

Equality at work: paternity and shared parental leave

Submission to the Women and Equalities Select Committee



About the CIPD

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years.

It has 160,000 members across all sectors and sizes of organisation and provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers. It also seeks to promote and improve best practice in people management and development and to represent the interests of our members.

Our response

1. To what extent has the statutory shared parental leave scheme given parents (including different sex and same sex parents, adoptive parents, and parents through surrogacy) choice and flexibility in how they share parenting responsibilities in the first year?

According to the <u>Department for Business and Trade's 2023 Evaluation report</u> of Shared Parental Leave (SPL), only 5% of employee fathers and 1% of employee mothers had chosen to take shared parental leave.

SPL is a policy aimed at improving gender equality in the workplace by providing parents with the opportunity to share caring responsibilities within the first year after birth or adoption. Many parents in the United Kingdom are eligible to take SPL, but most still do not take it meaning the wider impact of the policy is limited. If used more widely, SPL could be an important way of tackling the wider gender pay gap which is in part down to the motherhood penalty women face after having/adopting their first child and taking maternity leave.

Increased uptake of SPL and involvement of fathers in caring in the first year can also have significant positive impacts on child development, child/father bonding, paternal welfare and parental mental health (Birkett and Forbes, 2019). By increasing the uptake of SPL, fathers can experience the multiple rewards of being actively involved in caring for their child in the first year and support their partners to return to work should they wish to do so.

According to the <u>Department for Business and Trade's 2023 Evaluation report</u>, SPL for the few parents that take it, has provided greater choice and flexibility in how they share parenting responsibilities in the first year. Mothers who take SPL have felt their experience facilitated a more shared approach to parenting even after the leave period had ended. There has been an increase over time in the proportion of mothers that say their partner regularly looks after their child while they are at work. SPL fathers were almost twice as likely (62%) than fathers in general (23%) to cite wanting to share childcare as the main factor influencing their decision on which type of parental leave to take. SPL mothers are more likely than mothers generally to report sharing childcare as a factor influencing the type of leave they took and to report more equal responsibilities for childcare. Fathers that took SPL were also three times as likely to mention that their leave enabled them to spend time/bond with their child, and four times as likely to say that it enabled the mother to go back to work earlier. There was consensus that the time at home facilitated by SPL led to personal growth and development.



2. What have been the longer-term equality impacts of the scheme, for example on equal sharing of responsibilities for children as they grow up, and wider domestic responsibilities?

In the <u>Department for Business and Trade's 2023 Evaluation report,</u> SPL parents are most likely to indicate that their leave has made a difference to how they plan to share childcare at least to some extent (53%), compared with mothers (19%) and fathers from the core sample (24%). This suggests that fathers' experience of SPL has positively impacted intentions to continue sharing childcare responsibilities in the first year, after the leave period has ended - leading to potential longer-term change for those making use of SPL.

However, as take-up of SPL is currently low, it is unlikely to create much of a societal shift in relation to the longer-term equality impacts.

That is why it is crucial that the UK Government takes a holistic review of the parental leave and pay system in the next steps beyond the Employment Rights Bill and considers what change to SPL and paternity leave and pay will encourage greater up-take and therefore have wider and longer-term societal equality impacts.

3. What have been the labour market impacts of the scheme, particularly for women?

The <u>Department for Business and Trade's 2023 Evaluation report</u> of SPL highlights that the female employment rate in the UK has increased since the introduction of SPL. More females with dependents were in employment in 2020 than in 2014 prior to the introduction of SPL, representing an increase of around five percentage points.

However, rising female labour market participation forms part of a longer-term trend over the last 50 years and it is problematic to attribute any changes directly to any single policy. That said, the DBT evaluation report found that a greater proportion of SPL mothers (73%) report returning to their pre-birth job than mothers overall (54%). Only 5% of SPL parents did not return to work following birth or adoption, compared with 25% of mothers overall. The same report also suggests that fathers who take SPL are more likely to be involved in childcare.

Overall, it is difficult to isolate the effect of fathers' involvement in childcare on their partner's return to work and there are many other important cultural and economic factors that may influence mothers' return to work.

4. Why has take up of statutory shared parental leave been low and what could be done to increase take up?

There are a number of reasons why the take-up of SPL is low. In their <u>2019 research</u>, with parents eligible to take SPL as well as ineligible parents, Dr Holly Birkett and Dr Sarah Forbes found that organisational, cultural, communication, financial and policy barriers existed, while gatekeeping behaviours were also influential.

Further, a significant lack of knowledge exists regarding SPL and that, where parents were aware of the policy communication was viewed as overly complex. Additionally, societal expectations that mothers will be the primary caregivers are still strong and encourage parents to take on gendered roles in the home after the birth or adoption making them less likely to consider SPL.

Organisations were also identified as playing an important role in influencing the uptake of SPL. Workplace culture was seen as extremely influential in preventing parents from taking SPL with fathers believing taking time away to care for their child could impact their career. Many



employees outlined financial considerations as particularly influential in the decision not to take SPL, especially where shared parental pay was at a statutory level and not enhanced by the organisation.

Recommendations to increase the uptake of shared parental leave

In our <u>CIPD Manifesto for Good Work</u> we recommend reviewing and reforming SPL to boost uptake by enhancing the financial statutory provision and simplifying the process for both working parents and employers. We also think the government should work with organisations to raise early parental awareness of SPL and look to include information through other services such as on MATB1 forms.

These recommendations on reviewing and reforming SPL are supported by other <u>research</u>, such as the Economics Department and Institute for Policy Research at the University of Bath and Cardiff University. It analysed data from 40,000 households across Britain to ascertain the impact of SPL policy, comparing data from families with children born before and after its roll-out.

Key recommendations include:

- improving the financial terms associated with SPL thereby incentivising more parents to use it
- simplifying the current system so it is easier for both parents and employers to navigate and providing legal support to enable all parties to understand the rights and process involved
- reviewing the eligibility criteria. Currently, each parent must work for a specific length
 of time for their employer and earn a set amount for parental leave eligibility. Easing
 the restrictions concerning parental leave could enable more working dads to use it
 going forward.

Increasing statutory paternity leave to six weeks at or near the full rate of pay

However, we think a more effective or complimentary <u>policy</u> to support better balance and choice for working parents, would be for the government to <u>increase statutory paternity leave to six</u> weeks at or near the full rate of pay. This enhancing and ring fencing of paternity leave, is likely to have a bigger impact on father's and partner's ability to take parental leave and play an active role in their children's early care, with potential longer-term equality impacts.

CIPD data also shows employer support for extending statutory paternity leave and pay, is substantial - $\frac{46\% \text{ in } 2022}{46\% \text{ in } 2022}$ and 48% in 2024 (see Appendix for 2024 data).

5. How can inequalities in take up of shared parental leave, including by ethnicity, income, qualification level and occupational status, be addressed?

<u>Take-up of SPL varies</u> amongst different groups of parents, including by age, income, qualification level and occupational status. The majority of parents who take SPL are fathers. Parents who take SPL and pay are more likely to be older, of white ethnicity, highly qualified, work in large organisations, earn a higher income, and have progressive gender role attitudes, compared to parents who do not take up SPL and pay.

Take-up of SPL is largely concentrated in two sectors: public administration, health or education (43%) and business, professional or other services (31%). Among fathers, take-up is particularly high in central government organisations, predominately female workplaces and organisations with a trade union presence. Parents who took SPL were also more likely than mothers and fathers generally to have been working in more senior occupations.

Parents that took SPL are also more likely than mothers and fathers in general to be married. SPL parents consistently displayed a more gender progressive outlook than mothers and fathers on average and they are more likely to share caring arrangements.



Where SPL was not taken, over half of mothers (51%) and over two in five fathers (42%) had heard of SPL and had at least a small amount of knowledge of the policy. A third of all mothers who did not take SPL had not heard of it at all when their baby was born or adopted (33%), and the proportion is closer to half among all fathers that did not take SPL (45%). There is variation in awareness among parents by occupation, qualification level, income as well as protected characteristics such as age, ethnicity and disability.

Parents who took up SPL were twice as likely (67 vs. 33%) to say they were well informed of the arrangements offered by their employer. This stems from how well employers (and managers) themselves are aware of the policy. 29% of managers in small enterprises were not even aware of SPL, with a further 17% who did not know what it involves. Among medium size firms, one in ten managers fit into each of these categories.

Many of the inequalities in take-up stem from the type of roles parents work in and the organisations parents work for. For example, those in skilled, process and elementary occupations, and in industries such as a hospitality and construction often work in non-computer-based roles, so would have lower visibility of SPL policies on an intranet, for example.

So, how can inequalities in take-up of shared parental leave be addressed?

Enhanced financial statutory provision

Improving the financial terms associated with SPL, should make it more accessible to a wider group of parents.

Simplifying the current system and reviewing eligibility

Simplifying the current system so it is easier for both parents and employers to navigate and reviewing the current eligibility criteria should also make SPL more accessible to a wider group of parents.

Education

Government should work with other services such as the NHS to raise early parental awareness of SPL - such as providing information on MATB1 forms.

Government should work with employers to raise awareness of SPL by:

- Providing template policies which can be used by HR professionals and managers, particularly in smaller organisations.
- Incorporating information on SPL, and other HR policies into the onboarding process.
- Educating line managers and supervisors of SPL as a policy, and where staff should go to for further information.
- Providing promotional materials in workplace settings, such as noticeboards and in break rooms.
- Supporting employers with easier to understand materials, including print outs.
- 6. Are there potentially more effective alternatives to the current "maternal transfer" model of shared parental leave?

We think a more effective or complimentary policy to support better balance and choice for working parents, would be for the government to increase statutory paternity leave to six weeks at or near the full rate of pay. This enhancing and ring fencing of paternity leave in its own right, is likely to have a bigger impact on father's and partner's ability to take parental leave and play an active role in their children's early care.



A <u>study</u> by the Centre for Progressive Policy, campaign group Pregnant Then Screwed and Women in Data found that increasing the statutory entitlement to paternity leave and pay could help increase UK economic output by £23 billion, and help to close the gender pay gap. According to CPP's analysis of leave entitlements, OECD countries that offer more than six weeks' paid paternity leave have a 4 percentage-point smaller gender wage gap and a 3.7 percentage-point smaller labour force participation gap. Closing the gender participation gap would increase economic output.

In our <u>2022, Employer Focus on Working parents</u> report, almost half (46%) of organisations said they would support extending statutory paternity leave and pay (2,000 senior decision-makers in the UK). In 2024, we asked this question again (see Appendix of the unpublished findings: quarterly survey of 2,000+ senior decision-makers in the UK, Summer 2024) and support remained at a similar level (48%).

Almost a third of organisations (32%) in support of an extension to statutory paternity leave believe it should be extended to 6 weeks or longer. Organisations don't need to wait for government change in this area but can start to enhance their paternity leave policies where they are able to do so. According to the same CIPD 2024 data, round 30% of organisations enhance paternity leave beyond the statutory 2-week minimum period and around 37% enhance paternity pay beyond the statutory provision.

It is also important to highlight that there are broader family friendly/ carer workplace policies that can help attract, retain and support greater flexibility for working parents.

In the <u>CIPD 2022 report: Employer Focus on Working Parents</u>, over a third (34%) of organisations offer access to remote or hybrid working. Twenty-nine per cent of employers support parents through providing flexibility in start and finish times to help with school drop-offs and pick-ups, and 28% proactively promote flexible working options such as job-share, term-time working and part-time hours. Another popular provision is health and wellbeing support for working parents, for example mentoring/counselling (25%). However, almost a quarter (24%) say their organisation does not have anything in place to support employees who have caring responsibilities.

7. Which countries have most effectively incentivised equal parenting and wider gender equality through their approaches to parental leave? What would be the costs and benefits of replicating these approaches in the UK?

According to comprehensive global analysis by <u>Earle et al, 2023</u>, between 1995 and 2022, the percentage of countries with paid leave reserved for fathers more than quadrupled from 13% to 56%, while paid leave for mothers has become nearly universal, increasing from 89% to 96% of countries globally. Gender gaps in the provision of paid leave have also decreased markedly. Despite this recent progress, gender disparities in paid leave coverage remain vast, reinforcing restrictive norms around unpaid caregiving and paid work. Nearly twice as many countries specifically reserve infant caregiving leave for women as do for men (186 vs. 109). The gender inequalities in duration are even greater.

Examples of progressive practice

As cited in analysis by <u>Earle et al, 2023</u>, leave for fathers in Sweden includes both 10 days (2 weeks) of paternity leave that must be taken right after the child's birth, thereby encouraging fathers' support during the mother's recovery from childbirth and allowing both parents to be on leave at the same time initially, followed by a much longer individual leave when fathers can be the sole care provider.

OECD research shows that in Iceland there is no concept of 'maternity' or 'paternity' leave. A three month quota of non-transferable ('use it or lose it') leave is given to the mother to be taken within a 24- month period. One month may be taken before birth and the remaining two months must be taken after birth (mothers are obliged to take two weeks off work immediately following the birth). A similar period of three months is reserved for fathers/partners - except there is no obligatory period during which leave must be taken (i.e. they are not required to take two weeks off work



after birth). In addition, parents have a shared right to another three months' leave which they can split between them as they wish. The 7 countries with the highest male shares of parental leave users all have father-specific entitlements to paid leave

Earle et al, 2023 - highlight since the early 2000s, a handful of countries have amended their parental leave policies with the specific aim of increasing fathers' take-up of leave and gender equality by offering families access to additional leave or a bonus payment if both parents take some leave. Eight countries have these incentives as part of current policy as of 2022. The most common approach is to provide additional leave (six countries). Just two countries, Austria and the Republic of Korea, offer bonus payments. In Austria, parents are only eligible for the bonus if leave is shared relatively equally. In contrast, Canada, Japan and Portugal have no minimum requirement for the family to receive a leave duration bonus. In addition to incentives, one country (Romania) has a disincentive that reduces the amount of paid leave available if fathers fail to take paid leave.

Important considerations when implementing policies

Earle et al, 2023, show previous research highlights a wage replacement rate of at least 80% is a critical determinant of parents' take-up, particularly fathers' (Karu & Tremblay, Citation2018; Koslowski & O'Brien, Citation2022; O'Brien, Citation2009; Raub et al., Citation2018). Studies also make clear the importance of including flexibility (Marynissen et al., Citation2019; Mussino et al., Citation2019) in how the leave can be taken and addressing institutional and cultural barriers that prevent fathers, as well as mothers, from using their leave (Haas & Hwang, Citation2019; Koslowski & Kadar-Satat, Citation2019; Lucia-Casademunt et al., Citation2018). Legal provisions that prohibit retaliation for taking paid leave and protect caregivers of all genders from discrimination are also essential (Bose et al., Citation2020; Heymann et al., Citation2023).

Recent <u>research</u> by The Joseph Rowntree Foundation (JRF) suggests that expanding the statutory level of paternity leave for fathers could deliver £2.6bn of long-term growth to the UK economy. The economic benefits of such changes in comparable countries appeared to show up after two to three years. In the JRF's model, this increase in paternity pay for eligible fathers would be funded by the government - with the JRF estimating HMRC would incur a direct cost of £1.1bn per year with a net cost of £220m per year.



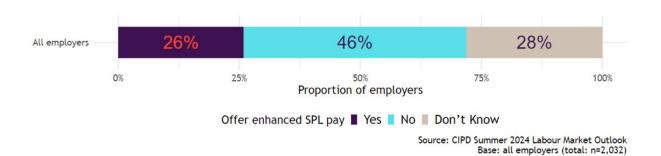
Appendix: CIPD Labour Market Outlook data on Paternity Leave and SPL

Method

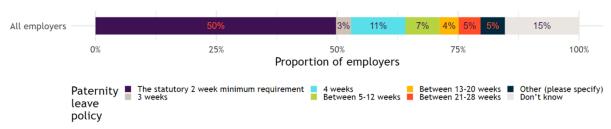
Questions on Paternity leave and SPL were included in the CIPD Labour Market Outlook Quarterly survey of circa 2,000 senior HR professionals and decision-makers in the UK.

The questions were included in the Summer 2024 sample: 2,032. Fieldwork was undertaken between 17 June and 4 July 2024. The survey was conducted online. The figures have been weighted and are representative of UK employment by organisation size, sector and industry. The survey was administered by YouGov Plc.

Organisations offering enhanced Shared Parental Leave Pay

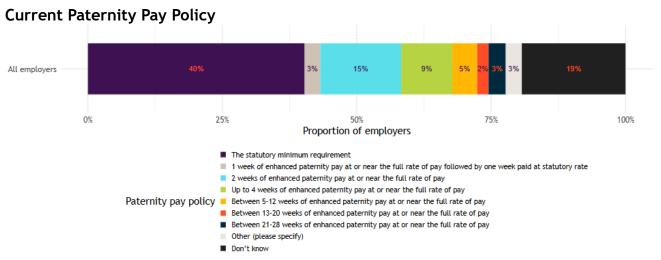


Current Paternity Leave Policy



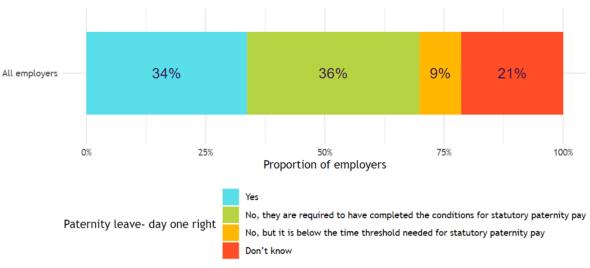
Source: CIPD Summer 2024 Labour Market Outlook Base: all employers (total: n=2,032)





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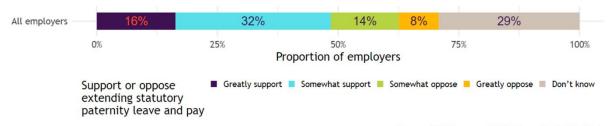
Whether organisations currently provide Paternity Leave as a day one right



Source: CIPD Summer 2024 Labour Market Outlook Base: all employers (total: n=2,032)

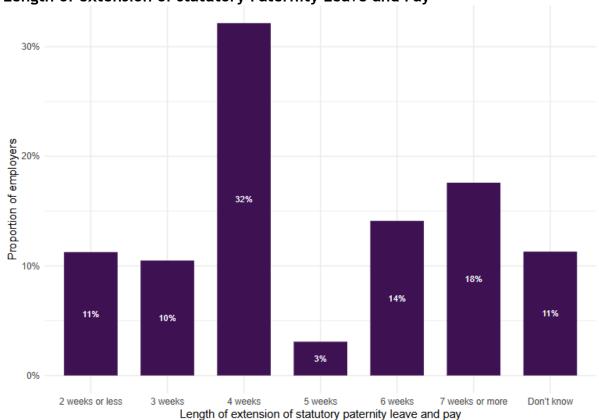


Proportion of organisations that support or oppose extending statutory Paternity Leave and Pay



Source: CIPD Summer 2024 Labour Market Outlook Base: all employers (total: n=2,032)

Length of extension of statutory Paternity Leave and Pay



Source: CIPD Summer 2024 Labour Market Outlook Base: employers who support extension to statutory paternity leave (total: n=993)