sectors in a region. These initiatives, which have already been put into practice, offer considerable advantages: though changing the company knowledge and experience of employees and workers stay in the region, brain-drain fails to materialize and this helps the whole business sector. At the same time families do not have to go through the trouble of a transfer. The necessary culture of cooperation between companies in a sector often exists in active clusters already.

- Less consolidated sectors also suffer from a shortage of qualified staff. However, the consequences are very different. Due to lower wage levels, there is an exodus. Part-time employment means it is difficult to achieve sufficient family income levels. In addition, it is more complicated to settle business renewals and to staff training positions.

Establishing a family-focussed economic region offers different strategic possibilities to be able to reverse these negative trends. New products, the image of a family-focussed economic region and the higher attractiveness of the sector for employees open up perspectives for the future and establish ties with the region, independently of short-term unsatisfactory salary levels.

Remedies may be provided in an operational manner as well. Several people sharing several jobs in multi-company networks moderates ups-and-downs in temporary employment. Where applicable, this enables employees even to work in several companies in a week's time. All this may contribute to higher family income. Employment agencies also have the opportunity to tailor their services to those with

more than one job and who have family responsibilities, making a combination of social and job offers available to them.

This set of family-focussed initiatives and measures in the fields of innovation, the family-focussed world of work in general, family-focussed job markets, business founders and investors should be systematically marketed under the name 'family-focussed economic region'. Only this type of management of the **internal and external marketing** can have the right impact – in sales and distribution, in company founding dynamics, on qualified staff loyalty and on product development. The target group for this is composed of qualified personal, business founders and investors.

Local governance in the family-focussed economic region

The 'how' in terms of implementing the aforementioned focuses can be quickly outlined: a family-focussed economic region is mainly based on a cross-cutting process through institutions. This process comprises the following aspects:

- **Harmonisation and coordination:** Single-company and multi-company measures, job market promotion and sector development are harmonised with regard to their family focus.
- **Inter-institutional processes:** Family-focussed services for business founders and investors interlock planning and implementation processes in the areas of the economy and family – from investor services and designing services to the welcome package for families and specific support measures.
- **Coordinated sector and regional communication:** The family-focussed economic region is shown in sector, business and location communication.

- **Innovation through diversity:** Product and process innovations come from the inventiveness, creativity and knowledge of all stakeholders focussed on the economy and the family. Multidisciplinary cooperation is an essential basis for innovative processes promoted by interaction between groups of agents.
- **Cooperative process:** The establishment, sustainable maintenance and ultimate development of an integrated system require joint effort from the state, the economy, social partners and the voluntary sector. Implementing a family-focussed economic region will not be achieved by individual initiatives from the different stakeholders.

This is why suppliers of such a vast development need to be networks in which cooperation amongst institutional stakeholders is implemented in the areas of the economy, work and family. Some factors for success can be derived from the structure, wor-

king method and other successful drivers in creating these networks, by simply observing and analysing active clusters, local alliances for family (Lokale Bündnisse für Familie) and alliances to ensure the presence of specialised qualified staff (Fachkräftebündnisse):

Clusters, local alliances for family and alliances to ensure the presence of specialised qualified staff play a support role in creating regional networks

- **Insertion** of networks at executive level in stakeholder institutions since pending changes will have a wide-ranging scope.
- **Involvement** of related political spheres since the definition and establishment of a family-focussed economic region will affect the strategic development of municipalities.

- **Understanding** how networks function as a starting block for **coordinated action** and not just as a collaboration framework, a very common focus in the initial stage.
- **Valuing** networks as effective organisers for solutions and also as a strategic engine to establish a family-focussed economic region.
- **Professionalisation** of the organisation structure.
- **Transparency** in accounting and producing internal and external reports.

It is clear that developing professional networks is an essential element in establishing a family-focussed economic region. The effort behind implementing these networks is worth it since emerging regional governance structures have cross-links with the competencies and resources of a region in main development sectors in the social and economic sphere and, in this way, can be used as an innovative stimulus for the region.

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Cross-sector innovations in social and economic policy are our hallmark. We accompany and advise institutions and networks from the initial torrent of ideas and the later development of projects and programmes to concrete implementation. As a social enterprise, we take part at a national level in the 'Bündnisfamilie2.0' project - an inherent initiative of family policy (www.buendnisfamilie20.de).

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