

Daddy's home: Fathers and the paternity leave dilemma ^[1]

Generous paid paternity leave has arrived in Ireland but, while interest is rising, it won't revolutionise family life any time soon

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EXCERPTS

This year, we saw three multinational firms introduce significant paid paternity leave. Diageo led the charge, announcing 26 weeks fully-paid in May, followed last month by Hewlett Packard Enterprise and Vodafone declaring their intent to offer six months and 16 weeks respectively.

The announcements, unsurprisingly, garnered much attention, and the companies were lauded for their progressive and inclusive policies.

Diageo employee Jim Gallagher (37) is one of the dads who will benefit from the paid leave. He works on the European central leadership team. His third child, daughter Juliette, was born in October, joining big sister, Isabelle (5) and brother, Max (2). Gallagher and his wife Grainne, a teacher, were expecting Juliette when the new policy was announced. He will go on leave from April until September, overlapping somewhat with Grainne's maternity leave.

"I was delighted, more stunned because it was so ground-breaking. I came out of a meeting and I read the email announcing it and I thought I must be reading it wrong."

When his first child was born, Gallagher had just started a new job (not with Diageo) and felt unable to take much time. He took two weeks when the second came, and in both instances he felt the time was too short, hence he is jumping at the opportunity.

"I have never had a break like this before where I can go and spend time with my family and step outside of the day-to-day," he says. "All I can say is that I have enormous gratitude to and respect for Diageo. It is a big, bold decision for them to make. I feel really lucky that I have had the opportunity to benefit from it. And it still seems surreal. I don't know how to fully express my appreciation other than it is going to be really amazing to spend six months with my kids at this time in our lives. My wife Grainne is thrilled - it is pretty full on at the moment with the three of them and just having this on the horizon for us is amazing."

Sandra Caffrey, HR director at Diageo Ireland, says that the response has been overwhelmingly positive.

"We have had a number of applications across the business, in excess of 10 men applied for the leave. We are also seeing a trend that the men are taking the latter part of the baby's first year. We already have evidence of males at director-level applying across Europe. The first person to apply, and he is on paid paternity leave, is at director level.

"In Ireland, what we have seen is very senior employees apply and that has set the tone. So we are seeing it at all levels of the business: senior management, middle management and below."

No doubt, the policy will have the desired effect in Diageo, promoting diversity and inclusivity - the leave is applicable to any parent regardless of how the baby came to the family - and providing the opportunity for equal division of labour between parents at home. It will also improve staff retention and signals Diageo as an attractive place to work. But does it mean anything for the average Joe Soap, or more importantly Josephine Soap, who is currently carrying the can when it comes to juggling career and parenthood.

Paid paternity leave hit the headlines in a big way earlier this year when a group of Wall Street dads won a \$5m settlement from JP Morgan Chase. The fathers sued for discrimination, claiming the bank denied fathers equal access to parental leave.

Equal access

The settlement follows a 2017 case taken against the company by the American Civil Liberties Union on behalf of employee Derek Rotondo, who claimed he was told that he couldn't be his child's primary caregiver because he was a man, and was thus not entitled to the company's 16-week-paid leave. The bank argued that the company's policies were gender neutral but were incorrectly applied.

In this light, it makes sense that the big, traditional corporations would future-proof against such litigation. Equal access to parental leave has been a feature of tech companies for a while, and where Silicon Valley goes, the rest seem to follow.

Further to this, we are in the midst of a serious skills shortage. Jane Gormley is director of Employer Engagement with Code Institute, a European SaaS (software as a service) business addressing the global tech skills gap. She has spent the last eight years as a director in

agency recruitment across multiple skilled sectors and when asked what she believed was behind such generous policies, she says: "Attraction and retention of staff. Undoubtedly. There is a 'talent famine' across all sectors, with more jobs than people available within the skilled sectors.

"The cost of finding and retaining talent is greater than providing these benefits. Statistically speaking, a female employee who receives full maternity benefit remains with the company for nine years. We don't have stats on men yet. Investment in retention and upskilling for strong workforces is a huge priority right now for future-proofing businesses."

And has she seen a demand for paternity leave?

"Millennials have higher expectations of what an employer could and should provide. This typically leads to more confidence and comfort in asking for benefits and conditions that older generations don't. That said, I have never had a male employee ask for this benefit.

"But I do think that if dads have it available, they'll mostly take it. It has certainly elevated a firm's brand and cultural identity as being a supportive, inclusive employer. It has also raised their profile within a very loud recruitment market. This certainly helps.

"The difficulty, however, that it raises is that large multinationals, with deep, deep pockets have a huge advantage here. There is an unfairness around their ability to dominate the recruitment market with such lucrative benefits that the SME sector probably can't afford. Don't forget, 90pc of Irish businesses are micro-businesses [one to nine employees], and [in total] employ more than 400,000 people."

The forty-something owner of a medium-sized technology company, who does not wish to be named, backs up Gormley's point.

Perception and money

He would like to be able to offer paid paternity and maternity leave to his 80 employees, but he just cannot afford it. Money aside, leave causes disruption that has a greater impact in smaller companies than in large multinationals.

"As an employer, somebody leaves, you have to try and fill a gap and you are never quite certain who is going to come back. Everyone takes maternity leave even if they think they are not going to come back. It would be great for the company to know that and hire someone new in and train them up."

And how would he view someone who availed of extended paternity leave?

"You could probably pick out your members of staff who would like to do that, and who wouldn't. If you are all part of a company and you are trying to do something and some guy takes two months off and they don't have to... speaking honestly, people who take the parental leave don't tend to be in the top 10pc of performers."

Which brings us to two crucial points: perception and money.

According to Johanna Fullerton, Director of business psychology firm SEVEN, significant take up of paternity leave will only happen when the ethos of the company, as with Diageo, promotes it.

"Organisational culture and biases are a huge influencing factor on uptake of leave. Progressive policies matched with proactive role modelling from senior fathers is essential. We only need to look at the progress that has been made by the technology sector in this space - we now have gender-neutral parental leave where both parents are taking the time they need in the first year."

And the money?

"In our experience this is really an individual journey. While traditionally it is assumed that it is the mother who needs to consider their work options as a parent, we are finding that this is now a much more gender-neutral topic. The question that arises is the extent to which each are home-centred, career-centred or a mix of both. Answering this question in addition to the financial considerations of a household (ie, who is the main breadwinner) usually points to the appropriate decisions regarding leave, co-parenting and flexible work rhythms."

But given that in most Irish households, the biggest earner is still the man, is parenting, in particular being the primary carer, in reality, becoming a more gender-neutral topic?

Charles, in his mid 40s, is a father-of-two, the youngest of whom is still a toddler. He earns more than twice the salary of his wife, three times in a good year. He works in a large multinational in the technology sector, and works in sales. He earns 50pc of his salary on commission. For him, for this reason, extended paternity leave as offered by the three aforementioned companies would not be an option, paid or otherwise.

"I think it comes down to money," he says. "And every couple will look at the combined income coming into the house and if either is earning a whole lot more than the other, then a lot of couples make the decision that the bigger earner is the career to back. If that person then goes to their employer and asks for four months off, then that career might be a different story when he or she goes back after the leave. If the mother is making a lot more than the father, then that is the career to back. Paternity leave of four months might make sense there as she might be able to go back after maternity leave a bit sooner than otherwise."

So even if your salary was guaranteed for the four months?

"I wouldn't take it because it would be career-affecting and it would not only impact on my salary for that year, but for subsequent years as well because I would probably come back to a different role. This would have a negative effect on my family. There is no doubt about that. They would be moving you on from the top accounts to less priority accounts.

"Things change rapidly when you are out of a rhythm and four months is a long time. I think the most you will get anyone to do, anyone who is in a customer-facing role, or a role with a variable income, or is in any way senior, is two weeks, a month tops. A month is just about long enough before change kicks in."

And Charles believes that it is not just career reasons that would deter men from taking the leave: "I don't think that men are conditioned for it in the first 12 months. I would love to think I have the touch but the reality is, and I am just fresh out of it, they always want their mother."

"I reckon that it would hit men a lot harder than women, the isolation of being at home with small kids to look after. I think my confidence would be impacted, and my ability to go back and hit the ground running after a long break."

Data supports Charles' opinion. The ISSP (International Social Survey Programme), last looked at perception of parenting and gender roles in 2012 and found that overwhelmingly, both men and women believed that the majority of parental leave should be taken by women. This saw little change from the previous report in 2002 (the survey will be conducted again in 2022).

Around the same time, the Organisation for Economic Co-operation and Development (OECD) did a review of all the studies available from member countries relating to maternity leave and its effect on the economy and women's careers. They concluded that rather than enhancing a woman's career, generous maternity leave had the opposite effect.

While it got women back into the workplace, it significantly affected their earnings. Taking a year out per child caused what economists refer to as 'human capital depreciation'. Skills got rusty and work-social networks loosened and incomes, as a result, took a hit. The report concluded that "[Women] who make full use of their maternity or parental leave entitlements receive, on average, lower wages in the years following their resumption of work than those who return before leave expires."

The effect can continue for years after leave takers return to their jobs and "can permanently damage ability to achieve their labour market potential." More recent, less comprehensive surveys confirm the OECD findings.

Furthermore, women in Nordic countries, where the leave is most generous, are actually less likely to reach career heights than women in the US, where there is no statutory leave. There is even a term for it - the Nordic Glass Ceiling. (The one exception is in politics where quotas have meant legislatures and ministries have close to equal numbers of women as men.) The US has a higher proportion of female managers at all levels than northern European countries. American female executives and professionals earn closer to their male peers than Swedish, Finnish, Norwegian and Danish women.

Even closer to home, in the UK, a group of women came together to create Pregnant Then Screwed, a lobby and support group for women who were discriminated against whilst pregnant, on maternity leave, or returning from maternity leave.

They have a manifesto that includes requiring businesses to publish their parental policies, shared parental leave, and reimbursing smaller businesses 130pc of maternity costs and all businesses 110pc as they believe that it is through financial incentives that businesses will become more equal.

This is something that would be welcomed by Sven Spollen-Behrens of the SFA (Small Firms Association). His members have been struggling with the burdens imposed by parental leave and the introduction of two weeks of statutory paternity leave in 2016. Since November 1, both parents are entitled to an additional two weeks with statutory pay.

Cost pressures

"We have to be mindful of the fact that small businesses don't have HR departments unlike bigger businesses or multinationals. To administer the various new family leave schemes on top of the existing ones means small businesses have an additional administrative burden to deal with on a daily basis."

"It is the additionality of the various family leave schemes that have a negative impact on small businesses - the two weeks of extra leave come on top of the additional parental leave that was introduced in September (parental leave was increased from 18 weeks to 22 weeks and will go up again in 2020 to 26 weeks).

"The recruitment cost of temporary staff and the cost of training are significant and add to the cost pressures of small businesses in times of full employment."

"It would help if Government were more mindful of the impact that new legislation has on small businesses. There should be a real 'SME test' when new legislation is being introduced. At the moment it feels like death by a thousand cuts..."

The Government, much as they like to signal themselves as being on the side of families, have little choice in implementing these policies, which are mandated by EU directive, and of which the most significant was the introduction of two weeks of statutory paternity leave in 2016. And what has been the uptake?

Dr Stephan Köppe, assistant professor of Social Policy at UCD, says that the most recent figures indicate that it is currently at 42pc. And while that is half the uptake of say, Sweden, Dr Köppe is optimistic.

"We have to see it as a starting point from an Irish perspective," he says. "Ireland is really the big laggard in all these policies. I am still critical about how it is structured and how it creates occupational inequalities, by social class and educational background, but it is a starting point. Overall, the initial uptake is a success."

How would we improve that rate, and get closer to the uptake in Northern Europe?

"Where we see higher take up is where we see more flexibility. You take, say, only five days instead of two weeks. And that is where the Irish legislation doesn't show flexibility. In Sweden, which is always portrayed as the first country to have these kind of schemes, you can take it on a daily basis. You can take it however it suits your family's circumstance and then fathers are more likely to take it."

Even if all fathers took the leave, how does that improve equality? Two weeks is, at best, putting fathers into a supportive role, as opposed to that of primary carer?

"And you are fully right in that. It is a short period, but the good thing about the short period is that because it is so short, it enables the initial cultural change and it becomes more normalised, and from that on you extend it."

"Eventually you might see it like we have in Denmark, where we see parental leave that can be shared."

However, countries that offer shared leave - Poland, the Czech Republic and Austria, see a take up of just 3pc.

Uptake improves in countries that offer 'Daddy Quota', time that is specifically designated for the father. If he doesn't use it, the family loses it. Countries that offer this include Germany, Iceland, Norway and Sweden. Germany, where Dr Köppe is from, introduced the quota in 2007. In five years, the proportion of fathers taking leave shot from 8pc to 32pc.

"All my closest friends in Germany take two months. It is far from equal sharing but it already has an effect and we wait to see how that changes the perception of fatherhood over the long term so that we come to a more equal sharing role."

"I think it is a long journey, even in the countries where you have relatively generous policies. Once you have the 'daddy quotas' you see even with in that there are inequalities. It is the highly educated and those with more stable jobs that take it otherwise they risk losing their employment if they are too long off."

Back to Jim Gallagher. Possibly the first man in Ireland to avail of lengthy paid paternity leave.

Is he at all worried about the effect that six months' absence might have on his career?

"There is an impact, there is definitely an impact. There is a little moment that you think to yourself, maybe, it is a big thing to do but the positives are enormous. The company has been good enough to provide such an incredible thing, I think you have to take it on good faith."

"There is only so much I can say, as I don't know what the future holds but I do know that I will never have this moment again, for me to be able to leave work for six months and be on full paternity leave," he says.

"I don't want to sound twee but I think it is something really lovely to be able to spend six months just being Daddy to Max and my two girls. I could end up going mad but I don't think I will. I am really excited about it."

Paternity leave in numbers

2 - the number of weeks of paid leave a father is entitled to on the birth of their child

4 - the total amount of weeks of paid leave a father is entitled to, since the introduction of an additional two weeks' paid parental leave on November 1

€245 - the amount of statutory pay per week

37% - the number of private companies that provide a top up, mostly to 100pc. All public employees are topped up to 100pc

42% - of eligible fathers have taken up paternity leave

25,000 - the estimated number of fathers who benefit annually from the scheme

Region: Europe ^[3]

Tags: maternity and parental leave ^[4]

policy ^[5]

fathers ^[6]

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