Paternity leave can be game changer, but manpower challenges put firms to the test

Companies should offer it in sincerity, to make things better for their employees, and then put mechanisms in place to address the challenges.

Kang Yang Trevor Yu

It is a good time to be a new dad if you work for Standard Chartered Bank. The bank announced in August that all its employees — male or female — will be able to take 20 weeks of paid leave to spend time with their newborns.

The bank has been offering its female employees 20 weeks of paid maternity leave since 2007, exceeding the nationally mandated 14 weeks. Now new dads will get paid paternity leave to bring them on a par with the female staff.

The trend of offering paternity leave has been growing around the world, with one in two companies now offering this benefit. In Singapore, several multinational firms are offering paid maternity leave of up to 24 weeks and paid paternity leave of four weeks.

The Government, too, is showing the way and Deputy Prime Minister and Finance Minister Lawrence Wong announced in Budget 2023 that the Government will reimburse firms up to four weeks of paid paternity leave — higher than the current two weeks — for working fathers of Singaporean children born on or after Jan 1, 2024. The first two weeks of such leave are compulsory whereas the next two weeks will be optional for a start.

Why is the landscape changing so rapidly? Simply put, firms have been upping their game as part of efforts to attract and retain talent.

The benefits are obvious. Employers — both male and female — will definitely welcome the chance to spend time away from work with their newborns. It is great for their mental health and well-being and lays the foundation for the long-term healthy development of the child. Parents who take such leave report being more engaged and energised when they return to work.

Employers who extend such benefits gain from a more satisfied, productive and committed worker who is more likely to stay with the company in the longer term. Healthcare costs and absenteeism are also lower when employees are able to achieve better work-life balance.

You would think it is a win-win for all concerned.

MAJOR CHALLENGES

Unfortunately, the reality is not so straightforward. Companies face significant challenges in implementing such programmes. A major concern is to ensure that business is not disrupted when employees go on long absences. It is not easy to find replacements due to the temporary nature of the role.

It’s worse when the job is associated with specialised skill sets. In such cases, human resources departments find themselves saddled with having to recruit, train, and reorganise new temporary staff. These matters are exacerbated at small firms whose owners often end up having to shoulder these additional duties themselves.

Clients, too, may not be comfortable working with the replacements or even with the affected employees who may be on flexible schedules.

There is also a fair bit of uncertainty not just in managing the return of an employee after a long absence. For one thing, the company is not sure whether the worker will continue working with them or whether the needs of the worker would have changed.

It’s also true that performance management systems are not usually designed to accommodate the expected disruption in time and fluctuation in performance involving individuals going on such leave. All this also represents a key source of frustration for middle management who are usually the line managers and direct supervisors of these employees. There is limited organisational support for dealing with these issues.

Employers themselves also have to deal with career disruption that in certain sectors can stunt and hinder professional development. If their managers hold unconscious biases about such absences, it may reflect in the way they appraise the worker’s performance. Peers may also believe that such benefits are unfair, which can lead to discontent and the employee feeling isolated upon return.

The could explain why many men are still hesitant to take their full allotment of leave. Their fears that their bosses may not respond well to such leave may be justified. Crucially, they lack the role models of senior males who have taken substantial time off and still managed to maintain strong professional relationships and have a successful career.

The men also see the struggles their female counterparts face in resuming their careers. Given these considerations, many now fathers may hesitate to avail themselves of their full quota of paternity leave. It makes sense, fewer fathers are less likely to discuss their struggles and the support they need with their employers following the birth of their children.

There could hurt their mental well-being.

HOW TO MAKE IT WORK

Still, given the obvious benefits that paternity leave can bring, is it worth exploring how it can be tapped and used successfully?

First, several companies have started using these absences as an opportunity to provide valuable on-the-job exposure to younger inexperienced employees who, under some guidance, get the chance to tune deeper, higher-level skills during these internal internships.

It’s important to assure the incumbents that they will not eventually be replaced by these junior colleagues by stressing the temporary nature of this engagement. In fact, it would be worthwhile involving the senior employees going on leave in planning these experiences and even selecting the candidates who will stand in for them.

Companies can also start identifying and developing role models who have been through such periods of parenting-related leave, making them mentors for others who are about to embark on that journey. Such mum-and-dad networks can help form informal communities at the workplace, making life much easier for new parents.

A better system to plan for such absences is also needed. Above all, this system should equip managers to have open and honest discussions with those taking leave about specific handover plans, communication preferences during leave, and the expectations and the possibility of flexible arrangements when they return to work.

If the priorities of these workers change, then there is a need to map out alternative career pathways for them, along with performance appraisal and management systems, that can still offer rewarding career routes to them. Basically, workers should not feel disadvantaged if they avail themselves of such benefits and flexible arrangements should be able to smoothen their return to work.

Paternity leaves can be a game changer, but only if the benefit is offered sincerely.

Companies should ask themselves whether they are doing this just to comply with the law or to offer better packages than their rivals. Or do they truly want what is best for their employees and their families? If so, they could truly be on their way to becoming an employer of choice.

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