

On family leave, companies 'step up' to fill the vacuum

LSE blogs.lse.ac.uk/businessreview/2017/06/15/on-family-leave-companies-step-up-to-fill-the-vacuum/

6/15/2017



Google the phrase “lean in,” and almost the first thing that pops up is Sheryl Sandberg’s name. No surprise there, since the Facebook COO wrote a 2013 best-seller with that title urging women to accept no limits on their talents or ambitions.

In February, Sandberg offered up another two-word exhortation: “step up.” This one was aimed at companies like the one she helps run, and the issue was paid leave. And Sandberg was taking her own advice, announcing a policy that allows Facebook’s 17,000 employees up to 20 paid days off to grieve for a family member and up to six weeks to care for a seriously ill relative.

Sandberg framed her announcement in sharply personal terms, writes SAGE Business Researcher freelance correspondent Sharon O’Malley: by recalling how much her young children needed her when her husband, Dave Goldberg, died suddenly two years ago. And then Sandberg laid down her challenge to other companies: “Making it easier for more Americans to be the workers and family members they want to be will make our economy and country stronger. Companies that stand by the people who work for them do the right thing and the smart thing – it helps them serve their mission, live their values, and improve their bottom line by increasing the loyalty and performance of their workforce.”

In Sandberg’s tech industry, Facebook isn’t an outlier in making it easier for employees to take time off to care for a baby, an ailing relative, or themselves. Adobe, Amazon, Apple and Squarespace are among the companies that have adopted flexible, family-friendly paid leave policies. And Netflix took its game to a new level in 2015 by offering new parents their regular salaries for up to a year after a birth or adoption, O’Malley writes.

Outside the tech world, the reality is different. Just 12 percent of private-sector workers in the United States have access to paid family leave through their employers, and only 6 percent of low-wage workers get paid maternity leave. Paid sick days? More than 40 percent lack them. Call up the OECD’s latest [report](#) on its 35 member states’ paid-leave policies, and the United States stands out for the unbroken row of zeroes next to its name; it’s the only industrialised nation that doesn’t mandate some form of paid family leave for employees. (The 1993 Family and

Medical Leave Act requires large companies to offer up to 12 weeks, but there's no mandate that it be paid.)

This gap has spawned a lively debate, heightened by Donald Trump's campaign-trail endorsement of paid maternity leave. The president repeated this idea during his January address to Congress, and then broadened it to include fathers in his budget proposal, which called for six weeks of paid parental leave. The idea is broadly popular; 81 percent of the public favours federal legislation to mandate paid maternity leave, according to an April Gallup poll.

In the absence of a federal requirement, some companies outside the tech industry have also adopted or liberalised leave policies, including General Electric, Deloitte, Hilton and Starbucks, O'Malley writes. For many companies, it's a practical matter of being able to compete for skilled employees in a tightening labor market. That's especially true among Millennials – a 2015 study by Ernst & Young found that 74 percent of this generation said paid parental leave was an important issue, and companies have taken note.

"They're going above and beyond the law," says Corinne Jones, president of the consulting firm CJC Human Resource Services in New York. "As their HR advisers, we're saying, 'Here's what you need to do to retain the best employees.'"

Many small businesses, however, say they have less financial scope than larger companies to offer paid family leave as a matter of policy. They are more likely to try to work something out informally with an employee on an individual basis, says Aparna Mathur, a scholar at the American Enterprise Institute, a conservative think tank.

Yet Mathur says that most businesses, large and small, recognise the underlying need. "Neither employers nor employees are opposing the policies," she told Business Researcher. "They know the larger problem is not having access to paid leave when you need it."

♣♣♣

Notes:

- *This blog post is based on the report [Paid Leave](#), SAGE [Business Researcher](#), by Sharon O'Malley.*
- *The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.*
- *Featured image credit: [Hands](#), by [gillnisha](#), under a [CC0](#) licence*
- *Before commenting, please read our [Comment Policy](#).*

Ken Fireman is managing editor for SAGE Business Researcher, which delivers deep dives on contemporary business issues to students and faculty three times a month. He was previously a senior editor for economics and politics at Bloomberg News and a White House correspondent, national political reporter and Moscow bureau chief for Newsday. [@kfireman1](#)



- Copyright © 2015 London School of Economics