



Advancing gender equitable take up of parental leave and flexible work

A guide for employers

2024

Purpose of this guide

This guide aims to support employers to enable paid parental leave and flexible working arrangements that best support their employees and their families, while advancing workplace gender equality.

Who is this guide for?

This guide is for professionals who have a role to play in enabling and supporting employee decisions about parental leave and flexible work, including:

- People and Culture/Human Resources professionals
- Diversity and Inclusion (D&I) professionals
- People leaders

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- Paid parental leave
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How does the equitable take up of parental leave and flexible work advance workplace gender equality?

How parental leave and flexible working arrangements are used, and by whom, is an indicator of how the care of children is being shared between parents and guardians of different genders.

Parenthood affects women's career progression and, consequently, their pay more than men's and this drives a large part of the gender pay gap in Australia. The impact of career interruptions, part-time employment and unpaid care account for 33% of the gender pay gap, which currently sits at 21.8%, in favour of men. The effect of this compounds over a woman's lifetime, with women's median superannuation balance being 25% lower than men's in the lead up to retirement.

Promoting men's take up of paid parental leave and flexible work is, therefore, critical to advancing workplace gender equality and closing the gender pay gap.

Paid parental leave

Few Australian fathers take paid parental leave, even though many want to

In Australia, men's take up of paid parental leave is <u>low by international standards</u>. In Australia, <u>only 17%</u> <u>of employer-funded primary carer's leave is taken by men</u>.

Despite this, many Australian men report that they would like to take parental leave. <u>In one study</u>, three in four fathers reported that they would have liked to take more leave than they took. <u>Many men are missing out on the opportunity</u> to spend more time fulfilling their roles as fathers, carers and partners.

Australians are ready for change, with **90% believing** that men should be as involved in parenting as women.

Men taking paid parental leave is good for families, employers and the economy

Actively supporting men to take up paid parental leave is good for everyone. Women benefit from men's greater uptake of parental leave as it allows for women's workforce participation and the more equal distribution of caring. **International evidence** also suggests that greater engagement with their children enhances fathers' life satisfaction and benefits their children's development.

Parental leave also benefits employers by helping them <u>attract and retain talent</u>. <u>A 2016 study of more than 1,500 employers</u> found that over 80% reported that paid parental leave entitlements had a positive impact on employee morale and productivity.

<u>Supporting men to take paid parental leave is also good for the economy</u> as it could boost gross domestic product (GDP) by \$900 million a year, thanks to increased workforce participation by mothers. WORKPLACE GENDER EQUALITY AGENCY | ADVANCING GENDER EQUITABLE TAKE UP OF PARENTAL LEAVE AND FLEXIBLE WORK

How workplaces can support men to take paid parental leave

Below are some good practice approaches to supporting men to take paid parental leave, as well as innovative approaches that some workplaces are having success with.

1. Offer universally available leave

<u>Many Australian companies (42%)</u> still offer parental leave differentiated by whether someone is a 'primary' or 'secondary' carer.

Having a label like 'secondary carer' sends a message that one parent is more involved or important than another. Universal leave sends the message that, in 2024, we recognise that all parents play an equal and important role in raising children. By removing 'primary' and 'secondary' carer labels and offering universally available leave, employers can signal their support for men's use of parental leave provisions.

2. Remove time limits and eligibility periods

84% of employers that offer employer-funded paid parental leave place time limits on employees accessing that leave. Many employers have access limits of 12 months or less. However, several employers are moving to increase the time frames to 24 months and beyond.

Some employers are also removing eligibility periods. For example, in 2021, KPMG began offering 26 weeks of paid parental leave, regardless of gender, with no tenure-based requirements, that could be taken within the first 24 months of the child's arrival (including in cases of adoption, surrogacy and foster care). Following the introduction of these measures, they saw a 20% increase in men taking parental leave.

3. Incentivise it

Fathers are more likely to take parental leave when there is incentive to do <u>so</u>. Such incentives include use-it-or-lose-it provisions, or 'ring-fencing', that reserve some parental leave exclusively for fathers¹, offering leave at wage-replacement rates (including superannuation or "top ups" to government-funded parental leave) and financial bonuses.

For example, Aurizon's <u>Shared Care parental leave scheme</u> aims to incentivise men to take on primary care of their child in the first year after birth or adoption. It provides a leave of absence at half-pay for a partner to stay at home and care for their child (whether they work at Aurizon or not), allowing the mother to return to work full-time.

4. Address mistaken beliefs

Consider addressing mistaken beliefs about parental leave, that may be inhibiting take up of leave, among your employees, including among Human Resources staff and people managers who are likely to be approving leave.

The Behavioural Insights Team in the UK found that employees at Santander Bank thought that roughly 65% of their peers would encourage male colleagues to take parental leave — when, in reality, 99% would. Humans are inherently social creatures — we like to fit in and take cues about how to behave from those around us. At Santander Bank, when men were told about their peers' actual views, there was a 62% increase in the proportion of men intending to take parental leave.

¹ 'Use-it-or-lose-it' provisions can be used as an alternative to better practice 'universal' paid parental leave schemes.

	Internal communications campaigns are an effective way to address these mistaken beliefs, where they exist in your workplace.
5. Make parental leave "opt-in by design"	One way to promote and legitimise parental leave uptake among men is to design the policy as 'opt-in' by default. Under this approach, fathers who have newborn children, or who are adopting/fostering, are automatically assigned their leave entitlement and must take additional steps to 'opt out' of taking leave.
	The 'opt-in by design' mechanism has proven to be an effective feature of policy uptake across a range of settings.

Flexible working arrangements

Men are less likely to work flexibly/part-time than women, and do so for different reasons

In 2023, over half (57%) of men had used some form of flexible working arrangement in the past 12 months, such as reduced hours, flexible start times or working remotely, compared with 72% of women.

While men take up some kinds of flexible work, they are much less likely than women to use others, such as part-time working arrangements. Women are three times more likely than men to report that they work part-time.

Men and women also tend to work flexibly for different reasons. Pre-pandemic, men tended to use flexible working arrangements for performance-enhancing purposes, such as increasing their work intensity, while women tended to use flexible working arrangements to care for children and other family members. Flexibility continues to be important support for carers. In 2023, 74% of carers reporting using flexible working options — significantly higher than the 58% of workers without caring responsibilities using flex.

Both men and women want to work flexibly, but there are organisational and cultural barriers

Increasingly, <u>men are seeking the ability to work flexibly</u>, often to play more active roles as caregivers. <u>Women and men are both more likely to shortlist job advertisements mentioning flexibility</u>, compared to those offering full-time work, without mention of flexibility.

A significant proportion of people who want flexibility at work do not ask for it, citing fear it will jeopardise their job security or that their employer will refuse their request.

Culturally, the "ideal worker" norm, the idea that the ideal worker is dedicated to their job with no outside distractions, also <u>remains a significant barrier to fathers utilising flexible working arrangements</u>.

There are benefits of flexible work to employers and employees

<u>One in five women report</u> that flexibility in their work has helped them stay with their employer or avoid reducing their work hours.

Employees utilising flexible working arrangements are also <u>stronger advocates for their employers than</u> those who are not.

In one study, <u>88% of workers had a positive experience with working flexibly</u> with the most commonly-reported benefit being increased productivity at work.

How workplaces can support men to use flexible working arrangements

Below are some good practice approaches to supporting men to use flexible working arrangements for caregiving, as well as innovative approaches that some workplaces are having success with.

1. Consider an "all roles flex" policy	An "all roles flex" policy means that all roles in your workplace, including management roles, have the potential to be worked flexibly. More office-based Australian workplaces are moving towards making all roles 'flexible' and allowing employees to determine how, where and when they work. Aurecon, for example, adopted an "all roles flex" policy prior to the pandemic and since then, have further expanded their tools and training to support employees to work in a hybrid work environment.
2. Set targets	Similar to setting financial or other operational targets within an organisation, establishing realistic gender-related targets will significantly increase your chances of achieving the target. Measure the availability of policies such as employer-provided paid parental leave, carer's leave, quality childcare and flexible working arrangements. Set targets to increase the number of these policies available and the rates of usage by employees.
3. Address employees' concerns	When asked what factors would be <u>most important in improving employees'</u> take up of flexible working, men and women agreed on the top factors, with one being 'proof of the potential to progress one's career' while working flexibly. To address these concerns, ensure that employees who work flexibly are treated equitably in terms of access to valued work, development opportunities and career progression, and ensure a visible commitment to this principle from your CEO and leadership team.
4. Promote cultural acceptance through senior men's take up	Senior male leaders can <u>actively encourage and role model</u> the uptake of flexible working arrangements. They can do this by "leaving loudly" and announcing when they are leaving the physical or remote office owing to caring responsibilities.

of flexible working	Executive-level adoption of flexible work <u>encourages greater take up of</u> <u>flexible work</u> , broadly, including among men.
5. Challenge gender stereotypes	<u>There remains a strong connection</u> between men's identity and paid work, which contributes to a father's resistance to utilise flexibility for family reasons. On the flip side, flexibility, like caring for children, is still considered to be 'for women'.
	When seeking to address this, avoid 'gender-neutral' policies. These are shown not to challenge gender stereotypes, because it is usually mothers who end up utilising gender-neutral policies. Instead, use the language and imagery of 'men' and 'fathers' in these policies and your communications about them. Men are more likely to request family friendly working arrangements in workplaces where they feel less judged for their choices, even if those choices are non-traditional.
6. Make part-time work a viable option for men who want to lead	In 2023-24, only <u>7% of managers worked part-time</u> . A lack of role-modelling of part-time work in senior roles fuels the belief that senior roles and part-time hours are incompatible. <u>Men are 16 percentage points more likely</u> than women to believe that part-time workers are less ambitious than full-time workers.
	Encouraging the uptake of part-time working arrangements by senior leaders, and men in particular, can reduce the stigma attached to these ways of working. This can be achieved by using mechanisms such as job design to restructure jobs to enable flexibility.

Got feedback on this guide?

Please email <u>wgea-education@wgea.gov.au</u> to share your thoughts, referencing 'Advancing gender equitable take up of parental leave and flexible work' in the subject.