

Work and family in a changing society:

Reshaping the traditional approach
to work and family life



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How changing perceptions shape work and family policies.

Over the past decades, in line with an increase in women's participation in the labor force, global societies have seen a changed approach to the reconciliation of work and family responsibilities. Recent legislation introducing gender pay gap reporting, promotion of equal opportunity laws, as well as societal changes resulted in a slow but steady shift in the perception that family-related leave benefits are solely aimed at female employees.

These new policies form a trend of newly-introduced legislation intended to bring greater equality in opportunities for men and women with respect to raising a family, with the goal of closing employment-related gaps between men and women—that is, in the differences in pay levels, employment and promotion opportunities, and retirement benefits.

This paper discusses recent changes in global legislation that expand options or introduce new mandatory family-related leave benefit provisions. It showcases recent trends and newly introduced or increased minimum standards in paternity and parental leaves, in parallel to the introduction of flexible working arrangements for parents of young children. Together, these changes reflect the worldwide evolution of perceptions and expectations related to the compatibility of work and family.

The changes in mandatory employee leave entitlements often come with implications for employers. In many cases, it is primarily the need to fill the gap left by an employee that would otherwise not be on family leave, and increased employment costs if continued wage payment is required during the leave. In many other instances, employers must provide employment protection, meaning that they are unable to terminate the employee on leave, and are required to guarantee the employee's return to the original or a comparable position after the leave. Similarly, flexible working arrangements may create difficulties with production schedules and impede operations, or require hiring of temporary employees to substitute for the employees switching to part-time, telecommute or flexible working hours.

The shift in the societal perception of family-related leave benefits and greater focus on work-life balance is also demonstrated by an increased number of cases where employers go beyond what is required in terms of family leave provisions. This is the case especially in the U.S. In recent years, the growing trend of expansion of paid maternity and family leave policies has made headlines, particularly relating to the policies of multinational companies in countries where mandatory paid family leave provisions are extremely limited (such as in the U.S.), and in industries where the war for talent is pronounced.

The goal of this paper is to inform and provide insight into these emerging trends driven by a shift in perception of reconciliation of work and family responsibilities on a global scale. This paper does not discuss the voluntary expansion of family benefits by employers, but rather focuses on trends in legislation aimed at increasing paternal involvement in childrearing, and at enabling parents (particularly mothers) to easily return to work after family leave.

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Focus on fathers' involvement.

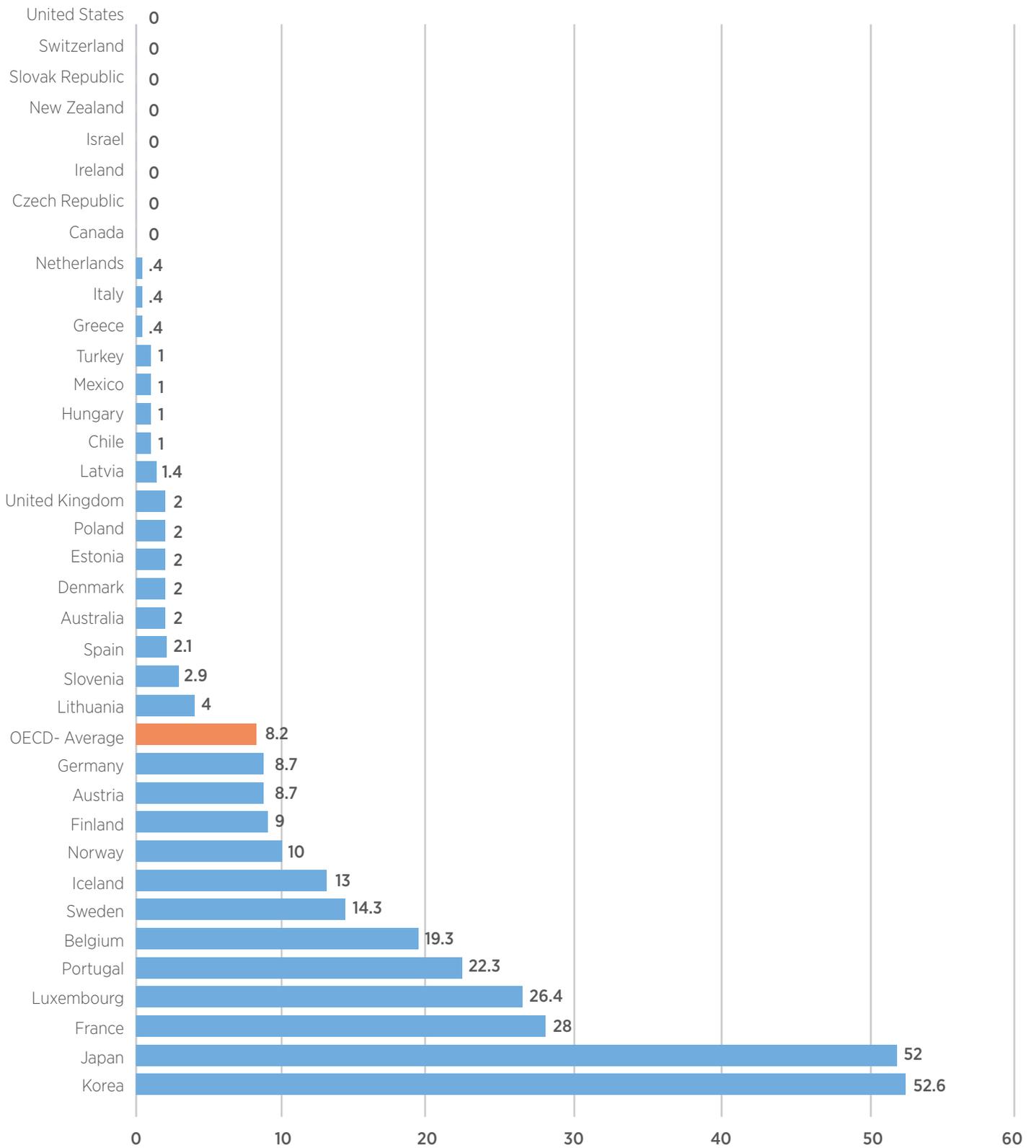
The concept of fathers having more prominent involvement in childrearing immediately after birth is not new. In recent years, there is a definite trend in the introduction of new legislation requiring employers to provide paternity leave in some shape or form. In many countries, social security systems incur the cost of the benefit provided to fathers while they are drawing the leave, while in others the employer is responsible for providing pay during the leave. Irrespective of whether employers are required to provide payment during paternity leave or not, in most cases the provision of the leave is mandatory. This means that employers are prohibited from denying employees such entitlement, and have to comply with requirements related to the leave, such as employment protection during leave and reinstatement in the original job position after their return.

When looking at paternity leave policies around the world, the level of paternal involvement varies significantly across continents and cultures. Disregarding countries where policy, practice or legislation do not provide for paternity leave, the remaining countries' policies, while variable in design, revolve around two different concepts. The first is a stand-alone paternity leave period. The second, is the concept of a shared parental leave period, a portion of which is designated solely to the father—that is, a “use it or lose it” period that cannot be transferred to the mother.

Figure 1 on the next page shows the length of paid father-specific leave in 2016 across Organization for Economic Co-operation and Development (OECD) countries, which ranges between zero weeks of leave in the U.S., Slovak Republic and Switzerland, to 52 weeks in Japan and 52.6 weeks in Korea. The average among OECD countries is 8.2 weeks. The table shows the aggregate data of both stand-alone paid paternity leaves along with entitlements of fathers to paid parental leaves. Note that Ireland, Israel and the Czech Republic have since introduced paternity leave provisions.

Both of these concepts (the stand-alone paternity leave and the “use it or lose it” shared parental leave) have seen a significant increase in implementation in the recent years, with the aim to entice fathers to actually make use of the leaves. The primary driver of the uptake of leave designated for fathers is the existence of pay and the level of income replacement during leave. In addition to this, the chances of fathers making use of the leaves increase if a portion of the leave is designated solely for the father and cannot be transferred to the mother.

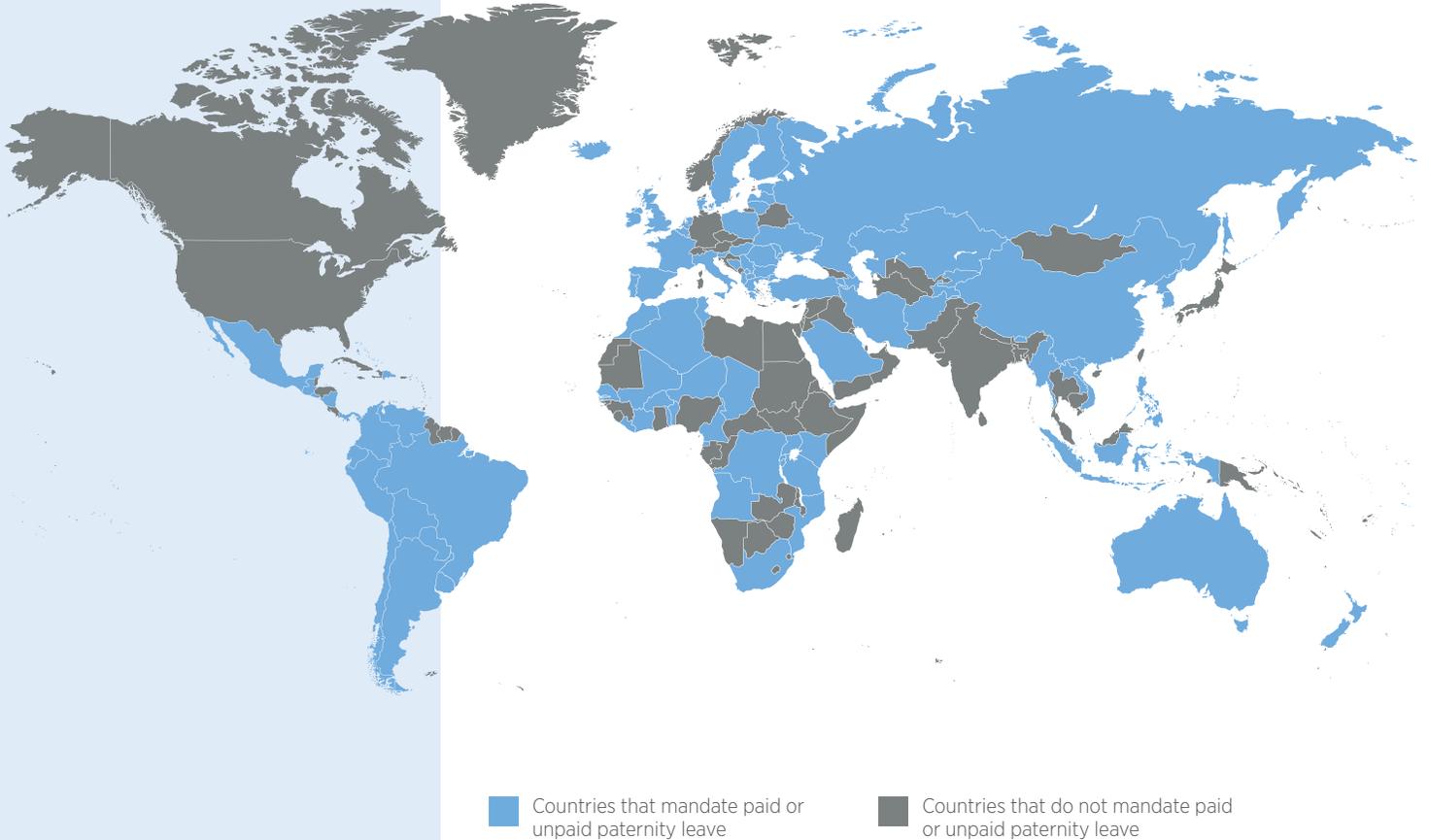
FIGURE 1: LENGTH OF PAID FATHER-SPECIFIC LEAVE (WEEKS)



Source: Data extracted on 14 Nov 2018 23:58 UTC (GMT) from OECD.Stat

Stand-alone paternity leave.

While overall an increasing number of countries are introducing paternity leave, the prevalence of mandated stand-alone paternity leave varies significantly across regions. The following map shows prevalence of a mandatory paid or unpaid paternity leave across the globe, as of 2018 according to the World Bank data.



As illustrated by the map, in many countries, paternity leave is still nonexistent, such as in many **Middle Eastern countries**; or is limited to a few hours necessary for the father to accompany the mother to the hospital, as in the case in **Slovakia**; or is limited to a one or two days of mandatory “birth of a child leave,” rather than a stand-alone paternity leave which would contribute to enhancing the family’s work-life balance. Such leave is often unpaid, as in the case in **Kazakhstan** or **Ukraine**.

Needless to say, that the lack of any form of parental leave is becoming increasingly rare. The last few years brought significant changes to many paternity leave policies, irrespective of regions or cultures. One of the changes with the most potential for significant impact on all **European Union (EU)** member states is the proposed European Commission Directive on work-life balance for parents and carers. This Directive would repeal the 2010 Council Directive that implemented the revised Framework Agreement on parental leave—an agreement between the EU-level social partners. The proposed Directive would entitle

fathers of newborn children to take at least 10 working days of paternity leave upon the birth of a child. Currently, European law does not have a requirement for member states to legislate paternity leave, though the majority of member states do have a paternity leave entitlement as part of their national legislation.

The introduction of a mandatory provision of paternity leave would force several EU member states to make changes to their legislations pertaining to paternity leave, i.e., those member states that do not already entitle fathers of newborn children to take at least 10 working days of paternity leave. For example, in **Austria**, the entitlement to paternity leave would have to be expanded to all eligible individuals, as it is currently only available to employees in the public sector and those covered by collective bargaining agreements stipulating such entitlement.

In contrast, several EU member states have already expanded their standalone paternity leave entitlements, some of them very recently. **Spain** increased the period of social-security-paid paternity leave from previously four weeks to five weeks in July 2018. Fathers in **Luxembourg** saw their paternity leave entitlement increased from two days to 10 days (2018), with the first two days of paternity leave being employer paid. Additional paternity leave days are reimbursed to the employer by social security. In **Italy** (2019), employers are required to provide five days of mandatory paternity leave and one day of optional paternity leave. In contrast with the mandatory paternity leave, the optional paternity leave is not additional to the total number of days of maternity leave. Instead, it reduces the days of maternity leave available to the mother. In other words, it is a transfer of maternity leave days from the mother to the father. In **France**, a similar concept of extension of the optional paternity leave days is proposed. Currently, fathers are entitled to 11 or 18 optional days within four months of the birth of a child, depending on the number of children born. The employer pays for the first three days of the leave, and the rest is covered by the social security (up to a maximum amount). The proposal would introduce a 14-day extension of the optional paternity leave.

Under a slightly different concept, the **Czech Republic** introduced a new employee entitlement to social security paternity benefits that may result in increased number of parental leave requests from new fathers. The legislative changes did not introduce a new standalone paternity leave per se—instead, eligible male employees are now entitled to receive a new social security paternity benefit lasting seven consecutive working days, and a mother and father may draw the parental leave simultaneously. Previously, male employees with children were allowed to draw the parental leave at the same time as the mother, but in such cases the parental leave benefits were paid only to one parent.

The trend in extending the length of stand-alone paternity leave is not limited to Europe. In 2019, **Hong Kong** increased statutory paternity leave from three days to five days for male employees. Similarly, **Peru** recently (2018) extended their mandatory paternity leave entitlement from four days to a period between 10 to 30 days (depending on various factors related to the birth and health status of the newborn). In addition to the extension of the paternity leave, eligible fathers may now choose from several options on when to start the leave (including pre-birth), thereby allowing for greater flexibility to suit the family's needs. Fathers now also have the option to use annual leave entitlement immediately after paternity

Numerous countries have been amending their legislation to enhance the options for flexible working arrangements and telework simply to keep up with the needs of the modern workplace and employees. However, several recent developments have led to the growth of flexible working arrangement mandates that are aimed specifically at accommodating employees with children.

leave. In **Singapore**, it is now (2017) mandatory for employers to provide two weeks of government-paid paternity leave, while previously, only one week was mandatory and the second week was voluntary. Typically, fathers are expected take the two weeks of leave within 16 weeks from the birth of a child. However they also have an option to agree on a flexible schedule with their employers to take the leave as individual days within 12 months of the birth of the child.

In addition to extending an already existing entitlement to some sort of parental leave, in recent years, several countries have seen or are in a process of introducing paternity leave as a completely new benefit. In **Vietnam**, as of 2016, fathers receive a minimum of five days and a maximum of 14 days of full pay after the child is born, depending on how difficult the birth was for the woman. In 2017, **Panama** introduced a new three-day employer-paid paternity leave.

The common forms of paternity leave benefit are either paid for by the employer, by social security system, or a combination of the two. However, **Israel** introduced an interesting concept for mandatory paternity leave in 2016. Employers are required to provide up to five days of paid paternity leave by allowing the employee to use paid annual leave (vacation) and paid sick leave as paternity leave. The first three days of the paternity leave are considered employer-paid vacation leave (or leave without pay if the employee's vacation days are already exhausted), and the remaining two days are considered as employer-paid sick leave. The five days of paternity leave may be taken in parallel to maternity leave. Previously, Israel did not entitle fathers the right to paternity leave per se. Instead, paternity leave was a replacement of maternity leave, i.e., leave transferred from the mother.

Caring is sharing

In addition to stand-alone paternity leave, which is taken only by the father (or in an increasing number of countries, the same-sex partner), the increasing role of fathers in childrearing has also shaped changes in the design of shared parental leave on a global scale.

The Nordics, and particularly **Sweden**, are traditionally seen as the pioneers of a shared parental leave. In Nordic countries, the participation of fathers in childrearing has long been encouraged. The concept of next-to-equal sharing of the parental leave benefits has been present for decades, and has expanded in recent years, resulting in some of the most father-inclusive policies seen worldwide. While in some countries the provisions of the shared parental leaves came with "use it or lose it" addendum, which provides a push for fathers to take leave time on the occasion of birth of a child, there are numerous examples where parental leave can in its entirety be unconditionally shared between both parents.

In **Singapore**, employers are required to grant employees extended shared parental leave as of July 2017. Previously, mothers who qualified for 16 weeks of parental leave could transfer up to one week of that leave to their spouse as "shared parental leave." Now, fathers may request up to four weeks of paid parental leave from the mother's leave entitlement, resulting in four weeks of "shared parental leave" eligibility for the parents.

Shared parental leave is also available in the **U.K.**, as of 2015. Parents are able to share entitlement to statutory maternity leave and the statutory maternity pay. The mother must take a minimum of two weeks of maternity leave with pay immediately after the birth of the child. The entitlement to leave and pay is not lost if the father does not share the leave with the mother. In addition to the shared parental leave, the U.K. introduced other policies aimed at greater involvement of fathers or partners expecting a child. Fathers-to-be or partners of a mother-to-be are also entitled to unpaid time off to attend up to two prenatal appointments with their partners. The time taken off for each appointment may not exceed 6.5 hours.

Regardless of other design features of shared parental leave, in cases where there is no stand-alone maternity leave, the shared leave will generally include a length of time allotted solely to the mother. The period reserved for the mother varies, but usually follows a timeframe conditioned by biological needs linked to periods shortly before and after the birth. **Sweden**, one of the most father-inclusive countries in terms of family benefits, is an exception. The parental leave period in Sweden is 390 days, with a possible 90-day extension. Mothers are entitled to take the parental leave and associated benefit up to 60 days prior to birth in case of medical complications that result in loss of working capacity. After the birth of the child, both parents are entitled to parental leave. New parents are allowed to take parental leave simultaneously for up to 30 days at any time before the child's first birthday. A "use it or lose it" principle reserves a minimum of 90 days of parental leave for each parent, meaning that those days cannot be transferred to the other parent.

In **Norway**, the portions of the benefit period reserved for each parent has been extended recently (2018). The mother is entitled to 18 weeks in total, and the portion of the benefit period reserved for the father is set at 15 weeks. In **Denmark**, parents can share 32 weeks of parental leave as they see fit, in addition to two weeks of leave allotted to the father, to be taken during the 14-week period after the birth of the child, concurrently while the mother is on maternity leave.

In recent years, the "use it or lose it" principle has gained popularity predominantly in more developed systems with robust existing parental leave benefit structures. The move towards allocating specific periods of parental leave to both parents is meant to encourage greater participation of fathers in the care for very young children. Nevertheless, although most developed parental leave programs allow for each of the parents to take the leave, it is still traditionally and predominantly taken by the mothers.

This is why more and more national, as well as supra-national initiatives have emerged to introduce the "use it or lose it" principle. The proposed **EU** Directive would repeal the existing Parental Leave Directive that allows parents to take parental leave for up to four months. In practice, the father frequently transfers his leave entitlement to the mother, which contradicts the intent of the law. The provisions of the new Directive therefore aim to eliminate the right of transfer of the first four months of parental leave.

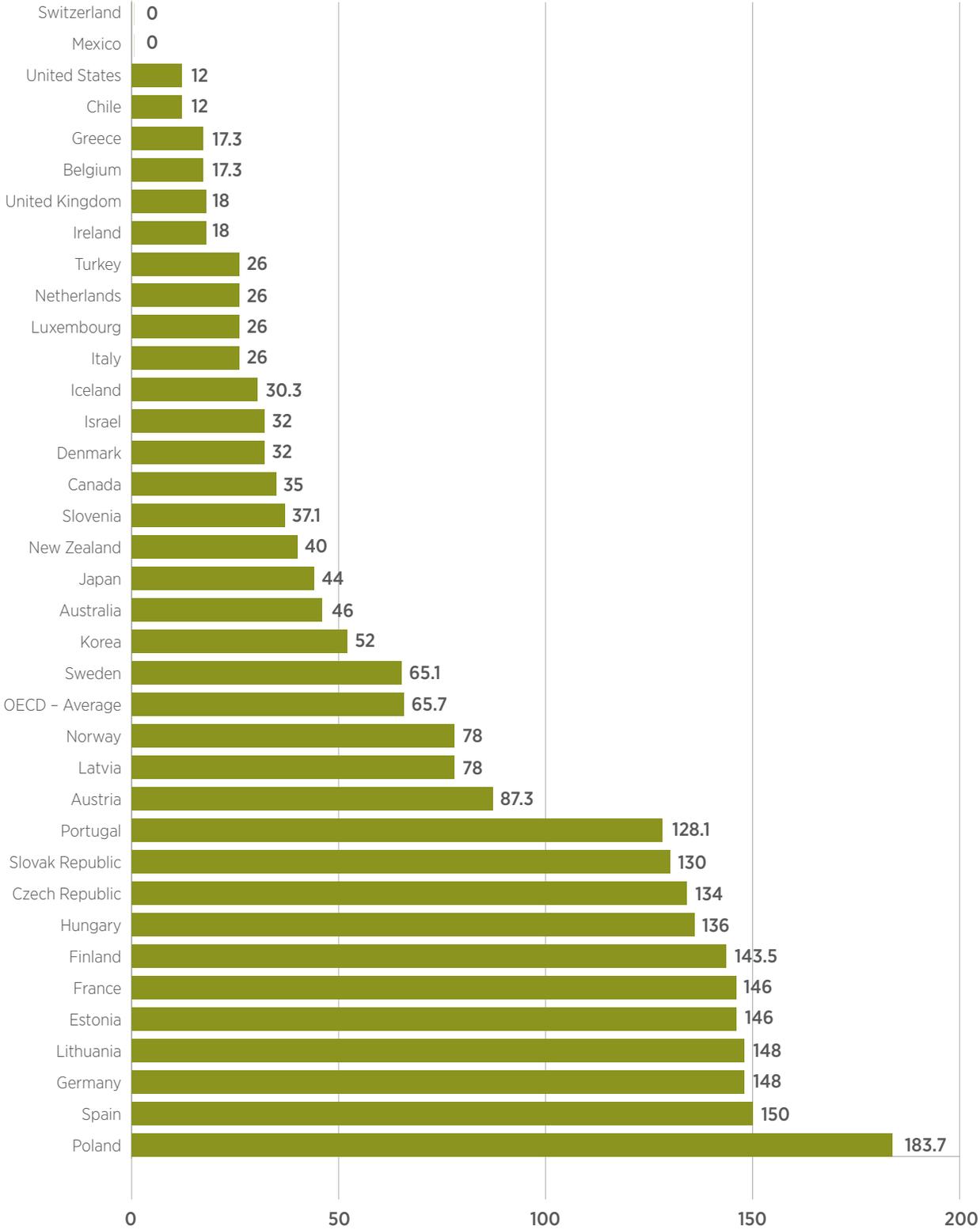
Canada may soon adopt this principal, where a proposal suggests an optional five weeks or eight weeks of additional “use or lose it” parental sharing leave benefit available to two-parent families. The planned parental sharing leave benefit aims to provide families with greater flexibility by motivating the sharing of parental care duties, allowing female employees return to work sooner after the birth of a child, and encouraging male employees to take paid parental leave.

In **Switzerland**, a recently rejected initiative to introduce 20 days of paternity leave has sparked a counter-proposal backed by the Federal Council that would introduce 38 weeks of paid parental leave with eight weeks allotted solely to the father, while the rest could be shared. Under the proposal, the mother would be entitled to 14 weeks of paid parental leave for up to three years after giving birth. Fathers would be entitled to eight weeks of paid parental leave in the same timeframe. The remaining 16 weeks would be optional and could be shared by both.

It is worth recalling that parental leave, whether shared or not, often comes with employment protection. The number of weeks of parental leave with employment protection is highly variable across countries as demonstrated in Figure 2 below. The number of weeks of parental leave with employment protection across OECD countries ranges from zero in Mexico and Switzerland to 183.7 weeks in Poland, with an OECD average of 65.7 weeks.

The new mandates will put pressure on employers to actively participate in reshaping family-related benefits at accommodating employees with children.

FIGURE 2: LENGTH OF PARENTAL LEAVE WITH JOB PROTECTION (WEEKS)



Source: Data extracted on 14 Nov 2018 23:58 UTC (GMT) from OECD.Stat

Flexible Working Arrangements.

In parallel to trends in stand-alone paternity leave and shared parental leave, several countries have implemented programs to ensure a smooth transition from family leave for parents, particularly mothers, returning to work. These programs include flexible working arrangements, telecommuting options and employer-provided day care, all of which provide parents with more options to balance work and family life.

The topic of flexible working arrangements is not new, and is certainly not exclusively linked to parenthood. Numerous countries have been amending their legislation to enhance the options for flexible working arrangements and telework simply to keep up with the needs of the modern workplace and employees. However, several recent developments have led to the growth of flexible working arrangement mandates that are aimed specifically at accommodating employees with children.

Turkey recently (2016) introduced new flexible working arrangements for female employees after childbirth, and enhanced entitlement to flexible work arrangements for parents of preschool children. Female employees have the option to work half-time for period of up to 60 days after their first childbirth, 120 days for the second childbirth, and 180 days for the third childbirth, without compromising full-time earnings upon expiry of the maternity leave. To meet work demands during this period, employers may utilize contract workers to complement the part-time working of the employee. The employee's salary and social security insurance premiums for part-time hours worked are covered by the employer, while the remaining salary and insurance premium for the remaining off hours is covered by the government through the Unemployment Insurance Fund. In addition, parents in Turkey now have the option to work part-time with pay until the first day of the month following the date when their child enrolls in primary school. In contrast to part-time working arrangement for new mothers, the non-worked hours during this period are not covered by the employer or by social security, but they would allow for much-needed flexibility in terms of working time for parents with small children.

Similarly, a recent (2019) legislative amendments in **Germany** now entitle all employees at companies with a workforce of more than 45 to temporary part-time work lasting from one to five years. This "part-time bridge" option serves as a transition period from temporary to indefinite employment and vice versa. It allows part-time employees to switch easily to a full-time job after a period on temporary or part-time contracts of one to five years. In essence, the employee can be reinstated to their former full-time job after a period of one to five years. By the same token, full-time employees are now able to switch to temporary or part-time contracts for a period of one to five years. This option is not directly aimed at working parents, and its objective is to make the German labor market more flexible and for employees to be able to determine their working hours while maintaining a better work-life balance. However, it is especially beneficial to employees who need to reduce their working hours to take care of children or relatives.

In many instances, accommodation of a flexible working arrangement is not a requirement for employers, but it is rather a “soft-mandatory” provision of the law. This means that employers are able to reject an employee’s request for a flexible working arrangement, though they have to justify their decision.

In the **U.K.**, eligible parents and guardians may be entitled to request statutory flexible working to care for a child under the age of 17, or a child under the age of 18 who is disabled and is receiving a disability living allowance. Flexible working arrangements typically involve adjustments in the total number of hours of work, adjustments in work shifts, or adjustments in the location where the work is performed. Employers have the right to deny flexible work requests where there are sufficiently substantial business reasons for such denial. In addition, a recent government proposal would create an obligation for employers to consider if an employment position could be carried out under a flexible working arrangement. Employers would also be required to disclose whether the position can be carried out under a flexible working arrangement when advertising the position.

EU member states could soon see further enhancements with respect to flexible working arrangements for parents who are returning to work after a period of parental leave. The current Parental Leave Directive allows parents to request flexible working arrangements upon their return to work. The proposal for a new directive would retain the flexible working measures from the “old” directive, and add a third form of flexible work, namely, the ability to work from a place that is remote from the normal place of work (presumably the home of the employee). The flexible working arrangements would be available to caregivers and parents of children up to age 12. The proposal would introduce safeguards to protect the needs of small and medium-sized companies that could be disproportionately affected by a flexible working arrangement requirement.

As an alternative to efforts to ease the return to work for parents via flexible working arrangements, **India** (2017) requires large employers to create a day care facility, also known as a “crèche”, to significantly improve chances of mothers with small children returning to the workforce. Employers with 50 or more employees are required to provide a day care facility, and to allow the mother to visit the day care at least four times a day. This day care center can be shared with other employers in the vicinity.

In some cases, the flexibility in working arrangements and accommodating parenthood may be designed in an original way. In Japan, new provisions (2017) extend the childcare leave available for parents already on leave who are unable to place their child in day care. Prior to the extension, childcare leave could be taken after maternity leave until the child was 1.5 years old. However, day care centers in **Japan** only accept new children in April, meaning some parents can find themselves out of childcare leave but unable to place their child in a day care center. The optional six-month extension of the leave period allows for the childcare leave to last until the child is 2 years old, ensuring that a parent will be able to enroll their child in a day care center in April before their leave ends.

Conclusion

Global developments over the past decade show a universal effort to change conditions for working parents, making work more accessible without compromising the time needed to bond with the child. These policies, aimed at reconciling work and family life, are putting increased focus on the involvement of fathers and on reshaping of traditional working arrangements to accommodate increased demand for flexible work and alternative employment schedule options. As the country initiatives demonstrate, program designs vary considerably, minding the culture, socioeconomic status, legal climate and institutional arrangements of the country. Despite these variations, a worldwide shift is undeniably happening, and is gaining momentum.

Such dramatic shift will have implications for most employers, irrespective of whether they are directly subject to the new regulations. The new mandates will put pressure on employers to actively participate in reshaping family-related benefits to achieve greater gender balance, making them the driving force behind the change alongside governments, by directly or indirectly sharing the financial burden of more generous family leave benefits.

In addition, the global war for talent and new approaches to shapes and forms of employment that challenge traditional working arrangements are likely to push the changes beyond the new mandatory requirements. In an era of globalization, multinational employers may opt for a strategy to consolidate their global family leave policies, possibly resulting in providing benefits that reach beyond what may be mandatory in some of the countries where they operate.

Employers aware of these regulatory changes and the shift in the general perception of family benefits more readily understand the implications of governments' policies, allowing them to keep their finger on the pulse of progress in designing their strategies to attract and retain the best of talents.



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Jana is a manager of the Research and Publications department with the Multinational Benefits & HR Consulting Unit of Gallagher. She manages the production of global employee benefits information system GVISOR™ and serves as a regional specialist reporting on changes in benefits regulations and trends in the EMEA region.

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