



COMPARING THE LEVEL OF SUPPORT FOR WORKING MOTHERS TO THE PROPORTION OF WOMEN IN SENIOR MANAGEMENT IN EIGHT OECD COUNTRIES

Emma Saragossi August 2013



## ABOUT THE 30% CLUB

The 30% Club is a group of Chairmen voluntarily committed to bringing more women onto UK corporate boards. On average, FTSE-100 companies have only 16.7% female representation on their boards. They aim to meet this goal by:

- Inspiring company leaders to appoint more women to executive and non-executive directorships;
- Improving the pipeline below board level, to widen the talent pool available to business;
- Supporting and encouraging successful women in business.

For more information, please contact info@30percentclub.org.uk

#### ABOUT EMMA SARAGOSSI

Emma Saragossi is currently an undergraduate studying Engineering Science at the University of Oxford. She compiled this report in the summer of 2013, while completing a ten-week placement as intern to Helena Morrissey, CEO of Newton Investment Management and Founder of the 30% Club.

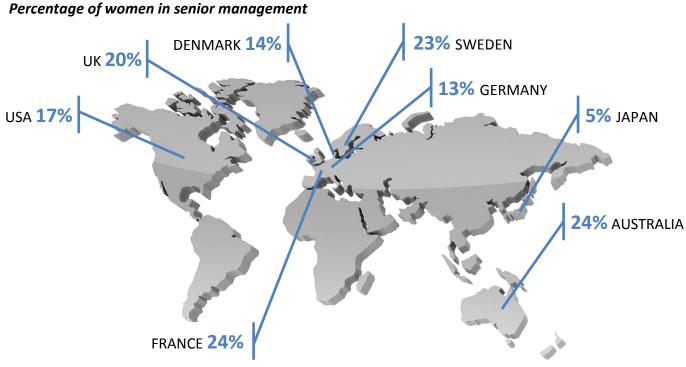


## CONTENTS

| troduction                                       |
|--|
| arental leave                                    |
| Comparing statutory parental leave policies5     |
| Aside: Occupational parental leave in the US8    |
| Parental leave and career progression9           |
| hildcare   |
| Comparing childcare policies                     |
| Childcare and career progression                 |
| exible working                                   |
| Comparing flexible working policies              |
| Flexible working and female career progression14 |
| dex of overall support                           |
| onclusion  |
| eferences  |



## INTRODUCTION



There has been a drive in recent years to try and improve the gender balance at senior levels of all organisations. There is a strong business case for a balanced board; not only does it offer a variety of business perspectives, but research suggests there is a strong link between the proportion of women at board level and corporate performance<sup>1</sup>. However, women routinely fail to reach middle and senior management<sup>2</sup> roles, let alone executive positions. Source: Grant Thornton IBR 2013

#### The business case for a balanced board

- Greater financial returns
- Improved corporate governance
- Improved leadership and decision making
- A wider talent pool
- Connection with the key consumers of society

Source: Catalyst 2004

## The global drive for gender balance

In the **UK, 25%** of FTSE 100 boards are to be made up of women by **2015.** 

A bill has passed in **France** requiring **40%** of board members of listed companies to be women by **2018**.

Since **2010**, businesses in **Australia** have been required to disclose the proportion of women on their boards.

Norway has had a 40% quota policy for women on boards since 2003.

## In 2006 Quebec

passed legislation requiring gender equality on the boards of state owned enterprises. This **50%** target was reached in **2011.** 

Source: Grant Thornton IBR 2012

<sup>1</sup> (Chanavat and Ramsden 2013)

<sup>&</sup>lt;sup>2</sup> Here, *senior management* is as defined by Grant Thornton in their 2012 study (Grant Thornton International Business Report 2012).



There has been much debate surrounding the proposal by the European Commission for a quota of 40% on the number of female non-executive directors on boards<sup>3</sup>. A similar quota was introduced in Norway in 2003, which now has the highest representation of females on boards in the developed world<sup>4</sup>. However, Lord Davies, author of the recent 'Women on boards' report calls the EU proposals a "mistake"<sup>5</sup>. His report criticises the quota in Norway for not altering the fundamentals of how women progress through the pipeline, highlighting that the number of women board members was partly achieved by increasing the board size rather than replacing individual members<sup>6</sup>. Indeed, the report suggests that the progress in Norway should be viewed not in terms of the quota but in the context of its generous level of support for working mothers, which offers significant state funding for childcare, a progressive welfare state and extensive maternity and paternity leave<sup>7</sup>.

This report considers the extent to which the level of support offered to working mothers affects the number of women progressing to senior management positions. Crucially this is not just a board level issue but also a pipeline issue. Promotion to senior management does not typically occur at childbearing age, but a lack of support for working mothers will affect those at junior and mid management levels, ultimately narrowing the talent pool at the top. By comparing the generosity of parental leave policies, the flexibility in working arrangements, and the quality and availability of childcare, with the proportion of women in senior roles in eight OECD countries<sup>8</sup>, we can determine whether the challenge of juggling a family and a career is the driving factor contributing to the gender gap at board level and below.

In a survey conducted by Opportunity Now, **82%** of women recognised the need to balance work and family as a barrier to gender diversity, compared to just **54%** of men. Moreover, **57%** of women believe they are seen as less committed to work because they often have family responsibilities.

Source: Opportunity Now 2011

<sup>&</sup>lt;sup>3</sup> (BBC News 2012)

<sup>&</sup>lt;sup>4</sup> (Pignal 2011)

<sup>&</sup>lt;sup>5</sup> (Groom and Rigby 2012)

<sup>&</sup>lt;sup>6</sup> (Davies 2011)

<sup>&</sup>lt;sup>7</sup> İbid.

<sup>&</sup>lt;sup>8</sup> The countries are Australia, Denmark, France, Germany, Japan, Sweden, the USA and the UK. We have chosen not to include Norway in the analysis as the high number of women in board positions is heavily influenced by the quota which will complicate analysis.



## PARENTAL LEAVE

A generous parental leave policy would offer a good level of compensation, a long period of leave and guarantee job security. The total length of leave, including unpaid leave, is important as it extends the period of job security and allows parents to spend more time with their child. However, restricting this support to mothers pushes mothers into and fathers out of caregiving roles. We must therefore not consider the length of leave in isolation, but must also look at the division of leave between parents, when assessing the impact of leave on female career progression.

#### COMPARING STATUTORY PARENTAL LEAVE POLICIES

It is difficult to define maternity, paternity and parental leave, as the terminology for policies varies widely by country, and is further complicated by translation. For this report, they are defined as follows: maternity and paternity leave are reserved for one parent's use and are to be used during pregnancy or directly after birth; parental leave is for either or both parents and begins after maternity and paternity leave have been taken<sup>9</sup>.

## A detailed look at policy<sup>10</sup>

| Australia | Paid leave:   | Eligible parents are entitled to a total of 20 weeks' pay at the National Minimum Wage;<br>up to 18 weeks for the primary carer and up to 2 weeks for the partner.   |
|-----------|---------------|--|
|           | Unpaid leave: | Couples are allowed to share up to 52 weeks' unpaid leave, and all leave must be completed before the child's first birthday.  |
| Denmark   | Paid leave:   | Parents are entitled to 52 weeks paid leave; 2 weeks of this are reserved for the father<br>and 18 for the mother. The remaining 32 weeks can be divided according to individual<br>wishes. Public sector employees are entitled to their full salary, whereas pay is<br>negotiable for those in the private sector.   |
|           | Unpaid leave: | No statutory unpaid leave is offered.  |
| France    | Paid leave:   | French law allows for 16 weeks of maternity leave (8 of which are compulsory) and two<br>weeks of paternity leave, all paid at the parent's usual wage. Within the first 3 years of<br>a child's birth, parents may also take full or part time leave for childcare, while<br>receiving flat-rate payments from the social insurance system. This parental leave can<br>be taken in up to three one-year increments and can be taken by either parent or both<br>simultaneously.   |
|           | Unpaid leave: | No statutory unpaid leave is offered.  |
| Germany   | Paid leave:   | Maternity pay is guaranteed for 14 weeks, with six weeks to be taken before the birth<br>and eight weeks after. Small businesses receive a full refund of their costs from the<br>relevant health insurance company. In addition to the protected maternity leave a<br>period of parental leave may be taken until the child reaches the age of three. A<br>parental allowance is available for the first 12 months of parental leave. Parental leave<br>can be taken by either parent and can also be shared for the period. An additional 2<br>months of "use it or lose it" benefits are reserved for the father during the parental<br>leave period. |
|           | Unpaid leave: | The remaining 24 months of parental leave are unpaid. If the employer agrees, one of these years may be "saved" and used when the child is between the ages of three and   |

<sup>&</sup>lt;sup>9</sup> (Ray, A Detailed Look at Parental Leave Policies in 21 OECD Countries 2008) <sup>10</sup> Ibid.



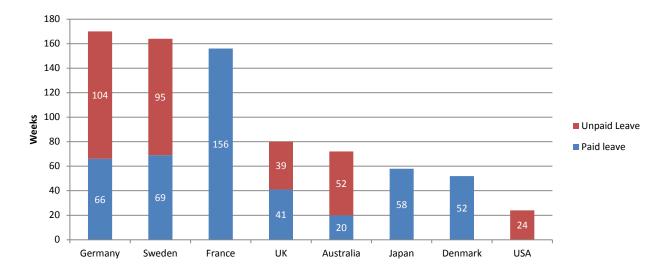
|        |               | eight.   |
|--------|---------------|--|
| Japan  | Paid leave:   | Maternity leave lasts for 14 weeks surrounding childbirth (commencing 6 weeks before birth). Childcare leave is reserved for the mother and is paid until the child's first birthday, for a total leave period of 58 weeks   |
|        | Unpaid leave: | No statutory unpaid leave is offered.  |
| Sweden | Paid leave:   | Parents are guaranteed 14 weeks of maternity leave (of which two are compulsory)<br>and 2 weeks of paternity leave, in addition to 18 months of parental leave for each<br>qualifying parent. Of this total (164 weeks) they are entitled to 69 weeks of paid leave.<br>Parents of children under age eight may reduce their working hours by 25% without<br>facing a reduction in wage. |
|        | Unpaid leave: | The remaining 95 weeks of full time leave are unpaid.  |
| UK     | Paid leave:   | Family leave includes 39 weeks of paid maternity leave (of which the first two are compulsory) and two weeks of paid paternity leave.  |
|        | Unpaid leave: | Unpaid leave consists of 13 weeks of unpaid maternity leave and up to 13 weeks of parental leave for each parent.  |
| USA    | Paid leave:   | No statutory paid leave is offered.  |
|        | Unpaid leave: | Eligible employees are entitled to 12 weeks' leave in a twelve month period that must<br>be taken continuously and on a full-time basis. To qualify, leave is limited to workers<br>whose employers have at least 50 workers within 75 miles of the work location. It<br>should be noted that about 40% of employees are not eligible for leave <sup>11</sup> .                          |

# Breakdown of leave provisions for each parent

|           | Couples'<br>Total<br>Leave<br>(weeks) | Couples'<br>Paid<br>Leave<br>(weeks) | Paid | hers'<br>Leave<br>eks) | Fathers'<br>Paid Leave<br>(weeks) |     | Couples'<br>Unpaid<br>Leave<br>(weeks) | Mothers'<br>Unpaid<br>Leave<br>(weeks) |     | Fathers'<br>Unpaid<br>Leave<br>(weeks) |     |
|-----------|---------------------------------------|--------------------------------------|------|------------------------|-----------------------------------|-----|--|--|-----|--|-----|
|           | (Weeks)                               | (Weeks)                              | Min  | Мах                    | Min                               | Max | (weeksy                                | Min                                    | Мах | Min                                    | Мах |
| Australia | 72                                    | 20                                   | 0    | 18                     | 0                                 | 18  | 52                                     | 0                                      | 52  | 0                                      | 52  |
| Denmark   | 52                                    | 52                                   | 0    | 18                     | 0                                 | 2   | 0                                      | 0                                      | 0   | 0                                      | 0   |
| France    | 156                                   | 156                                  | 8    | 154                    | 0                                 | 138 | 0                                      | 0                                      | 0   | 0                                      | 0   |
| Germany   | 170                                   | 66                                   | 0    | 66                     | 0                                 | 53  | 104                                    | 0                                      | 104 | 0                                      | 104 |
| Japan     | 58                                    | 58                                   | 0    | 58                     | 0                                 | 0   | 0                                      | 0                                      | 0   | 0                                      | 0   |
| Sweden    | 164                                   | 69                                   | 2    | 53                     | 0                                 | 41  | 95                                     | 0                                      | 95  | 0                                      | 95  |
| υк        | 80                                    | 41                                   | 2    | 39                     | 0                                 | 2   | 39                                     | 0                                      | 26  | 0                                      | 13  |
| USA       | 24                                    | 0                                    | 0    | 0                      | 0                                 | 0   | 24                                     | 0                                      | 12  | 0                                      | 12  |

<sup>&</sup>lt;sup>11</sup> (Ray, Gornick and Schmitt, Parental Leave Policies in 21 Countries - Assessing Generosity and Gender Equality 2008)





## Total and FTE Paid Parental Leave for Two-Parent Families, by country

The USA is the only country considered which does not offer any paid parental leave, and one of only four countries worldwide not to offer any paid leave<sup>12</sup>; it also offers the least total leave of all eight countries shown here. Japan and Denmark both offer generous paid leave provisions, but do not offer any unpaid leave, and as a result have a low level of total leave available. France, while not offering the longest total period of leave, offers the longest period of paid leave (it should be noted that this is not paid at 100% of earnings but at a flat-rate).

#### Providers of parental leave coverage

N.B. This is for statutory pay coverage only. Companies may offer their employees further compensation but that it is fully covered by the employer.

| Australia                     | Denmark   | France   | Germany Japan  |  | Sweden  | UK  |
|-------------------------------|---|--|--|--|---|---|
| Govt.<br>Flat-rate<br>payment | Govt.<br>Up to 90% of<br>full time wage<br>(capped) | Govt.<br>Full time wage<br>for 16 weeks,<br>followed by<br>flat-rate | Govt.<br>(€13/day)<br>Employer (pays<br>remainder of<br>full time after<br>tax wage) | Insurance<br>Up to 60% full<br>time salary<br>(capped) | Govt.<br>Up to 80%<br>full time<br>salary<br>(capped) | Govt. (92%)<br>Employer (8%)<br>Up to 90% of<br>salary (capped) |

Source: Ray, 2008

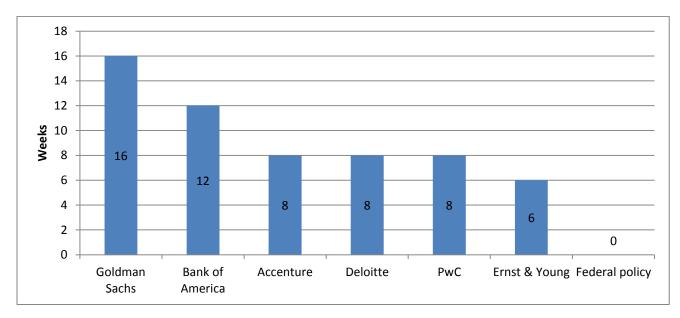
In the UK & Germany, statutory paid leave requires an employer contribution, which might be tougher on smaller companies and discourage the employment of women of child-bearing age due to the associated costs. The individual's personal insurance plan pays out in Japan, with better rates at a higher premium. However, for those without insurance, the national insurance pays out at a fixed-rate. All other countries offer government funded leave, except for the USA which offers no funding.

<sup>&</sup>lt;sup>12</sup> (Hall and Spurlock 2013)



#### ASIDE: OCCUPATIONAL PARENTAL LEAVE IN THE US

While federal US law may not guarantee the right to paid parental leave, many firms listed or based in the US offer more generous leave provisons as part of their benefits packages.

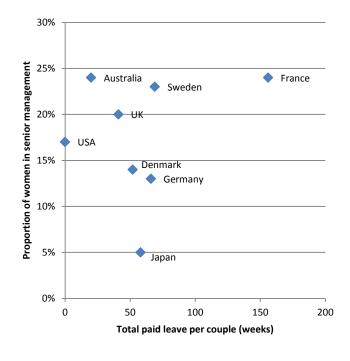


Paid maternity leave offered by a selection of US firms:

While none of the paid maternity leave provisions above are as generous as the statutory policies offered by the other countries considered in this report (the shortest period of paid maternity leave offered is 18 weeks in Australia and Denmark), it does demonstrate that there is a large discrepancy between federal policy and what is offered to women by large US firms, and as such it is hard to judge the impact of statutory maternity leave on the number of women in senior management in the US. Further study comparing the support structures offered by large US firms with the proportion of women in senior roles would be beneficial; it would be helpful to look at not only the parental leave policies of these firms, but also their attitude to flexible working and other benefits aimed at supporting families.



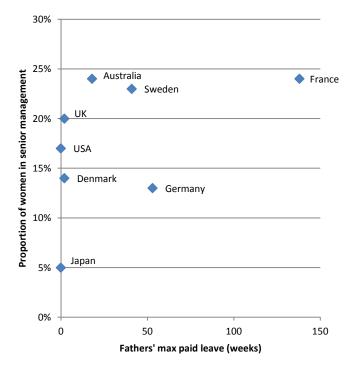
#### PARENTAL LEAVE AND CAREER PROGRESSION



#### Comparing the period of paid leave for couples with the number of women in senior management

There is no clear trend here. While France offers the greatest period of paid leave and has the greatest number of women in senior management, there are no other clear indicators of a positive correlation. Japan is somewhere in the middle in terms of the length of leave offered but has the lowest proportion of women in senior management. The USA offers no paid leave but has more women in senior roles than Germany and Denmark which each offer at least a year of paid leave. Similarly, Australia has the second lowest level of paid leave, which has only been available to parents since 2011, but has the highest number of women in senior roles.

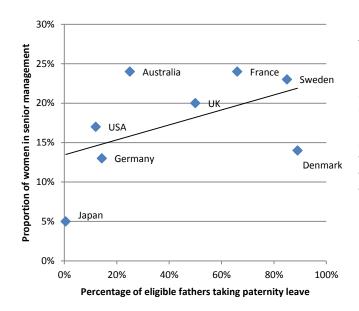
## Comparing the level of paternity leave offered with the number of women in senior management



Again, there is little to suggest a linear relationship between the amount of paternity leave available to fathers and the number of women in senior roles. While Japan offers no paternity leave and has the lowest number of women in senior management (5%), the USA also offers no paid paternity leave but has more women in senior roles than Germany, which provides the second most generous paternity leave coverage.



## Comparing the uptake of paternity leave with the number of women in senior management



There is a clearer trend here. The USA, the UK, France, Germany and Sweden all fit the linear trend line quite closely; where more fathers are taking their share of parental leave, there is a greater proportion of women at senior level. Japan falls well below this line, which is perhaps due to the lack of both statutory paid and unpaid leave. Australia sits above the trend line, with fewer fathers taking leave than the curve suggests, but this could in part be due to the relatively recent introduction of leave in Australia (2011).

## Timeline of the introduction of paid paternity leave



Comparing the uptake of paternity leave with the time since paid paternity leave was introduced



There is a very strong trend here between the popularity of paternity leave and the time elapsed since paid paternity leave was first introduced. This prompts questions of cause and causality; it would be interesting to study how the proportion of fathers taking paternity leave in each country has changed over time, to determine whether, with time, it is seen as more acceptable to take paternity leave, or whether, from the onset, countries which introduced paid paternity leave schemes earlier have always had a culture which encourages shared responsibility for the child.



## CHILDCARE

Affordable and high-quality childcare (for under 5s) is essential for parents aiming to balance their career and family responsibilities. Where the cost of childcare is prohibitively high or there is a dearth of quality, parents are often required to choose between low-quality care or forgoing the additional wage of a second working parent. Traditionally, the breadwinner role lies with the father and the mother takes on the responsibility of staying at home to care for her child. By assessing the correlation between the cost and quality of childcare and the proportion of women in senior management, we can determine whether childcare support is a key factor affecting female career progression.

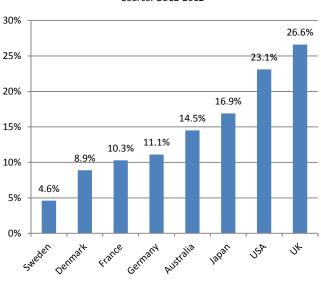
"Unless the Government tackles the cost of childcare and gives mothers proper incentives to come back to work after giving birth, it may never reach its goal of 25% female board representation."

Dr Ruth Sealy, Cranfield School of Management

## COMPARING CHILDCARE POLICIES

#### Childcare assistance available, by country

The majority of the countries considered offer assistance in the form of a government allowance for both public and private day-care; notably, the UK is the only country not to, although it does allow for tax breaks on childcare costs<sup>13</sup>. Despite some financial support however, the cost of childcare still varies widely between countries.



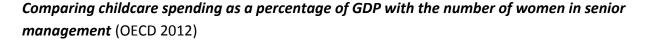
|           | Public c  | laycare      | Private<br>daycare |              |  |  |
|-----------|-----------|--------------|--------------------|--------------|--|--|
|           | Allowance | No allowance | Allowance          | No allowance |  |  |
| Australia | ✓         |              | ✓                  |              |  |  |
| Denmark   | ✓         |              | ✓                  |              |  |  |
| France    | ✓         |              | ✓                  |              |  |  |
| Germany   | ~         |              | ✓                  |              |  |  |
| Japan     | ✓         |              | ✓                  |              |  |  |
| Sweden    | ~         |              | ~                  |              |  |  |
| UК        |           | ~            |                    | ✓            |  |  |
| USA       | ✓         |              | ✓                  |              |  |  |

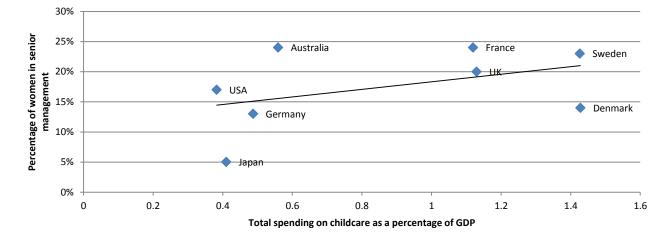
Net cost of childcare (% of family income) Source: OECD 2012

<sup>&</sup>lt;sup>13</sup> (HM Revenue & Customs n.d.)

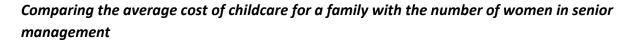


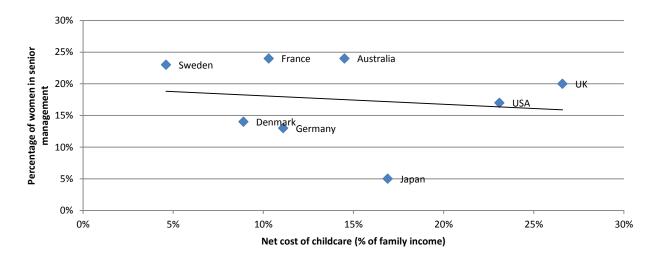
#### CHILDCARE AND CAREER PROGRESSION





Childcare spending as a percentage of GDP is used here as an indication of the quality of childcare offered, where greater spending indicates a higher quality of service. There is no strong trend here; while Sweden has a high proportion of women in senior business roles and spends a large portion of GDP on childcare, Australia, which has the highest proportion of women in senior management, has a relatively low spend on childcare. There is little to suggest that a greater quality of childcare aids career progression for women.





The trend-line here indicates a negative relationship between cost of childcare and women in senior management, as one would expect; a higher cost of childcare will push more women into a traditional homemaker role, delaying their return to the workplace and narrowing the talent pool of women eligible for promotion. However, the correlation between the two variables is not strong. The UK has the most expensive childcare but a higher proportion of women on boards (20%) than most countries studied here. Denmark, while less than 15% of its board members are women, does provide the second cheapest childcare service.



## FLEXIBLE WORKING

Flexible work arrangements (FWAs) are work structures that provide flexibility regarding the time and/or place in which work is completed, including, among others, flexible scheduling, work location, or number of hours worked.<sup>14</sup>

#### **Common types of FWAs:**

- 1. Flexible arrival and departure times
- 2. Flex time (when work is carried out during the week)
- 3. Telecommuting (workplace location)
- 4. Compressed work week
- 5. Part time
- 6. Job sharing

FWAs support parents by helping them achieve a balance between work and family, though it should be noted that they are popular among women and men without children as well. According to a study by Catalyst, women at organisations which offer flexible working are 30% more likely to aspire to high-level positions than those at organisations which do not offer flexible working<sup>15</sup>.

## COMPARING FLEXIBLE WORKING POLICIES

#### Availability of flexible working arrangements

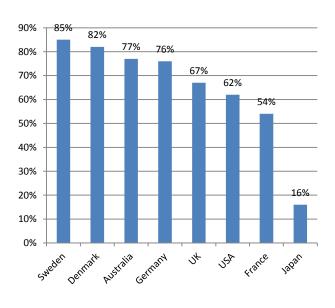
# Overview of statutes enabling flexible work arrangements (FWAs) for parents

|   | Australia | Denmark | France | Germany | Japan | Sweden | UK | USA |
|---|-----------|---------|--------|---------|-------|--------|----|-----|
| Universal right to<br>reduced hours           |           |         | ✓      | ~       |       |        |    |     |
| Right to gradual return<br>to work            |           | ~       | ~      | ✓       |       | ✓      |    |     |
| Right to parental leave<br>on part time basis |           |         |        |         |       | ~      |    |     |
| Right to request reduced hours and other AWA  | ~         |         |        |         |       | ~      | ✓  |     |
| Right to refuse<br>overtime/shift patterns    | ~         |         |        |         |       |        |    |     |

**56%** of working mothers said companies should guarantee the opportunity of working in the same role as before they had children, but on a more flexible basis.

**33%** would like companies to give mothers the opportunity to work from home, provided that their role is not fixed to a specific location.

Source: Santander, 2013



Proportion of businesses offering FWAs

Sweden is the most generous provider of flexible working arrangements; not only do 85% of businesses offer alternative work structures, the highest proportion of all countries considered here, but they are also the only country

<sup>15</sup> (Catalyst 2013)

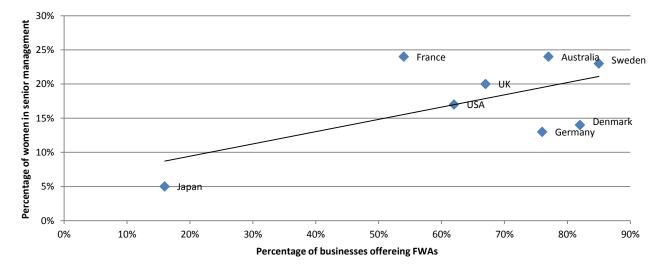
<sup>14 (</sup>Catalyst 1997)



to guarantee the right to parental leave pay while working part time. This incentivises mothers to return to work earlier, ultimately reducing the period of absence from the work place and the loss of human capital associated with it.

It should be noted that while the USA and Japan offer no statutory rights to flexible working, some companies do provide their own arrangements; this is relatively popular in the US (62% of companies offer FWAs) but very low in Japan, where only 16% allow for alternative arrangements.

#### FLEXIBLE WORKING AND FEMALE CAREER PROGRESSION



**Comparing flexible working provisions to the proportion of women in senior management** *Source: Grant Thornton IBR 2012* 

The data suggests that flexible working, while a popular offer in many of the countries studied, does not appear to be a determining factor in getting women into top positions. While Japan offers the least flexible working practices and has the lowest level of women in senior management roles, there is no clear trend. For example, only 54% of businesses in France offer flexible working but France has the highest level of women in senior management at 24%. Businesses in Germany (76%), the United Kingdom (67%) and the United States (62%) all offer above average levels of FWAs but are well behind in terms of female participation.

However, there is nothing to suggest that the number of businesses offering flexible arrangements is directly proportional to the number of people using them; research suggests there is a stigma attached to workplace flexibility, for both men and women, and they might not be as popular as availability suggests<sup>16</sup>. Currently, data on the breakdown of people using flexible working arrangements is unavailable. Further analysis on the number of mothers using flexible working arrangements would give a greater understanding of the impact of this support structure for working mothers on the number of women progressing to senior management.

In addition, recent advances in technology have made flexible working a practical option for employers<sup>17</sup>; looking back a decade ago, arrangements which rely heavily on technology (telecommuting in particular) were not available to the women currently in senior management roles. It would be more useful to study how the use of alternative working arrangements relates to the number of women in junior and middle management positions, as this is the generation of women that will have benefited from flexible working structures.

<sup>&</sup>lt;sup>16</sup> (Siegel-Bernard 2013)

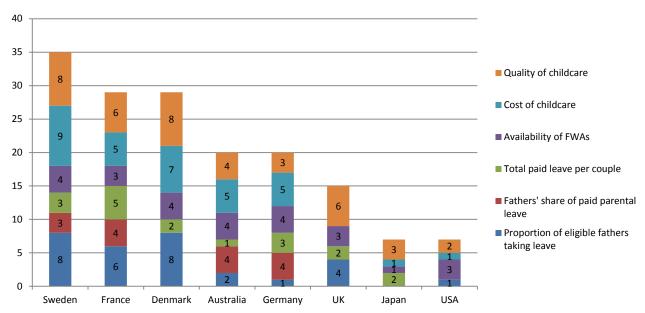
<sup>&</sup>lt;sup>17</sup> (Beynon 2008)





## **INDEX OF OVERALL SUPPORT**

The level of support offered to parents is viewed here in terms of the generosity of parental leave provisions, the quality and affordability of childcare services, and the availability of flexible working practices. The index of overall support for working mothers, shown below, attempts to combine these aspects and rank the countries in order of their overall generosity.





The index measures each country on a 41 point scale; the marking criteria are given in the table below:

| % of men<br>taking<br>paternity<br>leave | SCORE | Fathers'<br>share of<br>paid<br>leave<br>(%) | SCORE | Total paid<br>leave per<br>couple<br>(weeks) | SCORE | % of<br>businesses<br>offering<br>FWAs | SCORE | Cost of<br>childcare<br>(net % of<br>income for<br>family) | SCORE | Quality of<br>childcare<br>(spend as<br>% of GDP) | SCORE |
|--|-------|--|-------|--|-------|--|-------|--|-------|---|-------|
| 90-100                                   | 9     | 90-100                                       | 5     | 100+   | 5     | 90-100                                 | 5     | 0-5  | 9     | 1.4+  | 8     |
| 80-90                                    | 8     | 70-90  | 4     | 80-99  | 4     | 70-90                                  | 4     | 5-10   | 7     | 1.1-1.4   | 6     |
| 70-80                                    | 7     | 50-70  | 3     | 60-79  | 3     | 50-70                                  | 3     | 10-15  | 5     | 0.8-1.1   | 5     |
| 60-70                                    | 6     | 30-50  | 2     | 40-59  | 2     | 30-50                                  | 2     | 15-20  | 3     | 0.5-0.8   | 4     |
| 50-60                                    | 5     | 10-30  | 1     | 20-39  | 1     | 10-30                                  | 1     | 20-25  | 1     | 0.4-0.5   | 3     |
| 40-50                                    | 4     | 0-10   | 0     | 0-19   | 0     | 0-10                                   | 0     | 25+  | 0     | 0-0.4   | 2     |
| 30-40                                    | 3     |  |       |  |       |  |       |  |       |   |       |
| 20-30                                    | 2     |  |       |  |       |  |       |  |       |   |       |
| 10-20                                    | 1     |  |       |  |       |  |       |  |       |   |       |
| 0-10                                     | 0     |  |       |  |       |  |       |  |       |   |       |

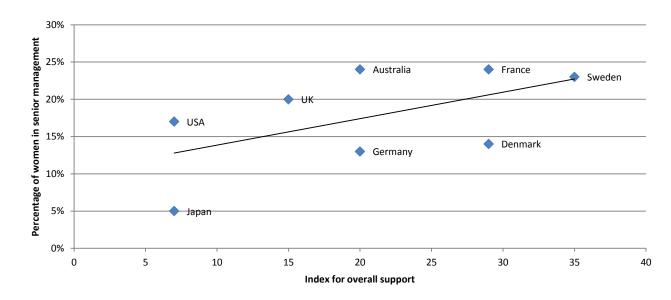
The factors are weighted based on their relative perceived impact on the percentage of women in senior management. For example, there was no clear trend between the total paid leave offered to a couple and the proportion of women in senior roles, and as such the maximum achievable score for this category is five. There was a clearer relationship



between the number of eligible men taking paternity leave and female promotions to senior roles, and as such the maximum achievable score is ten.



Looking at how each country is rated on the index, it is clear to see where there is room for improvement; for example, the total score for the UK suffers as result of the high cost of childcare and the limited paternity leave provision. More needs to be done in these areas to improve the support system for working mothers<sup>18</sup>.



Comparing the index for overall support with the percentage of women in senior roles

Comparing this index with the percentage of women in senior management, we see that while the linear trend-line indicates a positive correlation between overall support for working mothers and female appointments, there is no strong relationship here. The USA and Japan each score seven for overall support, but there is a difference of twelve percentage points in the proportion of women on boards. Again, Australia and Germany each score 20 on the support index, but their proportion of women in senior roles differs by 11 percentage points. The same is true again for France and Denmark. While the support for working mothers might play a role in affecting the number of women progressing to board level, the evidence suggests it is not the main factor and cannot be considered in isolation.

<sup>&</sup>lt;sup>18</sup> Note: Changes to parental leave allocation will come into effect in 2015. http://www.bbc.co.uk/news/uk-politics-20295439



## CONCLUSION

While a positive correlation exists between overall support for mothers and the number of women at board level, it is not clear enough to outline it as the main factor contributing to the gender gap at board level.

Indeed, McKinsey & Co., as part of their Women Matter series<sup>19</sup>, outlined four types of barrier to female career progression; a lack of support for working mothers can be interpreted as a lifestyle issue, but it must be seen in the context of a whole host of different obstacles to management roles.

We must remember that a lot of support structures for working mothers are still relatively new. Recent changes to state welfare will affect women at junior and mid-management levels of the pipeline, and there will be a time lag before their effect is seen at the senior level. The numbers of women currently in senior management is perhaps more indicative of the support available to mothers ten or fifteen years ago. According to McKinsey, there are four types of barrier holding women back:

*Structural issues* – lack of access to networks, opportunities for development and sponsorship

Lifestyle issues – desire for a work/life balance

**Imbedded institutional mindsets** – difficulty in adjusting to flexible working, men promoted on potential but women on performance

*Imbedded individual mindsets* – less job satisfaction than men, less desire to advance, personal reluctance to step up.

It is also important to recognise that this remains a shared problem globally; there is no country which serves as a perfect case study, where women occupy 50% of board positions, to compare to. Sweden might offer the most generous level of support for working mothers, and have a very high proportion of women in senior management, but their success here is relative to countries with fewer women on boards. Ultimately, women still only account for 23% of senior management roles in Sweden – this is still far from ideal.

There are other aspects of the motherhood debate that still require further research. This report has focused on the support structures available to working mothers and does not consider any discrimination women may face in the workplace as a result of having children. A recent UK poll found that one in four mothers who have returned to work believe they have been subjected to discrimination, either before or after the birth of their child<sup>20</sup>. Attitudes to mothers in the workplace do vary by country, and it would be interesting to somehow quantify how these opinions change and the impact they have on women progressing through to senior management roles. In addition, further research into the proportion of women at board level who don't have children would shed more light on the extent to which having children can be considered an obstacle to career development.

<sup>&</sup>lt;sup>19</sup> (McKinsey & Co. 2011)

<sup>&</sup>lt;sup>20</sup> (Slater & Gordon 2013)



## REFERENCES

- Barsh, Joanna, and Lareina Yee. Unlocking the full potential of women in the US economy. April 2011. http://www.mckinsey.com/client\_service/organization/latest\_thinking/unlocking\_the\_full\_potential.
- BBC News. "EU defends women-on-boards plans." BBC. 14 November 2012. http://www.bbc.co.uk/news/business-20322317.
- Beynon, Stephen. "Better technology means flexible working without compromise." *Computer Weekly*. Dec 2008. http://www.computerweekly.com/opinion/Better-technology-means-flexible-working-without-compromise.
- Catalyst. "A New Approach to Flexibility: Managing the Work/Time Equation." *Catalyst*. 1997. http://www.catalyst.org/knowledge/new-approach-flexibility-managing-worktime-equation.
- —. "The Bottom Line: Connecting Corporate Performance and Gender Diversity." *Catalyst.* 2004, January. http://www.catalyst.org/knowledge/bottom-line-corporate-performance-and-womens-representation-boards.
- —. "The Great Debate: Flexibility vs. Face Time. Busting the Myths Behing Flexible Work Arrangements." Catalyst. 2013. http://www.catalyst.org/knowledge/great-debate-flexibility-vs-face-time-busting-myths-behind-flexible-workarrangements.
- Chanavat, Andre, and Katherine Ramsden. "Mining the Metrics of Board Diversity." *Thomson Reuters*. June 2013. http://share.thomsonreuters.com/pr\_us/gender\_diversity\_whitepaper.pdf.
- Davies. Women on boards. 2011. http://www.bis.gov.uk//assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf.
- Grant Thornton International Business Report. "Women in senior management: still not enough." *Grant Thornton.* 2012. http://www.internationalbusinessreport.com/Reports/2012/women.asp.
- —. "Women in senior mangement: setting the stage for growth." Grant Thornton. 2013. http://www.internationalbusinessreport.com/files/ibr2013\_wib\_report\_final.pdf.
- Groom, Brian, and Elizabeth Rigby. *Davies calls women directors quota a mistake*. 4 March 2012. http://www.ft.com/cms/s/0/b8b2be1c-6486-11e1-b30e-00144feabdc0.html.
- Hall, Katy, and Chris Spurlock. "Paid Parental Leave: U.S. vs. The World." *Huffington Post.* 4 Feb 2013. http://www.huffingtonpost.com/2013/02/04/maternity-leave-paid-parental-leave-\_n\_2617284.html.
- HM Revenue & Customs. "Children and Tax Credits." HM Revenue & Customs. n.d. http://www.hmrc.gov.uk/taxcredits/start/who-qualifies/children/.
- Macleod, Mary, and Therese Coffey. "Executive Women in the Workplace Inquiry: Building the Executive Pipeline of Talent." *Executive Women in the Workplace*. 2013, June. http://executivewomenintheworkplace.files.wordpress.com/2013/06/report-online-version.pdf.
- McKinsey & Co. "Unlocking the full potential of women in the US economy." *McKinsey & Co.* April 2011. http://www.mckinsey.com/client\_service/organization/latest\_thinking/unlocking\_the\_full\_potential.
- OECD. "OECD Family Database." OECD. 2012. http://www.oecd.org/els/family/oecdfamilydatabase.htm.



- Opportunity Now. "What holds women back? Women and men's perceptions of the barriers to women's progression." *Opportunity Now.* 2011, February. http://opportunitynow.bitc.org.uk/research-insight/research-articles/whatholds-women-back-barriers-workplace-progression.
- Peacock, Louisa. "Childcare cost is biggest barrier to women reaching board level." *The Daily Telegraph*. 10 March 2012. http://www.telegraph.co.uk/finance/jobs/9135828/Childcare-cost-is-biggest-barrier-to-women-reaching-board-level.html.
- Pignal, Stanley. *MEPs back quota for women on boards.* 6 July 2011. http://www.ft.com/cms/s/0/ff8d546c-a7f0-11e0-afc2-00144feabdc0.html#axzz2adANtA2U.
- Ray, Rebecca. "A Detailed Look at Parental Leave Policies in 21 OECD Countries." *LIS Cross-National Data Centre in Luxembourg.* 2008. http://www.lisdatacenter.org/wp-content/uploads/parent-leave-details1.pdf.
- Ray, Rebecca, Janet C. Gornick, and John Schmitt. "Parental Leave Policies in 21 Countries Assessing Generosity and Gender Equality." *Center for Economic and Policy Research.* Sept 2008. http://www.cepr.net/documents/publications/parental\_2008\_09.pdf.
- Santander. "Working mothers need more support from Britain's employees." Santander. 5 June 2013. http://www.aboutsantander.co.uk/csr/csr-news/working-mothers-need-more-career-support-from-britain'semployers.aspx.
- Siegel-Bernard, Tara. "The Unspoken Stigma of Workplace Flexibility." *The New York Times.* 14 June 2013. http://www.nytimes.com/2013/06/15/your-money/the-unspoken-stigma-of-workplace-flexibility.html?pagewanted=all&\_r=0.
- Slater & Gordon. "Mums Facing Discrimination In The Workplace." *Slater & Gordon.* 8 August 2013. http://www.slatergordon.co.uk/media-centre/press-releases/2013/08/mums-facing-discrimination-in-the-workplace/#ixzz2bk5E7VGT.
- Timewise. "The Part Time Paradox." *Timewise Foundation.* 2012. http://timewisefoundation.org.uk/wp-content/uploads/2013/04/The-Part-Time-Paradox.pdf.