

CMI RESPONSE TO GOVERNMENT CONSULTATION ON PARENTAL LEAVE AND PAY¹

1. INTRODUCTION

CMI

- 1.1 CMI is the chartered professional body for management and leadership. We are dedicated to improving managers' skills and growing the number of qualified managers and leaders across the UK.
- 1.2 With a member community of around 130,000, CMI provides individual students, managers and employers with access to the latest management thinking and practical support to help them embrace change, build high-performing teams and improve individual and organisational performance. We are a UK awarding body for management and leadership qualifications and the only body that awards Chartered Manager – the hallmark of any professional manager.
- 1.3 Our vision is to create better led and managed organisations. This means creating more diverse, balanced and inclusive workplaces.

RESEARCH

- 1.4 CMI has been advocating for gender balance in leadership and management since 1969 when we launched the Women in Management initiative. In 2016, we increased our focus on gender diversity and the benefits that it brings to business by re-launching Women in Management under the new banner of CMI Women². CMI Women is a network of female leaders that help to steer our work on gender issues within business and the workplace.
- 1.5 In January 2018 CMI published *A Blueprint for Balance*³ looking at employer approaches to achieving gender balance in the workplace. This showed the challenges we still face in creating inclusive workplaces. The report highlighted how parenthood can be one of the key challenges facing women's career progression, and provides case studies showing how leading employers are actively working to support parents returning to the workplace and the benefits that arise from this.
- 1.6 Through August and September 2019, we conducted a survey of 560 CMI managers to understand their views on, and experience of, parental leave. This data has informed our response.⁴ In addition to this, we also gathered qualitative feedback from survey respondents during October and November 2019 to find out what their views and

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819041/government-work-family-support-consultation.pdf

² <https://www.managers.org.uk/cmi-women>

³ CMI (2018), *A Blueprint for Balance*

<https://www.managers.org.uk/~media/Files/PDF/Blueprint%20for%20Balance%20Broken%20Windows%20Full%20Report.pdf>

⁴ CMI online survey of 560 managers conducted between 20th August and 15th September 2019. Throughout the report some tables and figures may not sum to 100% due to rounding. All percentages included in the report have been rounded to the nearest whole percentage.

experiences were of managing someone in their team who has taken Shared Parental Leave.

2. THE GOVERNMENT NEEDS TO DO MORE TO FACILITATE SHARED PARENTAL LEAVE

We surveyed managers to find out more about the current take up of shared parental and paternity leave...

- 2.1 Although CMI supports the policy of Shared Parental Leave, Government data suggests that take-up may be as low as 2%.⁵ Our recent survey showed that only 11% of managers have had someone they manage take Shared Parental Leave in the last 24 months. Public sector managers (16%) are more likely to have managed someone who has taken Shared Parental Leave in the last 24 months in comparison to private sector managers (8%).⁶

Has anyone you manage taken Shared Parental Leave in the last 24 months?

| | |
|------------|-----|
| Yes | 11% |
| No | 85% |
| Don't know | 4% |

| | Sector | | |
|------------|--------|---------|-------|
| | Public | Private | Third |
| Yes | 16% | 8% | 8% |

- 2.2 One third (33%) of managers have had someone they manage take paternity leave in the last 24 months. Public sector managers (42%) are more likely to have managed someone who has taken paternity leave in the last 24 months in comparison to private sector managers (30%)⁷.

Has anyone you manage taken paternity leave in the last 24 months?

| | |
|------------|-----|
| Yes | 33% |
| No | 64% |
| Don't know | 3% |

⁵ <https://www.gov.uk/government/news/new-share-the-joy-campaign-promotes-shared-parental-leave-rights-for-parents>

⁶ CMI online survey of 560 managers conducted between 20th August and 15th September

⁷ Ibid.

| | Sector | | |
|------------|--------|---------|-------|
| | Public | Private | Third |
| Yes | 42% | 30% | 30% |

...and our findings demonstrate that Government can do more to improve take up.

- 2.3 CMI welcomes proposals to reform parental leave and pay if it gives parents greater flexibility and the choice to re-balance family roles.
- 2.4 As a starting point, the Government should introduce a period of enhanced Statutory Paternity Pay. The Women and Equalities Select Committee (WESC) found evidence that “the low level of statutory paternity pay is a barrier to some fathers taking time off work to be at home when their child is born”.⁸ Making paternity leave more financially viable will allow men to spend valuable time bonding with their new child, and empower women to consider returning to work earlier, allowing families to re-balance family roles.
- 2.5 The Equalities and Human Rights Commission (EHRC) have recommended that dedicated parental leave for fathers needs to have “a pay rate that acts as a real incentive to take-up”.⁹ We know that some employers are already leading the way by matching paternity and maternity leave and pay.¹⁰ We believe there is an opportunity for Government to learn from these policies and introduce a period of Enhanced Paternity Pay and match it with the current level of Enhanced Maternity Pay (i.e. 90% of their average weekly earnings with no upper limit). Working with professional bodies such as CMI we could identify the best way to do this without disadvantaging small businesses.
- 2.6 As outlined in the consultation paper, to facilitate shared parenting, we welcome proposals to give parents their own equally sized pot of leave and pay within the Shared Parental Leave scheme with a larger pot which can be shared between the parents however they decide.¹¹

“Possibly allocating more time and higher payment structure for shared parental leave.”

Line manager in the private sector on changes or improvements to Shared Parental Leave

⁸ WESC (2018), *Fathers and the Workplace*, p.17

<https://publications.parliament.uk/pa/cm201719/cmselect/cmwomeq/358/358.pdf>

⁹ EHRC (2019), *Women’s Rights and Gender Equality in 2018: update report*, p.50

https://www.equalityhumanrights.com/sites/default/files/womens-rights-and-gender-equality-in-2018-summary-update_report-long-version.pdf

¹⁰ For example see <https://www.bbc.co.uk/news/business-50251179> and Francke, A. (2019), *Create A Gender-Balanced Workplace*, pp.103-104

¹¹ <https://www.workingfamilies.org.uk/workflex-blog/where-next-for-shared-parental-leave-reflections-on-fathers-and-the-workplace-recommendations/>

3. BUT REFORMING PARENTAL LEAVE IS JUST PART OF THE SOLUTION

It is managers and leaders who are crucial to creating balanced and inclusive workplaces...

- 3.1 The role of senior leaders is crucial when it comes to establishing family-friendly and gender-balanced workplace policies. Leaders need to be proactive in championing diversity and building inclusive business cultures. Without the support of a company's leadership, there is little hope for genuine progress.
- 3.2 Line managers play a pivotal role in changing behaviour and creating balanced workplaces. Without progress on the reality of line management behaviours, the rhetoric of senior leaders and policy makers falls flat. Managers need to learn about the behaviours and practices that make a difference.
- 3.3 For example, flexible working can be a key component in closing the gender pay gap. CMI research has shown that 64% of managers agree that it creates a more family-friendly culture.¹²

...but they must be equipped and empowered to do so.

Case Study: flexible working

The statutory right to request flexible working in its current form was intended to encourage more flexible working and, by making the right to request available to all employees with 26 weeks continuous service, it was hoped that the new right would help break down some of the gender stereotyping and stigma around flexible working. However, this does not appear to be the case. CMI research has shown low levels of awareness and understanding of the right to request amongst UK managers and this may be one reason why the legislation has had limited impact. For example, only one quarter (26%) correctly knew that the statutory right allows employees to request a change in hours, time or location of work.

Changes in legislation can only take us so far. *Create a Gender-balanced Workplace* provides practical actions that employers can take to promote flexible working, such as:

- Role model and visibly support flexible working from the top of the business
- Equip and empower line managers
- Measure outputs, not face time
- Design jobs to fit people
- Specify flexible working when recruiting

¹³, ¹⁴, ¹⁵

¹² CMI (2018), *A Blueprint for Balance*, p.21

¹³ For background see <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01086>, pp.8-9

¹⁴ <https://www.managers.org.uk/about-us/media-centre/cmi-press-releases/right-to-request-flexible-working-not-working>

¹⁵ Francke, A. (2019), *Create A Gender-Balanced Workplace*, pp.95-99

- 3.4 Our recent survey showed that although almost all (97%) managers have heard of paternity leave, over a quarter (26%) of managers were not confident in providing advice and guidance if a member of their team approached them to request paternity leave. Managers in the third sector (80%) and public sector (77%) are more likely than those in the private sector (66%) to be confident about providing advice and guidance around paternity leave.¹⁶

If a member of your team approached you to request paternity leave, how confident would you be in providing advice and guidance?

| | |
|----------------------|------------|
| Extremely confident | 24% |
| Very confident | 46% |
| Not very confident | 20% |
| Not at all confident | 7% |
| Don't know | 3% |
| Net Confident | 71% |

| | Sector | | |
|------------------|--------|---------|-------|
| | Public | Private | Third |
| Confident | 77% | 66% | 80% |

- 3.5 Although 87% of managers have heard of Shared Parental Leave, less than half (48%) of managers would be confident in providing advice and guidance if a member of their team approached them to request it. Third sector managers (65%) are more likely to feel confident than public sector (50%) and private sector managers (45%).¹⁷

If a member of your team approached you to request Shared Parental Leave, how confident would you be in providing advice and guidance?

| | |
|----------------------|------------|
| Extremely confident | 15% |
| Very confident | 34% |
| Not very confident | 34% |
| Not at all confident | 14% |
| Don't know | 3% |
| Net Confident | 48% |

¹⁶ CMI online survey of 560 managers conducted between 20th August and 15th September

¹⁷ Ibid.

| | Sector | | |
|------------------|--------|---------|-------|
| | Public | Private | Third |
| Confident | 50% | 45% | 65% |

"No management support...or review was undertaken and this would have been helpful in managing the period of leave".

Line manager in the public sector on the support they received from their organisation when managing someone taking Shared Parental Leave

3.6 At CMI we want to see greater emphasis on improving management skills and practices, particularly line management skills. Line managers are key to creating balanced and inclusive workplaces. But they need to be equipped and empowered to do so, particularly when it comes to supporting team members who intend to take parental leave.

4. THERE NEEDS TO BE WIDER ORGANISATIONAL CHANGE

Reforms to parental leave alone are not enough to achieve the Government's policy objectives...

4.1 We welcome the policy objectives set out in the consultation document to close the gender pay and employment gaps, tackle parental discrimination and rebalance family caring patterns. However, reforms to parental leave alone will not achieve these.

...a range of good practice approaches are needed to achieve them and to create a family-friendly, inclusive workplace culture.

4.2 At CMI we support 'transparency with teeth'. To deliver real change, the government must implement firm reporting standards and be given the power to bring real sanctions against companies who fail to take these transparency responsibilities seriously. For example, organisations covered by the gender pay gap reporting requirements should publish action plans showing how they plan to close their gender pay gap which includes publishing their policies on flexible working and family related leave and pay, and if they fail to comply, they should face fines and sanctions. They should also report on progress against these action plans.

4.3 Managers support the need for businesses to do more around transparency with teeth. Our survey showed that 73% of managers think organisations should publish their policies on family related leave and pay in their gender pay gap action plans.¹⁸ Changes to parental leave can only take us so far in terms of shifting behaviours and attitudes.

¹⁸ CMI online survey of 560 managers conducted between 20th August and 15th September

- 4.4 *Create a Gender-balanced Workplace*¹⁹ provides practical actions that employers can take to build gender-balanced workplaces. These are set out below, and demonstrate the need for a range of approaches to change workplace culture.

Five practices that work for organisations

1. **Address your gender pay gap.** Set a target, tie performance evaluations to achieving it, measure your progress against it, and regularly monitor and report on that progress.
2. **Put in place a well-run and structured sponsorship programme for women.** Sponsors truly believe in the talent of their 'sponsees' and are much more likely to advocate for them when they are not in the room.
3. **Change your recruitment and progression practices to make them more gender aware.** Set 50/50 promotion targets for men and women and adopt diversity practices for recruitment.
4. **Use men as change agents to challenge stereotypes and set an example that it's okay to champion women.** 75% of male managers believe senior male leaders have a particular responsibility to support women's career development.
5. **Embrace flexible working.** Measure outputs, not face time; train line managers; avoid a 'one-size-fits-all' approach; and role-model and support from the top.

- 4.5 Please see [Annex A](#) for a summary of our responses to some of the questions set out in the consultation paper.

CMI
29th November 2019

¹⁹ Francke, A. (2019), *Create A Gender-Balanced Workplace*

CMI RESPONSE TO CONSULTATION QUESTIONS

Q1. What emphasis should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave available?

We are not opposed to increasing the length of Paternity Leave. But as a starting point, we would like the Government to introduce a period of enhanced Statutory Paternity Pay to make leave more financially viable for fathers.

Q2. What impact would changing either leave or pay have on our policy objectives?

We believe that enhancing the levels of pay for paternity leave will significantly improve the take up of leave by men and will empower women to consider returning to work earlier, allowing more families to re-balance gender roles. However, reforming parental leave is just part of the solution. To encourage wider organisational change, organisations need to invest in management and leadership development - especially for line managers. Organisations covered by the gender pay gap reporting requirements should also publish action plans showing how they plan to close their gender pay gap which includes publishing their policies on flexible working and family related leave and pay and progress against these plans.

Q5. Should support vary according to family characteristics, including income levels? For example, should there be a cap on Statutory Paternity Pay for high earners?

We do not think that new fathers should be subject to capped access to Statutory Paternity Pay, even if they hold high earning jobs. Signalling is important: making statutory paternity pay universal will signal that paternity leave is a right that all dads should take advantage of and will more effectively promote gender balance at all levels of the organisation.

Q7. How might businesses that already provide enhanced Paternity Pay respond to any enhancement to Statutory Paternity Pay? For example, would they extend the period of contractual leave and pay?

*Create a Gender-balanced Workplace*²⁰ and CMI's *Blueprint For Balance* report showed that many employers are already leading the way with good practice approaches when it comes to creating gender balanced workplaces, including policies on family related leave and pay.

We believe that the companies that are already going above and beyond the current legislation are likely to continue to do so. They realise that in order to attract and retain talent and to remain competitive, they have to offer the most attractive remuneration packages, and that includes benefits such as parental leave and pay.

Q9. How should we balance giving fathers/ partners flexibility and choice (e.g. to take Paternity Leave in blocks) with the needs of employers and co-workers for certainty around when the father/partner is likely to be off work on Paternity Leave?

²⁰ For example, see pp.103-104

We regret the wording of this question. One of the key barriers to paternity leave is the stigma that taking leave may damage fathers/partners future job prospects. If we truly want to drive uptake of paternity leave, we shouldn't suggest it is a nuisance for firms to manage.

We see no reason why the needs of employers and co-workers need to be balanced anymore than they do in the case of the mother.

Q10. What aspects of the current Shared Parental Leave and Pay scheme are most successful, and which are most in need of reform? Please give reasons for your answer

The introduction of Shared Parental Leave has been an important signal of the government's commitment to rebalance gender roles and support the professional progression of women, in recognition of the huge value that gender balanced workplaces bring to individuals, their companies and the UK economy as a whole. However the government's own data shows that take up of the scheme is low. The lack of adequate paternity pay is a key factor in the poor take up of Shared Parental Leave and going forwards, government must ensure it is properly funded. We will not see the number of men taking parental leave grow fast enough while there are considerable differences in levels of maternity and paternity pay.

Lack of understanding about how the policy works also holds back its effectiveness. CMI's own data shows that although 87% of managers have heard of Shared Parental Leave, less than half (48%) of managers would be confident in providing advice and guidance if a member of their team approached them to request it.

The Government should run a public information campaign to promote take up of Shared Parental Leave and should publish advice and guidance, targeted at line managers and particularly focused on how to implement the policy within their organisations. Managers need to be equipped and empowered to support any members of their team who intend to take parental leave, otherwise there will continue to be a gap between policy and reality.

Q17. How might businesses that already provide enhanced Shared Parental Pay respond to any enhancement to Statutory Shared Parental Pay? For example, would they extend the period of contractual leave and pay?

Please see our response to Q7.

Q22. Do you agree with the government's objectives for parental leave and pay policies?

We agree with the policy objectives. However, as set out in our full response we believe that reforming parental leave is just part of the solution. There needs to be wider organisational change driven by good leadership and management.

Q25. Should government prioritise reform of parental leave policies over other government policies which support parents to combine work with family life?

No. As mentioned above, reforming parental leave is just part of the solution.

To truly drive organisational change and create family-friendly, inclusive workplaces employers should adopt a range of good practice approaches as set out in our full consultation response.

One such approach could be that organisations which are covered by the gender pay gap reporting requirements should publish and report on action plans showing how they plan to close their gender pay gap which includes publishing their policies on flexible working and family related leave and pay and face sanctions if they fail to make adequate progress.