

The impact of family-friendly workplaces in industrialized countries

Following the 1994 International Conference on Population and Development in Cairo, and the Fourth World Conference on Women in Beijing the following year, the ensuing decade saw the launch of many family-related initiatives focusing on gender equality and work-family reconciliation. The rationale for this increasing interest was the recognition that dual-working parents require special support and that, in the absence of such support, gender equality in the workplace cannot be achieved. In several industrialized countries, state and private support for working families, in particular for working women with young children, are composed of a broad range of initiatives. These include flexible working hours, telecommuting or working at home, parental leave, medical care for sick children and childcare provisions. In the absence of childcare provisions, part-time work may also help reconcile work and family life.

Some companies have begun implementing family-friendly initiatives. In Australia, in addition to flexible working hours, 35 per cent of labour agreements in large firms and 8 per cent in small firms include at least one family-friendly policy. BMW, the German automobile manufacturer, allocates funds for the family-related needs of its employees, such as purchase of baby carriages, children's clothing or hearing aids for elderly relatives. The company also provides facilities and financial support for childcare.

Family-friendly initiatives can be beneficial to both businesses and employees. Research conducted in Canada, Finland, Sweden and the United Kingdom shows that companies that have introduced family-friendly measures experience significant reductions in staff turnover, recruitment and training costs and absenteeism, and have increased the likelihood that mothers return to work after maternity leave. It is estimated that companies can generate a return of around 8 per cent by adopting family-friendly policies. AMP, a leading Australian wealth-management corporation, estimates that making its workplace more family-friendly has achieved as much as a 400 per cent return on investment, mainly through increasing staff return after maternity leave. However, further research shows that family-friendly policies are more likely to offer parental leave or childcare subsidies, or both, to highly paid employees rather than those with lower salaries. Such policies are particularly needed by low-wage working mothers who struggle with poor working conditions, low compensation and a lack of childcare facilities.

Family-friendly provisions are by no means uniform across industrialized countries. While in some countries parents may take up to three years of leave with some financial compensation, in others paid leave is restricted to the periods immediately before and after childbirth. In Scandinavian countries, employ-

ment-protected leave with relatively high compensation rates is an integral part of a family-friendly policy model. In Sweden, for example, working families are allowed 12 months of paid parental leave, to be divided between parents as they desire, provided that only one parent is on leave at any given time. Aided by the right to reduce their working hours until children go to school, almost half the mothers in dual-earner families in Sweden work less than 35 hours per week. Yet, while some countries encourage fathers to take temporary leave to care for their newborns, most countries continue to accept a traditional gender division of labour in which women stay at home, out of the labour force.

The lack of systematic reporting hampers measurement of the effectiveness of family-friendly policies (i.e., how well they achieve a balance between work and family life). While seemingly positive, two challenges remain even in the presence of family-friendly workplaces. First, working mothers continue to be the primary caregivers for their children, experience career interruptions and suffer from the double burden of working within and outside the household throughout their lives. Second, the family-friendly policy model frequently excludes low-skilled and low-wage workers, working mothers in particular, and typically benefits higher-paid workers.

See References, page 88.