



International
Labour
Organization

WORK AND FAMILY

Creating a family-friendly workplace

As the competition for talent is rising, companies are exploring creative ways to attract, engage and retain high potential women and men. Making the company family-friendly is an effective strategy to drive inclusion and achieve a more engaged workforce. Offering family friendly benefits at the workplace allows employees to manage their work commitments alongside family responsibilities, and helps companies to strengthen their competitive advantage. These inclusion efforts allow companies to contribute to responsible business practices and ultimately make a positive and meaningful impact on the society at large.

"Taking care of children is investing in the human capital of the next generation. And taking care of elders is an affirmation of our common humanity – a recognition that we will all be there someday."¹

Anne-Marie Slaughter
Founder & CEO,
New America Foundation



Family-friendly measures matter – to the employees and to the company

Adequate and well managed family-friendly measures can be beneficial to companies as they:

1 Improve Employee Engagement 2 Increase Retention of Women

Employees in family-friendly workplaces tend to be more engaged, less stressed and more satisfied. Reducing the stress associated with child and elder care arrangements helps companies to minimize absenteeism and boost productivity of its employees. A study shows that among companies offering flexible working arrangements in the UK, 76 per cent report that it improves staff retention, 73 per cent report that it improves staff motivation and 72 per cent report that it improves employee engagement.²

The 2014 Corporate Leadership Council report shows that workplace flexibility increased women's career aspirations by nearly 30 per cent, challenging the assumption that women lower their career ambitions once they have families. Flexible work options also improved retention of women by as much as 40 per cent, according to the report.³ Moreover, family-friendly workplaces that encourage the involvement of fathers in the household positively impact on the ability of women to manage work and family pressures.

3 Reduce Operation Costs 4 Decrease Gender Pay Gap

While family-friendly measures such as flexible working programmes may have initial costs, they can actually result in cost savings for the company in the form of reduced facility costs, increased productivity and reduced turnover expenses. A US study estimates that a company's operating cost can be reduced by more than 10,000 USD per year for every person who telecommutes half-time.⁴

Offering parental leave to both men and women can help companies to reduce maternity-related discrimination and narrow the gender pay gap. In Denmark, where a year of paid parental leave is on offer and an entitlement to childcare is provided at the end of the parental leave period, there is relatively low gender pay gap and high female employment rate.⁵

Balancing work and family is perceived as a significant barrier to women's leadership



Top barrier to women's leadership: According to a recent ILO survey of 1,300 private sector companies in 39 developing countries, women's family responsibilities was ranked as the number one barrier to women's leadership.⁶



Family responsibilities fall disproportionately on women, especially in developing countries: A multi-country study found that the mean time spent on unpaid work by women is more than twice that spent by men, with unpaid care work done by women in India and other low-income settings being 10 times greater than that done by men.⁷



Lack of structural support for working family members: The lack of state assistance for childcare expenses and the 50+ hour workweek were two of the most-cited reasons American women left full-time employment.⁸



The “double burden” of managing work and family responsibilities and the “anytime, anywhere” work lifestyle limit women’s advancement: According to a McKinsey survey in Latin America, 52 per cent of women said that seeking more time with their families was the main reason why they voluntarily left their employment in midcareer or even when they had reached senior levels.⁹



Societal norms contribute to the “leaky pipeline” phenomenon: A state-run agency survey in Korea revealed pregnancy and childbirth as leading causes for why young women leave their careers. Societal norms that expect women to take sole responsibility for family and household duties make it difficult for young mothers to remain in the workforce.¹⁰



Increasing family responsibilities for men: In the U.S., the level of work-life conflict has risen more steeply for men, from 34 per cent in 1977 to 49 per cent in 2008, as compared to that of women, from 34 per cent in 1977 to 43 per cent in 2008, pointing to the rise of dual-earner families.¹¹

What can companies do?

CREATE A FAMILY-FRIENDLY CULTURE

An environment that supports employee’s family life improves employee engagement and productivity, and in turn contributes to commercial gains for the company. Research shows that engaged employees generate up to 43 per cent higher revenue as compared to disengaged employees and companies with highly engaged employees have the potential to improve performance by 20 per cent.¹²

Management and peers who support family-friendly programmes and a corporate culture that values family life are important in creating a family-friendly workplace.

To encourage family-friendly workplaces in Slovenia, the Ministry of Labour, Family and Social Affairs has backed a family-friendly enterprise certification programme since 2007. The certification focuses on employer practices that support work-family reconciliation. Some companies are offering flexible working options, additional leave days, childcare support and stress relief programmes. All certified companies show positive results, in terms of enhanced company reputation, reduced turnover and absenteeism, improved productivity and higher employee engagement. Ales Kranjc Kuslan, director of implementing partner Ekvilib Institute notes that “top management start to think of employees as partners and a long term investment, rather than just a cost.” Over 130 companies employing around 50,000 workers have been certified under this scheme.¹³

OFFER FLEXIBLE WORKING ARRANGEMENTS

Workplace flexibility is becoming increasingly important for companies to attract, retain and develop its talent. Working options such as flexible working hours (when possible), telecommuting, job sharing, compressed work week and flexible working locations allow employees to restructure their work in a manner that can contribute to their family's wellbeing. A 2013 Corporate Executive Board (CEB) global labour market survey found that the intent of women leaders to stay increases nearly three times when they are satisfied with workplace flexibility.¹⁴ However, flexible working options remain underused by women especially in higher positions.



Perceptions like “flexible workers are not promoted” and “the team will think I am not committed if I am absent” prevent flexible work policies from being used by the workforce. To successfully implement a flexible working policy, companies should encourage managers and senior leaders to support their teams, both men and women, in finding creative ways of doing their jobs and to highlight success stories of employees to reinforce culture change.

Westpac, a leading Australian bank and financial provider, aims to attract and retain talent by offering flexible working options and innovative policies and programmes that cater to employees with family responsibilities. It provides employees with flexible working options such as job-sharing, telecommuting, career breaks for up to twelve months, purchased leave for up to eight weeks, part-time employment, working from home and condensed hours. These options are attractive to its employees (both men and women) and have become key considerations for jobseekers. The success of the flexible working programme at Westpac is evident from the high take-up rates with about 43 per cent of respondents (48 per cent of women) having utilised one of Westpac's flexible working options.¹⁵

SUPPORT CHILDCARE

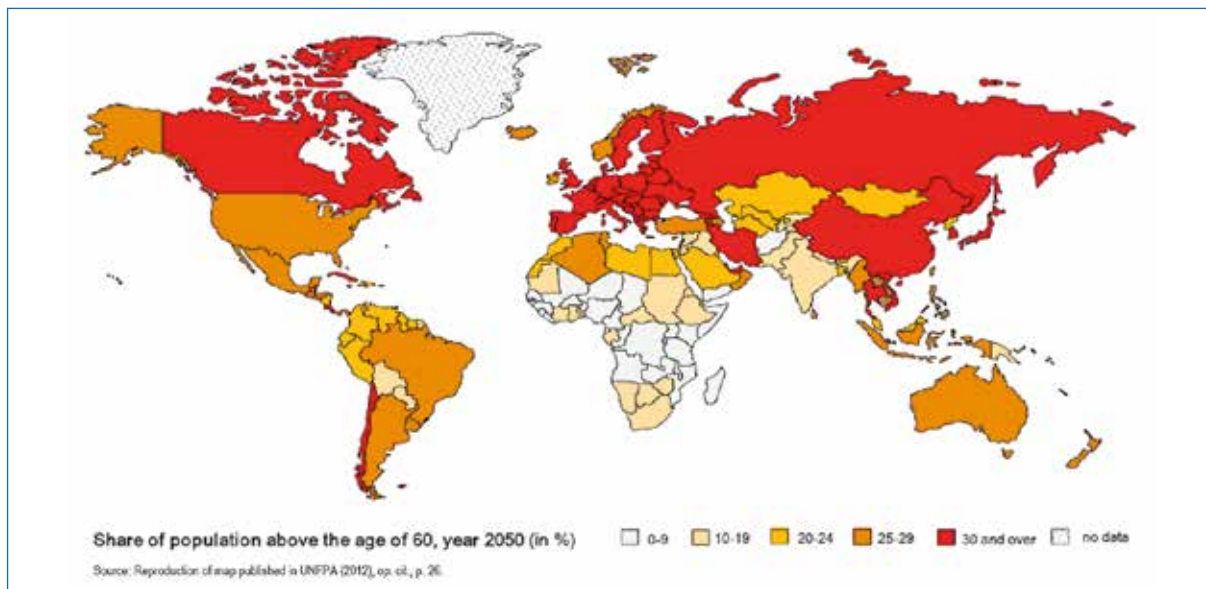
Childcare is an enormous challenge for working parents everywhere, especially in countries where there is little public provision. Lack of affordable quality care is one of the primary reasons why women, more than men, drop out of the workforce. Taking a longer view, companies can make a positive difference by providing childcare assistance. For example, on-site childcare services, subsidies for childcare, disability support for dependents and other medical benefits are some ways in which companies can assist employees in balancing their responsibilities. A cost-benefit study at the Union Bank in Pasadena, California, showed the institution's on-site day-care program saved \$138,000 to \$232,000 in annual operations costs, due to the reduction in both turnover and absenteeism.¹⁶

Another low-cost support that companies can offer employees is information about and referrals to childcare services. Companies can also choose to partner with other companies or employees to share expenses related to childcare. These measures allow employees, particularly women, to stay engaged and productive in the workplace while managing their caregiving responsibilities effectively.

Nissan, a leading Japanese motor company, has introduced a number of family-friendly measures to improve representation of women in managerial positions. The company has established an on-site day care centre, implemented a work-from-home policy and introduced a fixed number of work-at-home days per month for parents who may need to stay home to take care of a sick child. These efforts have contributed to the increase in the percentage of female managers at Nissan from 1.6 per cent in 2004 to 7.1 per cent in 2014. Nissan aims to increase the percentage of women managers to 10 per cent by 2017.¹⁷

PROVIDE ELDERCARE

More than at any other time in history, the world's population is living longer. The map below illustrates the projected shares of populations over sixty in 2050. In absolute terms ageing is a sign of progress and a reason to rejoice; many of today's senior citizens remain engaged, mobile and they are often active as caregivers as well. But ageing populations bring about new inter-generational relationships that are also challenging employees and companies.



Today, an increasing proportion of employees are faced with eldercare responsibilities. In the UK, one in nine people in the workforce combine paid work with unpaid care for an older, ill or disabled person.¹⁸

While more women than men are caregivers today, there is an increase in the number of male caregivers. In the US, it is estimated that men make up nearly 40 per cent of family care providers, up from 19 per cent in 1996. Just as active fatherhood became more acceptable in the baby-boom generation, so has the caregiving role for many sons as their parent's age today. Smaller families and more women working full-time have contributed to this shift.¹⁹

With an increasing ageing population, supporting employees with eldercare responsibilities is becoming important for employers in maintaining an engaged and productive workforces. According to MetLife estimates, failing to support workers with eldercare responsibilities can cost companies as much as \$34 billion a year in lost productivity, absenteeism, disengagement, turnover and increased health-care costs.²⁰ Companies can offer not only flexibility, but also benefits such as information about eldercare services, geriatric assessments, workplace support groups, legal and administrative assistance and time-off for medical appointments.

"It behoves all serious-minded employers today to recognize that a significant proportion of their employees may be caregivers. If the informal caring network were to disappear, it would be a catastrophe for the country."²¹

Jack Watters
Vice-President of External and Medical Affairs, Pfizer, US



Creates Images

IMPLEMENT STATUTORY AND NON STATUTORY LEAVE PACKAGES



The biggest beneficiaries of all this diaper-changing by fathers, perhaps, are mothers. The Institute for Labour Market Policy Evaluation in Sweden found that a mother's future earnings increased an average of 7 per cent for every month of leave the father took.²³

Family-friendly companies recognise that caring for children or parents or both can be stressful, financially as well as emotionally, and that employees need time to manage all the details and

decisions related to caregiving. Adequate leave options such as maternity and paternity leave, adoption leave, parental leave, extended leave of absence – some of which are mandated by law – can allow employees to care for their loved ones. Moreover, encouraging men to take parental leave helps reduce maternity related discrimination against women in the workplace and allows women to manage work and family duties. However, take up rates for leave continue to remain low among employees for fear of discrimination. Some studies show that men and women who take time off work are seen as less committed to their jobs resulting in lower wages or demotions.²² To help reduce the stigma associated with taking leave, companies could set meaningful precedents for other employees by encouraging managers (both men and women) to actually use their leave.

At Infosys India, the non-statutory 1 year childcare sabbatical and part time policy have helped women balance their childcare priorities. As a result, 89 per cent of the women employees have returned from maternity leave.²⁴

THE ILO AND WORKERS WITH FAMILY RESPONSIBILITIES

The **Workers with Family Responsibilities Convention (No. 156)** was adopted by the ILO in 1981 with a view of “creating effective equality of opportunity and treatment for men and women workers”. The Convention seeks to promote policies to reduce work–family conflict and combat discrimination resulting from family responsibilities.

THE CONVENTION CALLS FOR MEASURES TO:

- **Prohibit discrimination in employment against workers with family responsibilities.**
- **Support terms and conditions of employment allowing for work-family balance**
- **Develop or promote family friendly facilities such as child-care and other services.**
- **Provide training to allow workers with family responsibilities to become and remain integrated in the workforce, as well as to re-enter after an absence due to those responsibilities.**

ENDNOTES

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