



International
Labour
Organization

Maternity protection in SMEs

An international review

Introduction and overview

1. The report *Maternity protection in SMEs: An international review*¹ is an international literature review that evaluates the current state of knowledge about maternity protection in small and medium-sized enterprises (SMEs) and its outcomes. The objective is to understand whether, how and under what conditions, maternity protection in SMEs can generate positive outcomes for enterprises as well as broader society, and to consider implications for policy and practice.

2. Women, along with workers from ethnic minorities, migrant workers and both older and younger workers, are disproportionally found in SMEs. Maternity protection and family responsibilities are, therefore, a key concern for both women workers and their

employers. Maternity protection is often perceived as a burden by small business owners. In some countries, the law provides that employers should shoulder maternity leave cash benefits, while, in others, regulations exempt employers in SMEs from applying maternity protection provisions. The perception that maternity and family responsibilities are costly for business is also reinforced by the cultural assumption that “ideal workers” are available for work all the time, and that women’s commitment to work declines when they are pregnant or become mothers.

3. The aim of maternity protection is to protect the health of mothers and their babies, and to minimize (and ultimately eradicate) the difficulties and disadvantages that working women face as a result of giving birth. According to the ILO Maternity Protection Convention, 2000

(No. 183) and the accompanying Maternity Protection Recommendation, 2000 (No. 191), the ILO Workers with Family Responsibilities Convention, 1981 (No.156) and the related Recommendation No. 165, maternity protection includes: maternity leave around childbirth; health protection at work for pregnant and breastfeeding women; cash and medical benefits; employment protection and non-discrimination; and breastfeeding support after returning to work. It also includes a number of work-family balance policies and practices at the workplace, including a range of flexible working arrangements; paternity and parental leave; and child-care support.

4. This review covers four issues: (i) the perceived cost and benefits of maternity provisions for SMEs; (ii) links between maternity protection measures in SMEs, as part of family-oriented practices, and enterprise-level outcomes; (iii) breastfeeding and child-care support at work; and (iv) evidence of the wider benefits to society in having effective maternity protection, which can also have indirect benefits for SMEs.

5. The report shows that there is some evidence of certain links between aspects of effective and accessible maternity protection and positive enterprise-level outcomes. These include retention of valued staff and reduced recruitment costs, mitigated absenteeism, enhanced organizational commitment and staff motivation, improved relations among employees, and various indices of performance and productivity. The latter include assessments of quality and development of products and services, customer/client satisfaction and increased sales. There are also indications of positive social outcomes, including enhanced gender equality, child and maternal health, and sustained birth rates in countries with ageing populations.

6. The review reveals that research concerning maternity protection in SMEs is very limited, and research that focuses on the link between maternity protection practices and enterprise-level outcomes is even more so. Moreover, most of the literature is derived from developed countries. The outcomes of maternity provision in SMEs is a subject yet to reach research agendas in the developing world, where large numbers of women work in the informal economy, and where there are problems enforcing maternity protection for those with formal jobs. This is a major gap, as maternity protection and advances in gender equality are crucial for economic development. Moreover, limited access to maternity protection is also a growing issue in developed countries, with increasing casualization of employment relations and growing evidence of pregnancy and maternity-related discrimination, especially in the context of economic downturns.

Findings

7. Perceived versus the actual cost of maternity provisions for SMEs and the role of social security and targeted supportive measures

SME (owner-) managers are often resistant to maternity protection regulations, fearing that the time and costs involved will lead to competitive disadvantage. However, the actual costs and benefits are quantified very rarely. The reviewed literature suggests that, although maternity-related leave may entail costs for SMEs, especially in labour-intensive sectors, actual costs can be less than anticipated. Regulation that does not mandate employers shouldering the full cost of maternity leave cash benefits, and which provides support to enable SMEs to manage any disruptions or

potential costs, is fundamental for maximizing the benefits. Paid leave, funded by compulsory social insurance or public funds, is important in this respect and can encourage SMEs to find effective ways to manage maternity leave. For example, SME employers expressed particular reservations about the costs of new maternity regulations in Australia and in the state of California in the United States, yet the majority of employers, who were surveyed some years after experiencing the legislation's implementation in both contexts, reported benefits to business. Moreover, some aspects of maternity protection provisions, such as breastfeeding support, have little or no cost.

There is emerging evidence that uncoded workplace arrangements, and measures and procedures to manage maternity absences and the return to work, which are typically found in SMEs, can lead to and sustain positive enterprise-level outcomes. The feasibility and outcomes of these arrangements may depend on small business employers' management skills in terms of planning a solution ahead of time, harnessing the knowledge of the pregnant employee, and devising innovative work arrangements. However, there is often limited support available to encourage such practices and skills in small businesses. Furthermore, research shows that (owner-) managers are more likely to perceive the potential positive link between maternity protection and enterprise-level outcomes in workplaces that employ women who hold senior roles, as well as in female-dominated sectors.

8. *Links between maternity protection and positive firm-level outcomes*

Evidence from Australia, Europe, Japan and North America shows that, when enhanced maternity protection is accompanied by the

provision of other family-related leave or family-friendly arrangements or practices, notably flexible arrangements upon return to work, this can lead to a range of positive outcomes. These include enhanced employee satisfaction and commitment, which are associated with improvements in performance and productivity, particularly when policies are supported by a family-friendly workplace culture. There is no evidence from these studies that this type of support is detrimental to small firms.

9. *Breastfeeding and child-care support at work*

Breastfeeding is a good example of a maternity protection provision that constitutes a “win-win scenario” for both employer and employee. There is both a business and a social case for SMEs to provide breastfeeding support. SMEs can benefit directly through increased staff retention and enhanced staff commitment, and indirectly, as is evident from the well-documented advantages to the health of women and children due to breastfeeding support in the workplace. Breastfeeding provision appears to be particularly suited to smaller firms, as it usually involves little or no cost. The same applies to some forms of low-cost child-care support, such as dedicating specific office space where children can do their homework or other activities.

10. *Wider societal benefits of effective maternity protection*

Maternity protection, together with a family-supportive culture and practices in SMEs, can contribute to social outcomes such as poverty reduction, reproductive health, gender equality, fertility rates (a concern in high-income,

ageing societies) and economic development. All these outcomes are valuable in their own right, and some of the evidence reviewed shows this can ultimately translate into positive outcomes for enterprises through, for example, reduced absence on sick leave and enhanced human capital. The uncoded practices of smaller firms may enable them to provide supportive employment opportunities for pregnant women and new mothers that may not be easily available elsewhere, thus sustaining women's income security and ability to contribute to their families' well-being. Such jobs are not necessarily always of high quality and may perpetuate inequalities. Nevertheless, not all supportive jobs for pregnant women in SMEs are of low quality and there is some indication in the reviewed literature that, with respect to maternity protection, some women could be less disadvantaged in SMEs than in larger enterprises. This is due to the fact that in smaller enterprises a woman's ability is more likely to be assessed within the context of personal relationships as opposed to prejudiced views about her returning from maternity leave.

11. Support for fathers' role in parenting

Adequate maternity protection is not just about women. Paternal involvement in parenting is also crucial for gender equality and related positive outcomes, and evidence also suggests that men who take parental leave enjoy better health, and this results in reduced sick leave and absenteeism, again benefiting enterprises. The limited evidence concerning the relationship between enterprise size and father friendliness is mixed and appears to vary according to national context. For example, studies in Australia and the United Kingdom found more policy support for fa-

thers in larger companies than in SMEs. Yet in Sweden, where the level of regulatory and normative support for active fathering is high, research found no significant differences in father-friendly policies associated with the size of the enterprise. Formal policy may not tell the full story, however. Japanese research found more formal father-friendly policies in large companies, but, in practice, enterprises, which accommodated parental needs and job autonomy, increased the child-care involvement of fathers in medium/small firms, while work-related stress reduced such involvement among men in large firms. In Japanese SMEs, younger fathers with less time pressures at work were most likely to conciliate work with fathering.

12. Processes by which effective maternity protection generates positive outcomes for SMEs

Where maternity protection policies lead to positive enterprise-level outcomes, this appears to be through the process of economic, social and/or knowledge exchange. Economic exchange implies that SMEs can compensate for limited resources and lower wages by offering informal support to pregnant women and new parents. Nonetheless, this can perpetuate gender wage gaps. The social exchange view of the process involved shows that SME employees, who perceive their employer as being supportive of maternity and parenthood, tend to report enhanced satisfaction, loyalty and motivation, and reciprocate by positive work behaviour. Exchange of knowledge is evident from examples of small firms' literature in which innovative solutions to maternity protection issues, such as the flexible management of leave and other maternity-related absences, are found. Learning from these experiences can enhance the

development of capably managing other issues, such as sickness absence, without loss of productivity. An important indicator of a supportive culture is dialogue between pregnant employees and their employers, which encourages mutual give and take and realistic expectations, although it is also important to maintain the employee's right to confidentiality. Dialogue helps build trust and to identify productive strategies for managing maternity efficiently. Another important condition is functional flexibility within enterprises, namely the ability to transfer employees to different roles and functions within the firm. This can be achieved by multi-skilling and job rotation. (Owner-) managers' willingness to question "taken-for-granted" ways of working that require constant availability, and to learn from experiences of managing maternity, is a prerequisite for developing practices that can benefit businesses and employees. Targeted information and support for SMEs, whether provided by local or national government or other institutions, encourages the development of these workplace conditions.

It is, however, difficult to identify the conditions for effective maternity protection in developing countries due to a lack of available research in this context. There is some limited survey evidence that good maternity protection is feasible in SMEs in some developing countries. This tends to be implemented as part of wider social/employment initiatives, such as corporate social responsibility (CSR) or work-life balance programmes, rather than specific focus on maternity.

13. Social incentives and barriers

There are also social incentives to support reproduction and families; these can encourage experimentation and learning about less ob-

vious positive outcomes. They can stem from an individual (owner-) manager's belief about "the right thing to do", or, in some contexts, may be normatively acceptable employer behaviour. On the other hand, gendered societal assumptions about women's and men's roles, and stereotypical views about the capabilities and reliability of pregnant workers and new mothers can all contribute to (owner-) managers' reluctance to provide good maternity protection. The manifestation of culturally-informed gendered assumptions, including taboos relating to women's bodies, creates particular obstacles to effective maternity protection in many developing countries, thus depriving SMEs of access to a valuable workforce.

Implications and recommendations

14. This review highlights the importance of a multi-pronged strategy to create favourable conditions for effective maternity protection in SMEs. Policy-makers need to consider how best to balance the enforcement of regulations with incentives and support that take into account the specific circumstances of diverse SMEs in varied contexts. Some financial compensation and support may be necessary for very small firms and for pregnant self-employed (owner-) managers. For example, financial support could be available if workplace risk assessments require suspension on full pay of pregnant workers due to health and safety concerns, and for the cost of recruiting and training a new member of staff. In such cases, financial support would reduce the fear of associated productivity losses, and could lay the foundations for encouraging strategic planning and innovations that could

sustain SMEs and enable some productivity gains. State providers could help small businesses manage costs too, for example, by a speedy way of managing cash-flow problems that could emerge from maternity pay, and that are only later reclaimed from the State or social insurance, by simplifying administrative procedures. Other incentives and support include targeted information and awareness raising about good practices that sustain or enhance the firm, together with practical advice to employers dealing with specific issues as they arise, such as replacement of employees while on leave, managing the return to work after maternity leave, or how to negotiate innovative working practices with new parents and their work teams. It is important that this information highlights the potential productivity benefits.

15. There is an urgent need for policy-makers to address fundamental economic and cultural conditions that stand in the way of translating maternity protection into practice in SMEs in developing countries. Change initiatives and interventions in some developing contexts may need to go beyond the workplace to address deeply held convictions about women and men and their reproductive and economic roles in the wider society. A multi-pronged approach is needed, involving strategies adopted at state, market, community and family levels to combat gender inequality and ultimately support SMEs and wider economies. Basic research is needed to examine the feasibility of maternity protection in SMEs, evaluate outcomes and identify change strategies – none of which appears to be on research agendas in these contexts at present. A large proportion of women, especially but not uniquely in developing countries, work in informal labour markets. Strategies are needed to identify no- or low-cost ways of supporting pregnant women and

new mothers who work informally. Strategies are also needed to promote informal labour in SMEs having access to maternity-related social security guarantees and benefits, as a way to progressively promote transition to formalization of SMEs and their workers. Targeted support through tax revenue subsidies and incentives to SMEs is also needed.

16. Given the importance of the business case as an incentive to SME employers to develop effective and accessible maternity-related practices, more and better research is needed to build an evidence base for this argument. There is a need for future longitudinal research, using both objective outcome measures and providing in-depth qualitative insight on processes and strategies, to provide guidance and support for SMEs. Research is needed across the spectrum of developed to developing countries to encourage multiple stakeholders (workers, owners, managers, umbrella groups of SMEs, NGOs and policy-makers) to think creatively about ways to support SMEs in managing maternity protection, and to achieve, at least, enterprise sustainability, as well as potentially increasing productivity.

Conclusions

17. In conclusion, this review indicates that maternity protection is feasible in SMEs and can have a range of positive productivity-related outcomes for firms, as well as wider social benefits. Many practices to support pregnant workers and new parents involve little or no costs. Often these practices are easier to implement through SMEs' workplace practices rather than in larger firms. Even measures that involve some costs can often be offset by enhanced productivity. Including SMEs in

the coverage of maternity protection regulation and related enforcement is important, but SMEs also need targeted support to take into account their specific circumstances. Further research is needed to build more evidence of the feasibility and benefits of effective maternity protection in SMEs. This is especially the

case in countries where there is a dearth of attention to this issue, and where the prevalence of low-skilled, informal labour undermines the business case. It may be necessary to identify different, targeted support for SME employers to take account of specific conditions within this context.

Note

- ¹ ILO: *Maternity protection in SMEs: An international review* (Geneva, 2014). Available at: www.ilo.org/maternityprotection.



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