

International Labour Organization

MATERNITY, PATERNITY AT WORK

Baby steps towards achieving big results



Many companies still view motherhood and fatherhood as mutually exclusive activities from employment. When outdated societal perceptions and cultural expectations surrounding motherhood limit women's contribution at work, families, companies and economies are adversely affected. Similarly, overcoming resistance to entrenched stereotypes of masculinity may clash with men's changing perceptions of fatherhood. Employees who take maternity leave form a crucial talent pool and retaining this talent is imperative for companies to strengthen its limited pipeline

of women leaders. Paternity leave is increasingly seen as a positive measure that family-friendly promotes environments and recognizes the role of fathers in today's business environment. New mothers and fathers come back to work with new insights, and parenthood is a great learning experience that enhances key skills such as prioritization and empathy that are important in a business environment.

To keep up momentum businesses must now continue to work on building the talent pipeline by supporting more women to take on management roles and helping mothers return to work.¹

Katja Hall CBI Deputy-Director General

THE ILO AND MATERNITY PROTECTION

The ILO's guidance regarding maternity protection is to ensure the wellbeing of mothers and their new-borns; to enable women to combine successfully their reproductive and productive roles, to prevent unequal treatment at work due to their reproductive role, and to promote the principle of equality of opportunity and treatment between women and men.

ILO's Maternity Protection Convention, 2000 (No. 183) mandates a minimum leave period of 14 weeks for

women around childbirth, and its accompanying Recommendation (No. 191) promotes the optimal maternity leave to be at least 18 weeks.

MATERNITY PROTECTION INCLUDES:

- Maternity leave around childbirth
- Health protection at the workplace for pregnant and breastfeeding women
- Cash and medical benefits
- Employment protection and non-discrimination
- Breastfeeding support after the return to work

Benefits of managing maternity well

Women who return to work after childbirth are an important asset for the company as they understand the company priorities better than a new employee, fit well in the company culture and have an already developed skillset specific to the job they are performing. By managing maternity well, companies can encourage women to return to work after childbirth and help to close the leaks in the female talent pipeline. Moreover, by retaining and developing female employees, companies are better able to attract and promote women leaders.

There is a strong case for women to return (to the workplace). They are trained, know the organization and fit into that particular organization's culture.²

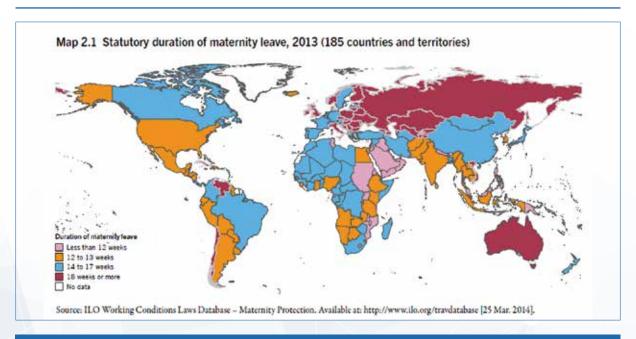
Gita Dang

Director, Talent Advisory Services, India

Another incentive for companies to retain new mothers is the **high cost of replacement and retraining**. Companies typically pay about one fifth of an employee's annual salary to replace that employee, regardless of the level of wages being paid to the departing or incoming employees.³ In addition, the cost to retrain a new employee and loss of productivity during the training period can be relatively higher than the cost of the absence required for maternity leave. There are also some other immediate-term costs to companies resulting from inadequate maternity protection. In the UK, the estimated costs to companies **due to discriminatory dismissal** or forced resignation were estimated to be as high as 183 million GBP a year.⁴

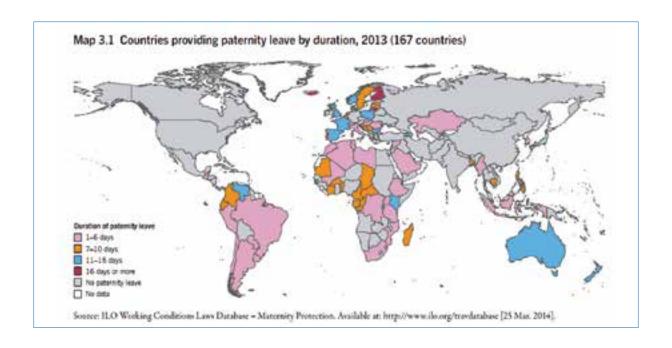
Maternity issues remain a critical challenge for companies in retaining and developing female talent. Companies will have difficulties achieving an increased proportion of top women managers without addressing the issues related to maternity and paternity at work.

Where are we today: maternity and paternity leave across the world



KEY FACTS AND FIGURES⁵

- 98 countries meet the ILO standard of at least 14 weeks maternity leave.
- 107 countries finance maternity leave cash benefits through social security.
- 74 countries provide cash benefits of at least two-thirds of earnings for at least 14 weeks.
- 121 countries provide for daily nursing breaks after maternity leave.
- A statutory right to paternity leave is found in 78 countries. Leave is paid in 70 of these, underlining the trend of greater involvement of fathers around childbirth.
- Only 5 countries, all among the Developed Economies (Finland, Iceland, Lithuania, Portugal and Slovenia) provide paternity leave of more than two weeks.



The realities of the world we live in



DISCRIMINATION AGAINST WOMEN IN RELATION TO MATERNITY IS PERVASIVE AT ALL LEVELS

- ◆ 40% of UK managers avoid hiring younger women to get around maternity leave according to a survey of 500 managers.⁶
- ≥ In Kenya, many companies require women to sign agreements that they will not become pregnant.⁷
- In Australia, pregnancy discrimination complaints are more common than complaints regarding any other type of discrimination.⁸
- In the Russian Federation, the two most common types of labour legislation violations were dismissal of pregnant women and women with children, and non-payment of social insurance during maternity.



MANY WOMEN DO NOT RECEIVE ADEQUATE MATERNITY PROTECTION

- A large majority of women workers, representing around 830 million workers around the world, are still not adequately protected in case of maternity.¹⁰
- Almost 80 per cent of these workers are found in countries in Africa and Asia.¹¹



WOMEN WITH CHILDREN ARE LEAVING THE WORKFORCE AS COMBINING FAMILY AND WORK RESPONSIBILITIES REMAINS A CHALLENGE

- 43 per cent of highly qualified women with children are leaving their careers or "off-ramping" for a period of time in the US.¹²
- The number of women with children leaving the workforce is expected to be higher in Asia due to deep seated cultural views about the role of women.¹³



WOMEN FACE A SEVERE PENALTY FOR TAKING TIME OUT OF THE WORKFORCE

- A study found that across sectors, women lose a staggering 37 per cent of their earning power when they spend 3 or more years out of the workforce in the US.¹⁴
- According to a US study, only 74 per cent of the women who took time off work and wanted to rejoin were able to do so and only 40 per cent were able to return to full-time work.¹⁵
- In Korea, mothers who want to re-enter the workforce found it difficult to do so due to lack of suitable opportunities or inadequate pay and benefits.¹⁶



MEN TOO ARE DISCRIMINATED AGAINST AND PENALIZED FOR BEING INVOLVED IN CHILDCARE RESPONSIBILITIES

Studies show that fatherhood is rewarded by companies by paying higher wages to men with children. However, researchers are also discovering that when men actually take time off work for childcare, they are penalized in the form of lower hourly pay or demotions. 18

COMPANIES RISK LOSING TALENTED EMPLOYEES DUE TO THE CHALLENGES WOMEN AND MEN FACE RELATED TO MATERNITY AND PATERNITY

What can companies do?

Adequate leave, financial coverage and transition support during maternity are essential elements of an effective maternity package. The following recommendations can help companies to manage maternity well.

OFFER ADEQUATE MATERNITY LEAVE

Companies can retain a talented, committed and productive female workforce by implementing a maternity leave policy that provides necessary financial and organizational support to its employees around childbirth. Adequate maternity leave allows women to take time to care for their infants, ensures financial stability during the maternity period and encourages women to return to their jobs feeling confident and ready. Paid maternity leave benefits the company by increasing productivity, improving morale and reducing turnover.

Paid maternity leave is good for the company says Susan Wojcicki, CEO of YouTube and mother of five children. When Google increased its paid maternity leave to 18 weeks, the rate at which new mothers left fell by 50%. She adds –

"Mothers come back to the workforce with new insights. I know from experience that being a mother gave me a broader sense of purpose, more compassion and a better ability to prioritize and get things done efficiently." ¹⁹

Making maternity affordable for companies

Many countries are moving towards social security schemes that fully or partially fund maternity benefits so that companies don't have to shoulder the entire cost. According to ILO calculations, maternity protection funded by social security is not only affordable and feasible even in less developed countries, it is also conducive to social and economic development. Today, more than 100 countries finance benefits through social security or public funds, reducing the financial liability of companies.²⁰

ENSURE EMPLOYMENT PROTECTION AND NON-DISCRIMINATION

Diversity-friendly companies understand that providing employment protection during pregnancy and establishing effective non-discrimination policies are important to retain their highly talented female employees. This is particularly true for younger women who have not had time to develop their careers. Companies should ensure that maternity and paternity are not a source of discrimination in employment. Blanket assumptions about maternity – such as "pregnant women become less competent" or "pregnant managers are less committed" should be challenged. Awareness training for staff should be implemented and non-discrimination policies should be consistently applied in day-to-day activities including hiring, promotions and appraisals.



PROVIDE HEALTH PROTECTION AT THE WORKPLACE

Making the workplace safe for all employees – men and women – at all the stages of their life course should be a priority for companies. Companies should provide reasonable accommodation for pregnant workers, to safeguard the health of the employee and their unborn or new-born child, without discriminating against women on the basis of the pregnancy or childbirth.

Breastfeeding provisions ensure the good health of the mother and the child, and also benefit the company by increasing employee engagement and retention. Women are more likely to return to work when there is maternity support such as breastfeeding facilities at the workplace – a private room for expressing milk equipped with a fridge. It is an effective yet inexpensive form of support and is being widely adopted by companies across the world. For example, through an ILO project in the Philippines, Permex, one of the largest tuna and sardine canning companies in the country, set up an on-site breastfeeding station in 2011; this resulted in an award of recognition from the Philippines Department of Health.

Companies in the US that have implemented breastfeeding programmes at the workplace have reported a \$3 return on every \$1 investment. Introducing breastfeeding support at work has helped companies to reduce absenteeism, improve productivity and increase retention of employees after childbirth.²¹

DEVELOP RE-ENTRY PROGRAMMES

There is a large pool of talented women who have put their careers on hold after having children and are interested in returning to work, but find that retraining for lost skills is hard and the salaries offered are lower. Companies can re-engage this pool of talented and qualified women and launch them into the leadership track by providing them with accelerated re-entry routes. Leading US companies like JP Morgan, Credit Suisse, Morgan Stanley and Goldman Sachs have implemented re-entry programmes for women to attract the best talent and harness their unutilised potential.

A case study by the Corporate Executive Board (CEB) Corporate Leadership Council highlights the ten week "Returnship" On-Ramp programme at a company as a good example of re-engaging women after maternity. This programme retrains and launches women with 3-10 years career breaks back into the workforce by providing them with intensive training that reinforces skills, confidence and engagement. The re-entry program has successfully launched 72% of the participating women into leadership positions.²²

OFFER PATERNITY LEAVE

Results from a five country survey (Brazil, Chile, Croatia, India and Mexico) show that the vast majority of men think that "it is important for them to play a role in their children's lives" and that 20-65 per cent of men reported to have taken some leave when their last child was born, indicating the evolving role of men in family responsibilities.²³



Today, more and more companies across the world are implementing paternity leave policies. However there is a considerable stigma attached with using paternity leave and take up rates are low. Fear of discrimination at work and gender stereotypes such as 'men should be breadwinners and women should be caregivers' discourage men from using their paternity leave. To increase take up rates for paternity leave, companies can actively encourage fathers to take time off to care for their children by creating a supportive workplace culture and ensuring fathers are not discriminated against for taking up

caregiving activities.

Paternity leave offers fathers an important opportunity to bond with their new-born child and allows them to be more involved at home. There is evidence that the involvement of fathers in their children's early days has a positive impact on the child's development and health.²⁴ Moreover, increased participation of men in household activities benefits women by allowing women to balance professional priorities better.

Offering paternity leave is good for the company too. It makes the company family friendly and helps companies to close the gender wage gap by levelling the playing field between men and women and by decreasing discrimination related to maternity.

"Today, our male employees not only have the right to take paternity leave, but this practice is becoming accepted amongst their peers as well as in the organization. People are seeing that raising children is a responsibility that can be shared and it's not just the woman's job to stay home and bring up the children." ²⁵

Michael Gollschewski, Managing Director, Pilbara Mines, Rio Tinto Iron Ore, Australia

To encourage employees to use their paternity leave, Germany amended its parental leave scheme in 2007 and adopted a "use it or lose it" approach, where a certain portion of family leave could be used only by father. Within two years the take up rates have shot up from 3 per cent to over 20 per cent. When more men take parental leave, it helps companies to treat women and men equally and makes the workplace more family-friendly. 26

SUPPORT FLEXIBLE WORKING ARRANGEMENTS AND CHILDCARE

Providing flexible working options and support in childcare activities can encourage new parents to remain actively involved in the workforce while managing their parental responsibilities. Options, when applicable, such as flexible working hours, compressed work weeks, part-time work and telework can help companies to retain female employees and reduce maternity-related turnover. In addition, companies can provide childcare support like on-site childcare facilities, referrals to childcare services and subsidies for childcare to assist new parents in managing their caregiving responsibilities while remaining in the workforce. More information on flexible working arrangements and childcare support can be found in the accompanying ILO brief on Work and Family.

Vodafone Group, a global telecommunications company, announced a new maternity leave policy in March 2015 that offers 16 weeks paid maternity leave and allows new mothers to work 30 hours per week for the first 6 months after maternity on full pay. The reduced-hours arrangement is aimed to help returning mothers transition back smoothly into their jobs. For Vodafone, the goal of this policy is to increase the retention of female talent in the company and gradually improve the representation of women at top levels.²⁷

OFFER MATERNITY & PATERNITY COACHING

Maternity and paternity coaching programmes enable companies to support their employees during the maternity or paternity transition, and reduce maternity related turnover. These programmes offer one-to-one or group coaching to women and men on managing expectations and handling the transition at work around childbirth.

Maternity coaching has become a vital part of Barclays' commitment to attract, retain and develop top talent, and takes place in the UK, Asia and the US. The coaching program for women and their line managers includes pre, during and post-maternity sessions. Coaching sessions for new dads are also provided. Latest results from the Barclays Wealth division show 6.6% increase in the retention rates of new parents in 2013 - based on estimated attrition costs, equalling £3.28 million in savings.²⁸

GOOD COMMUNICATION, FORWARD PLANNING AND A WORKPLACE CULTURE IN WHICH MATERNITY, PATERNITY AND PARENTHOOD ARE VALUED AND SUPPORTED ARE IMPORTANT CONDITIONS TO GENERATE POSITIVE OUTCOMES FOR COMPANIES.

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