



## Parental leave in European Companies

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# Parental leave in European companies



Establishment Survey on Working Time 2004-2005

## Parental leave in European companies

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**Research project:** Company survey on time



European Foundation for the Improvement of Living and Working Conditions

# Parental leave in European companies

Establishment Survey on Working Time 2004–2005

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# Foreword

Working time arrangements and work–life balance are important issues on the EU political agenda. In a diverse and fast-changing economic climate, both companies and workers need flexibility. Working time arrangements can have a significant bearing on the efficiency, productivity and competitiveness of companies, not to mention the health, well-being and motivation of their employees. In order to reach the Lisbon employment objectives of more and better jobs for everyone, governments are being encouraged to implement policies aimed at achieving more harmony between work and family life. In general, it is intended that employment rates for women and older workers should increase, and the policy debate has focused on the steps needed in order for this to happen.

Against this background, the European Foundation for the Improvement of Living and Working Conditions has been committed to obtaining more in-depth information on the use of working time arrangements in European companies, the reasons for using such arrangements and the outcomes for both companies and workers. In 2004, the Foundation launched its first Establishment Survey on Working Time in 21 European countries: the 15 ‘old’ Member States of the European Union and six of the new Member States – the Czech Republic, Cyprus, Hungary, Latvia, Poland and Slovenia. The survey was a questionnaire-based, representative sample survey in more than 21,000 establishments, which aimed to analyse working time arrangements and work–life balance issues at the workplace by interviewing personnel managers and, where available, formal employee representatives. In particular, it focused on flexible working hours, overtime, part-time work, work at unusual hours, such as shift or night work and weekend work, childcare leave or other forms of long-term leave, and phased or early retirement.

This analytical report addresses the issue of parental leave as well as other forms of extended leave, such as leave to care for sick children or other adult family members. It offers a comparative review of the different national parental leave systems in operation, the differential use of parental leave by women and men across the 21 European countries and a discussion of the factors which influence take-up of parental leave by employees.

Although the right to parental leave has been established in all European Union Member States, important differences continue to exist between countries with regard to policy detail and patterns of take-up of such leave by parents. The analysis underlines the powerful influence of national statutory provisions on the taking of parental leave by employees in companies, showing that financial support represents a critical determining factor. Moreover, social conventions play a key role in shaping take-up patterns of parental leave whereby it is widely expected that measures aimed at reconciling work and family obligations are to be used by women rather than men. Therefore, there is a significant gender imbalance in the take-up of parental leave currently in Europe.

This report provides a unique insight into the operation of parental leave and other forms of long-term leave in companies across Europe. We trust it will be a useful contribution towards shaping the policies which seek to improve work–life balance for all Europeans.

Jorma Karppinen  
Director

Willy Buschak  
Deputy Director

## Country codes included in the report

EU21 = EU15 + NMS6

EU15 (former 'old' Member States pre-enlargement 2004)

AT	Austria
BE	Belgium
DK	Denmark
FI	Finland
FR	France
DE	Germany
EL	Greece
IE	Ireland
IT	Italy
LU	Luxembourg
NL	Netherlands
PT	Portugal
ES	Spain
SE	Sweden
UK	United Kingdom

NMS6 (Six of the 10 new Member States which joined the EU in 2004)

CZ	Czech Republic
CY	Cyprus
HU	Hungary
LV	Latvia
PL	Poland
SI	Slovenia

For some of the analyses of the report, the 21 countries were grouped into the following four regional categories:

Nordic countries:	Denmark (DK), Finland (FI), Sweden (SE)
Western Europe:	Austria (AT), Belgium (BE), France (FR), Germany (DE), Ireland (IE), Luxembourg (LU), Netherlands (NL), United Kingdom (UK)
Southern Europe:	Cyprus (CY), Greece (EL), Italy (IT), Portugal (PT), Spain (ES)
Eastern Europe:	Czech Republic (CZ), Latvia (LV), Hungary (HU), Poland (PL), Slovenia (SI)



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# Introduction

Parental leave – as well as other forms of extended leave, such as leave to care for sick children or other adult family members – constitutes a major policy component for promoting work–life balance for employees with caring responsibilities. Although the right to parental leave has been established in all European Union Member States, endorsed by the EU directive on parental leave, large differences continue to exist between countries with regard to policy detail and patterns of take-up of such leave by parents. Research on parental leave is still limited in many countries, and where it does exist it tends to focus on analysing patterns of take-up among employees and the impact of leave on employment patterns, and the division of care responsibilities between mothers and fathers. Information about company practices and attitudes towards parental leave remains relatively limited; and for some countries, it is virtually non-existent (Plantenga and Remery, 2005).

The European Establishment Survey on Working Time and Work–Life Balance (ESWT) 2004–2005 is the first study that allows for a systematic comparison of these issues across countries and workplaces. The survey focused on a variety of working time arrangements, including flexible working hours, overtime, part-time work, work at unusual hours such as shift work, night work and weekend work, parental leave and other forms of long-term leave, and phased or early retirement. A common feature of all these arrangements is that they deviate in some way from the standard working time model – full-time Monday to Friday – with regard to the number, the distribution, or the timing of working hours. While the overview report (Riedmann et al, 2006) presented a first analysis of the survey findings as well as the methodology applied, this report focuses more specifically on parental leave (for more information on the ESWT and the series of analyses based on the survey data see Text box 1).

The questions contained in the survey concerning parental leave addressed several issues relating to parental leave from the establishment perspective, notably: whether or not the establishment had any current or recent experience of employees taking parental leave; whether those who took leave included any fathers; the typical employment pattern of their female employees following a period of leave; human resources (HR) strategies for covering parental leave and reintegration of employees resuming work after a period of leave; and any implementation problems. The survey also collected some basic information about whether companies made certain other provisions aimed at reconciling work and family life, including long-term leave periods for other care responsibilities, such as looking after sick or elderly adults and persons with disabilities, and the provision of childcare and related services. Constraints on the length and complexity of the survey precluded the collection of information on the actual proportions of the establishment workforce who took parental leave or whether the statutory provisions were enhanced by the establishment. Nonetheless, the survey makes it possible to explore a number of important questions concerning company-level practices in relation to and attitudes towards parental leave.

The main objective of this report is to identify the national, sector and workplace characteristics of companies which have employees on parental leave, and to analyse enterprises' policies and any problems related to managing parental leave absences and reintegration patterns. This report also examines the potential synergy between the use of part-time work and parental leave by employees in companies. Part-time work and parental leave can, to some extent, be seen as different forms of working time adjustments to manage the same problem of combining employment with caring for young children. Companies use part-time work for a range of reasons and the part-time work available in a given enterprise may not be designed with reconciliation objectives in mind – for

example, part-time work may only be available in a few of the company's occupations or the schedules may not be compatible with care responsibilities. Nonetheless, if part-time work is available, this may influence whether employees take extended leave or return to work following a leave period. A more detailed analysis of the use of part-time work by establishments across Europe is provided in a parallel report of this ESWT series (Anxo et al, 2007).

First, the report looks at the national statutory context and differential use of parental leave by women and men across European countries. The national context is important because it is a major determinant of the parental leave demands made on an enterprise. In Chapter 2, the report explores the variation at establishment level in the incidence of parental leave. It analyses the influence of the country, economic sector, company size, the proportion of women in the company's workforce, and its use of part-time work. The same chapter focuses specifically on whether fathers take parental leave. The third chapter examines the prevailing employment pattern of mothers following parental leave according to whether they resume the same level of employment as before, reduce their working hours or quit work altogether. In Chapter 4, the report examines how establishments manage parental leave. It analyses the extent and type of operating problems reported by managers, the personnel strategies used to cover parental leave absences and whether reintegration measures exist in companies. Chapter 5 explores the establishment-level relationship between parental leave and the provision of other forms of long-term leave, and of childcare and related services. Finally, the main conclusions are drawn together in Chapter 6.

### Establishment Survey on Working Time and Work–Life Balance (ESWT)

In 2004, the European Foundation for the Improvement of Living and Working Conditions launched a large-scale sample survey in establishments in 21 European countries: the 15 'old' Member States of the European Union (EU15) and six of the new Member States (the Czech Republic, Cyprus, Hungary, Latvia, Poland and Slovenia). The study, called the *European Establishment Survey on Working Time and Work–Life Balance (ESWT)*, was conducted in more than 21,000 establishments, covering both the private and public sectors. As part of the survey, personnel managers and – where available – formal employee representatives (for example, shop stewards and members of works councils) were interviewed about working time arrangements and work–life balance at their workplaces.

Data obtained from the ESWT are representative for all establishments with 10 or more employees in the above-mentioned countries. The survey covers private and public establishments from virtually all sectors of economic activity, with the exception of 'agriculture', 'forestry', 'private households' and 'extraterritorial organisations'. In these sectors, the number of companies employing 10 or more employees is negligible in the countries surveyed. The sample design provided for a control of the representative distribution of interviews among the two main sectors 'Industry' (NACE C – F) and 'Services' (NACE G – O). In a finer breakdown, weaknesses with regard to the representation of the subsectors 'education' (NACE M) and 'health and social work' (NACE N) show up in some countries, due to deficiencies in the available sampling sources (for details, see Riedmann et al, 2006, p. 57).

TNS Infratest Sozialforschung, Munich, coordinated the fieldwork for the survey which was carried out in the autumn of 2004 (EU15) and the spring of 2005 (NMS6). In total, 21,031 personnel managers were interviewed, along with 5,232 employee representatives from the same establishments.

Unless otherwise stated, all figures in this report reflect the distribution of establishments, not of employees (more details on the survey methodology can be found in Riedmann et al, 2006, pp. 55–66).

Based on the findings of the ESWT, the Foundation aims to produce a series of seven different analytical reports. A consortium of research institutes and experts from different European countries, coordinated by TNS Infratest Sozialforschung, will draft these reports. The analysis consists of three main steps:

A first analysis of the survey data is presented in the overview report (Riedmann et al, 2006).

In a second step, a series of four additional reports have been produced, which focus on specific working time arrangements. This current report focuses on parental leave. The three other reports explore the issues of part-time work (Anxo et al, 2007), early and phased retirement (Leber and Wagner, 2007), and extended operating hours and unusual working hours (Kümmerling and Lehndorff, 2007).

In a third step, two reports will be produced which analyse the data in a more comprehensive way. One report will focus on flexibility at company level and will analyse the interrelations between the different working time arrangements. The second report will examine the social dialogue at company level in relation to working time and work–life balance issues.

# Statutory parental leave entitlements and take-up by parents

In some countries, parental leave constitutes a major measure aimed at reconciling work and family life for parents with young children. All EU Member States have statutory parental leave provisions for the period following maternity leave<sup>1</sup>, guaranteed by the minimum requirements set out in the EU directive on parental leave. However, there are marked variations across countries in the statutory leave provisions in terms of the duration of leave, financial support and flexibility options offered to parents. There are also national differences in the proportion of employees who use parental leave ('take-up rates') and in their employment patterns once the number of leave days runs out, although it is impossible to draw systematic international comparisons of parental leave usage by eligible individuals because data are not available (Bruning and Plantenga, 1999; Moss and Deven, 1999; Fagan and Hebson, 2006; Plantenga and Remery, 2005).

This chapter summarises the features of the various statutory parental leave provisions and discusses the main factors that influence the take-up of parental leave to inform the subsequent analysis of the ESWT findings. The details of the national schemes vary on four aspects in particular: the length of the parental leave period which is permitted; the earnings-replacement ratio for the parent on leave; opportunities to take the leave on a part-time or flexible basis; and whether the leave entitlement is calculated per family or includes an individual entitlement reserved for fathers. It is these design features which are particularly important for explaining if and how employees make use of parental leave entitlements (see Table 1 for an overview of these features).

## Parental leave schemes in Europe

The Swedish parental leave scheme offers the most generous combination of time and financial support to parents. It provides 480 days of leave per child up to the age of eight years or until they complete their first year of school, supported by a high earnings-related payment for most of the leave period, and offers parents a great deal of flexibility to use the leave in more than one block period and on a part-time or full-time basis. Sixty days of the paid leave are reserved for each parent and the remaining joint allowance can be divided between the mother and father as they choose. Parents are also entitled to reduce their hours to part time until the child has completed the first year of school.

Besides Sweden, the only other countries which offer a high or moderate earnings-replacement rate are the remaining two Nordic countries – Denmark and Finland – plus two of the NMS – Slovenia and Hungary. In the other 16 countries of the EU21, parental leave schemes provide for a more modest allowance or the leave is unpaid. Seven countries permit parents to take very long periods of leave until the child is three or four years old, but in five such cases this is combined with very limited levels of financial support. This applies to the Czech Republic, France, Germany, Latvia<sup>2</sup> and Poland. The Austrian system is slightly more generous and provides a flat-rate payment for the duration of the leave, while the Hungarian system provides a moderately high earnings-replacement rate for the first two years followed by a flat-rate payment for the third year. Shorter periods of leave with modest financial support are available in Belgium, Italy and Luxembourg. In the other seven

<sup>1</sup> The duration of statutory maternity leave ranges from 14 to 28 weeks across the EU Member States, with most national provisions falling within the range of 15 to 20 weeks (Fagan and Hebson, 2006).

<sup>2</sup> In 2005, Latvia introduced a new 'mother's wage' which represents an alternative to parental leave. Overall, it provides more generous financial support than that available to those taking parental leave. The mother's wage is set at 70% of their previous salary or a minimum payment if mothers have no previous employment experience.

countries surveyed – Cyprus, Greece, Ireland, the Netherlands, Portugal, Spain and the United Kingdom – the statutory entitlement is unpaid.

Only seven of the 21 national statutory parental leave systems provide incentives for fathers to take parental leave through an individual entitlement to paid leave or a reserved portion of a joint family entitlement to parental allowances. The most generous leave provisions are in Sweden, where 60 days of leave at 80% of earnings are reserved for fathers. Finland has a shorter period of 12 leave days at 66% of earnings reserved for fathers. In Austria and Italy, a part of the joint parental leave is reserved for fathers, combined with a modest level of financial support. In Belgium and Luxembourg, each parent is entitled to six months of full-time (or 12 months of part-time) leave on a flat-rate allowance, while in Slovenia fathers have a long paternity leave entitlement of 90 days, of which 75 days can be taken after maternity leave supported by a low flat-rate allowance.

Modest incentives for fathers to take parental leave prevail in 14 of the countries surveyed. In Denmark, fathers have an individual right to 32 weeks of leave in a scheme which offers a high earnings-replacement rate for 32 of the 64 weeks of the joint leave allocation; the paid component, however, can be taken entirely by the mother<sup>3</sup>. In five of the countries surveyed, namely Cyprus, Greece, Ireland, the Netherlands and the UK, the leave entitlement is individual but unpaid for both parents. In a further seven countries – the Czech Republic, France, Germany, Hungary, Latvia, Poland and Spain<sup>4</sup> – all of the joint leave allocation can be taken by the mother. In the case of France, however, a small allowance was introduced in 2001 which provides a modest incentive for parents to share the leave by working part time. A recent reform in Portugal has given fathers the right to 15 days of leave on full pay which can be taken during or after the mother's maternity leave but where the longer parental leave entitlement remains unpaid for both parents.

In most countries, some flexibility exists for parents to take leave in block periods or on a part-time basis, or to stagger the start date rather than commence it immediately after maternity leave. The Swedish and Danish systems offer the most developed set of options encompassing blocks and a range of 'fractioning' options for part-time work. Indeed, the majority of countries make some provision to permit part-time parental leave. The exceptions to this are Cyprus, the Czech Republic, Italy, Latvia and Poland, while part-time work in the French leave system is limited to a few hours per week or month.

The take-up rate of parental leave varies across countries. This is linked partly to the financial and legal conditions of the statutory parental leave system. Take-up of leave is also affected by other factors which influence the way parental leave operates in establishments, including: the prevailing gender division of labour in society; access to complementary policy measures aimed at reconciling work with family obligations, such as the provision of public childcare services and opportunities for reduced working hours; whether parental leave is accepted and supported within the organisational culture and HR practices within establishments; and labour market conditions relating to wage levels, job insecurity and unemployment. Not all of these considerations can be analysed directly with this survey source, but they are highlighted here to inform the analysis presented in the subsequent sections of this report.

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<sup>3</sup> Formerly, the Danish parental leave system reserved two weeks of the paid leave for fathers once the child was six months old, but this was revoked with the aim of making the system more flexible and responsive to parents' wishes.

<sup>4</sup> In Spain, it is possible to transfer four weeks of maternity leave to the father as paid paternity leave but there are no incentives to encourage this redistribution between parents.

**Table 1 Summary of the duration and level of financial support under the statutory parental leave entitlements of the EU21, by country\***

	Leave period and payment	Flexibility: leave can be taken part time (with earnings adjusted) or in blocks; other legal provisions for parents to work reduced hours?
SE	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> 60 days on parental allowance</li> <li>• <b>Joint:</b> another 360 days to divide as they wish – so one parent can take up to a maximum of 420 days. The total of 480 days leave to be taken before child is eight years old or finishes first year of school</li> <li>• <b>High earnings-related payment</b> for most of the leave (360 days at 80% of earnings up to a ceiling and 90 days low flat-rate benefit)</li> <li>• <b>Fathers:</b> Period of paid leave reserved for fathers</li> </ul>	Yes – very flexible options within parental leave system  <i>In addition:</i> parents can also reduce working time to 75% of normal working hours until child has completed first year of school (eight years old)
DK	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> 32 weeks (64 weeks/couple) before child is nine years old</li> <li>• <b>High earnings-related payment</b> for 32 of the 64 weeks (approximately 90% of earnings as for maternity/paternity leave)</li> <li>• <b>Fathers:</b> no paid leave reserved for fathers</li> </ul>	Yes – various flexible options within parental leave system
SI	<ul style="list-style-type: none"> <li>• <b>Joint:</b> 260 days per child following maternity leave</li> <li>• <b>Fathers:</b> have separate entitlement to 75 days paternity leave after maternity leave and to 15 days during maternity leave</li> <li>• <b>High full earnings (100%) replacement</b></li> <li>• Fathers' 75 days are at a low flat-rate payment</li> </ul>	Yes – one parent has the right to work part time until child is three years old
HU	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is three years old</li> <li>• <b>Moderate earnings-related payment</b> (average 70% earnings up to ceiling) until child is two years old; third year at lower flat-rate payment</li> </ul>	Yes – the parent taking leave can work part time when the child is aged between 18 months and three years
FI	<ul style="list-style-type: none"> <li>• <b>Joint:</b> 26 weeks per child following maternity leave</li> <li>• <b>Fathers:</b> if the father takes the last 12 days of parental leave then an additional bonus of 12 weekdays is secured</li> <li>• A further 'care leave' period is available until the child is three years old</li> <li>• <b>Moderate earnings-related payment</b> (average 66% of earnings)</li> <li>• Care leave is supported by a low flat-rate 'home care allowance'</li> </ul>	Yes – parental leave can be taken part time with a partial allowance (as can the care leave entitlement)  <i>In addition:</i> parent can work reduced hours until child starts school (at about the age of seven years)
IT	<ul style="list-style-type: none"> <li>• <b>Joint:</b> 10 months before the child is eight years old</li> <li>• <b>Fathers:</b> extended to 11 months if father takes at least three months</li> <li>• <b>Low earnings-related payment</b> (30% of earnings for six months when child is under three years old)</li> </ul>	No
AT	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is two years old (four years if leave is taken part time)</li> <li>• <b>Fathers:</b> payment extended for six months if father takes some leave</li> <li>• <b>Flat-rate allowance</b> until the child is 18 months old – extended to 24 months if father takes some leave</li> </ul>	Yes – can be taken part time  <i>In addition:</i> right to work part time until child is four years old (and in some circumstances until the child is aged seven years)
DE	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is three years old</li> <li>• <b>Flat-rate allowance</b> for six months and income-tested for 18 months (only a small share of households qualify)</li> </ul>	Yes – leave can be taken in blocks and parent taking leave may work part time (15–30 hours per week)  <i>In addition:</i> employees have the right to work part time in companies with 15 and more employees
FR	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is three years old (applicable only for two or more children)</li> <li>• <b>Flat-rate allowance</b> for six months for first child; whole period if two or more children</li> </ul>	Yes – leave can be taken part time with earnings adjusted (by mothers or fathers)
BE	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> six months full time or 12 months part time before child is four years old (but does not cover all areas of the public sector)</li> <li>• <b>Flat-rate allowance</b></li> </ul>	Yes – can be taken part time  <i>In addition:</i> 'career break scheme' <sup>5</sup> has options for part-time and reduced hours with a flat-rate payment for up to five years (average wage replacement rate of 26%)

<sup>5</sup> In 1985, the Belgian career break scheme was introduced for both the public and private sectors. In 2002, the private sector career break scheme was replaced by a broader and more flexible time-credit scheme which includes the right for employees to a 20% working time reduction for a maximum of five years. The 2005 National Reform Programme details the intention of the Belgian government to restrict the duration of time credits from five years to one year to prevent older employees saving their credits for early retirement from the labour market.

Table 1 (continued)

	Leave period and payment	Flexibility: leave can be taken part time (with earnings adjusted) or in blocks; other legal provisions for parents to work reduced hours?
LU	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> six months full time/12 months part time before child is five years old</li> <li>• <b>Flat-rate allowance</b> close to minimum wage</li> </ul>	Yes – can be taken part time
CZ	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is four years old</li> <li>• <b>Very low allowance</b> (&lt;2% of minimum living standard)</li> </ul>	No
PL	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is four years old</li> <li>• <b>Flat-rate allowance for low income families</b> (60% of minimum wage) for 24 months</li> <li>• <b>In addition:</b> parents with a child under the age of four years have the right to refuse to work more than eight hours a day, or to work at night or away from home</li> </ul>	No
LV	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is three years old</li> <li>• <b>Low flat-rate allowance</b> (higher if claimed for 18 months instead of 36 months)</li> </ul>	Some – leave can be taken in blocks until child is eight years old and the allowance can be received while working part time <b>In addition:</b> mothers can work reduced hours until the child is one year old
EL	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> 3.5 months in private sector before child is 3.5 years old; two years in public sector before child is six years old</li> <li>• <b>Unpaid</b></li> </ul>	No <b>In addition:</b> parents are entitled to modest reductions in daily working hours or the equivalent as a leave period for a fixed period following maternity leave without loss of income (paid childcare leave)
ES	<ul style="list-style-type: none"> <li>• <b>Joint:</b> until child is three years old</li> <li>• <b>Unpaid</b></li> </ul>	No <b>In addition:</b> parents with a child under the age of six years (or caring for a disabled person) has the right to reduce their working hours to 66% or 50% of full-time hours
PT	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> six months full time before child is three years old</li> <li>• <b>Fathers:</b> 15 days of parental leave immediately following paternity or maternity leave</li> <li>• <b>Unpaid except the 15 days for fathers</b> (100% of earnings)</li> </ul>	Some – leave available until child is three years old <b>In addition:</b> parents also have the right to work part-time or reduced hours until child is 12 years old
NL	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> three months full time or six months part time before child is eight years old</li> <li>• <b>Unpaid</b></li> </ul>	Yes – can be taken part time <b>In addition:</b> employees have the right to ask their employer for part-time hours or to reverse to full-time hours
IE	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> three months full time before child is five years old</li> <li>• <b>Unpaid</b></li> </ul>	Yes – can be taken part time or in blocks
UK	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> three months full time before child is five years old</li> <li>• <b>Unpaid</b></li> </ul>	Some – maximum four weeks of leave per year <b>In addition:</b> since 2003, parents with young children have the right to ask their employer for reduced or flexible hours
CY	<ul style="list-style-type: none"> <li>• <b>Each parent:</b> three months full time before child is six years old</li> <li>• <b>Unpaid</b></li> </ul>	Some – maximum four weeks of leave per year

Note: \* Countries are ranked broadly by the extent of financial support to parents on parental leave.

Source: Fagan and Hebson, 2006; supplemented with Plantenga and Remery, 2005, Riedmann et al, 2006, and Rubery et al, 2005.



## Gender division of labour and take-up of parental leave

In all European countries, mainly women use parental leave. This gender asymmetry is rooted in economic conditions and cultural norms. In dual-earner couples where the woman earns less it means that earnings foregone by the household over the short term are minimised, particularly when the parental leave provides limited or no payment. Cultural norms concerning parenting also mean that it is usually the mother who makes the main adjustment to her working time for care responsibilities.

In policy debates, this gender asymmetry is often regarded as ‘natural’ or argued to be an unproblematic realisation of private choices made by parents in light of their economic situation or values concerning parenting roles. However, several reasons exist why gender inequalities in the take-up of parental leave represent a public policy problem. First, from a gender equality perspective, if it is mainly women who take long parental leave periods, this perpetuates gender-related, stereotypical assumptions about men and women’s domestic responsibilities and aptitudes for employment. Such assumptions can fuel employment discrimination against the recruitment and promotion of women which runs counter to the policy objective of improving gender equality, as adopted by the European Employment Strategy and reinforced in the ‘gender equality pact’ adopted by the EU Member States in 2006. Conversely, gender stereotypical ideas about care roles can make it more difficult for fathers to take parental leave because this conflicts with workplace cultures and expectations about the appropriate behaviour for men (Brandth and Kvande, 2006). Thus, men may be discriminated against if they make use of their right to use parental leave. Secondly, in the context of gender-segregated employment, there is an uneven distribution of operational costs across workplaces as it is female-dominated workplaces and departments which have to accommodate the highest rates of parental leave absence. The third reason concerns the wider public welfare issue of how parental leave for fathers can improve the quality of father–child and father–mother relationships.

The key design features of parental leave schemes that encourage take-up of such leave are a statutory entitlement for parents as well as financial provision at a moderate or high earnings-replacement rate. In addition, schemes which give fathers a personal entitlement to a sizeable period of leave – whether as an individual entitlement or as a reserved portion of the family-based entitlement for fathers – create an incentive for men to take parental leave, in contrast to schemes which provide a family-based allocation that can be taken solely by the mother. For both mothers and fathers, the flexibility of the provisions, such as the possibility for part-time leave or blocks of leave divided over a longer period, is also pertinent (Bruning and Plantenga, 1999; Moss and Deven, 1999; Plantenga and Remery, 2005; Fagan and Hebson, 2006).

Among women, the take-up rate and resumption of employment following parental leave varies between the EU countries (Table 2). Take-up rates of parental leave are high in the Nordic countries, Denmark, Finland and Sweden, where the existing schemes are flexible and underwritten by high earnings-replacement levels. In these countries, most women choose to benefit from parental leave and return to employment afterwards due to the availability of comprehensive childcare services and other reconciliation measures to support the employment of those with care responsibilities (see next section on ‘Access to childcare and other policy measures’). Take-up of parental leave by women is also high in most new Member States from the former communist economies – the Czech Republic, Hungary, Poland and Slovenia, but no data are currently available for Latvia. In the latter countries,

parental leave was part of a wider policy package based on the expectation that mothers should engage in employment. In some of these countries, for example Poland, take-up of parental leave by mothers is changing as a result of new or unstable economic conditions (see section on ‘Acceptance and implementation of parental leave in companies’). A high take-up rate by mothers is also evident in Germany and Italy in the context of more limited reconciliation measures to support their employment.

**Table 2 Take-up rates for parental leave in the EU21**

Take-up rates by mothers	Member States	Take-up rates by fathers
High	Nordic countries: <b>SE, DK, FI</b> <b>DE</b> <b>IT</b> (75% of all eligible mothers) <b>SI</b> <b>CZ</b> (usually until the child is 2 or 3 years old) <b>HU</b> (highly qualified mothers take 3–9 months compared to the average 36 months for other mothers) <b>PL</b> – rate has declined since 1993	<b>SE</b> – 42% and rising; fathers take an average of 28 days which is only 16% of the total days of parental allowance available to families Less than 10% of eligible fathers: <b>IT</b> (7%), <b>DK</b> (6%, length of leave taken is increasing), <b>DE</b> (5%), <b>PL</b> (2%), <b>SI</b> (2%), <b>FI</b> (low but rising)
Medium (33% to 66% of eligible women)	<b>ES, FR, NL</b>	More than 10% of fathers: <b>NL</b> (16%) – usually on a part-time basis  Very low: <b>ES</b> (less than 2%) and <b>FR</b> (1%)
Low	Unpaid leave systems: <b>EL, IE, PT, UK, CY</b> <b>BE</b> (7% of all eligible parents) – the 20% reduction in working time is the most popular option	Even lower than for mothers: For example <b>IE</b> (5%) <b>UK</b> (about 10% of fathers)
No data available	<b>AT</b> (2,145 families received parental leave benefits in 2004) <b>LV</b> – high/medium? <b>LU</b> – medium/low?	Lower than for mothers: <b>LU</b> – 83% of all parents taking leave are mothers

Source: Plantenga and Remery, 2005, p. 49; supplemented by Fagan and Hebson, 2006, p. 49

Take-up rates are more moderate in France, the Netherlands and Spain where between one third and two thirds of mothers make use of their parental leave entitlement. Elsewhere, take-up rates of parental leave by mothers are much lower, including in five of the countries – Cyprus, Greece, Ireland, Portugal and the UK – where parental leave is unpaid, but also in Belgium where a flat-rate payment is available. In Luxembourg and Austria, parental leave take-up is at best moderate (no quantified estimates are available).

In the majority of the countries surveyed, less than 10% of fathers use their parental leave entitlement (Plantenga and Remery, 2005). Sweden and the Netherlands are two countries where the take-up of parental leave by fathers is above the European average<sup>6</sup>. In the Netherlands, approximately 16% of men take parental leave, usually on a part-time basis. On average, those men who take parental leave do so for eight hours per week over a period of 36 weeks. If leave is paid – which it is under a number of Dutch collective agreements – the take-up rate rises to about 40% of men availing of their

<sup>6</sup> In Iceland and Norway, take-up rates of parental leave by fathers are also above the EU average.

parental leave entitlement (Bruning and Plantenga, 1999). In Sweden, the proportion of those taking parental leave who are men has been rising, reaching 42% in 2002. However, even in the Netherlands and Sweden, the duration of leave taken by men is usually shorter than that taken by women; for example, fathers in Sweden who take parental leave take an average of 28 days or about 15% of the total days of parental allowance taken up by families. Fathers' take-up of leave is also rising in other countries, for example, in Finland and in Denmark. In the latter country, the length of parental leave taken by fathers has increased, and mothers are also taking longer leave periods.

The payment level and flexibility of the scheme as well as a supportive organisational culture and high educational level are the main factors that are associated with a higher take-up rate by fathers in Sweden. A number of studies note higher take-up rates in the public sector, which is attributed to a combination of enhanced flexibility or payment for leave plus a more supportive organisational culture (Moss and Deven, 1999; Plantenga and Remery, 2005).

### **Access to childcare and other policy measures**

For women in particular, the length of leave taken, whether it is taken on a full-time or part-time basis, and whether or not employment is resumed at the end of the leave period, will depend on the overall work–family reconciliation package they have access to. This includes the availability and cost of childcare services, what full-time working hours involves at their workplace, and whether opportunities for alternative arrangements exist, such as reduced or flexible working hours.

Many statutory schemes offer parents some flexibility to take parental leave on a reduced or part-time basis or to stagger blocks of leave during the earlier years of their child's life (see Table 1). The Swedish and Danish systems provide for the most extensive flexibility options. In some countries, supplementary provisions outside of the parental leave system exist and offer parents some ability to negotiate working time adjustments in their workplace; for instance, the statutory right to request reduced working hours for employees in Germany and the Netherlands and for employees with care responsibilities in the UK (for more detail, see Fagan et al, 2006). In other countries, either legislation does not provide for parental leave to be taken on a part-time basis, like in Italy, or legislative provisions in this respect are limited, as is the case in Greece, Poland and Portugal.

The way mothers make use of their parental leave entitlement is also influenced by the availability of accessible childcare options. In countries where childcare is limited, expensive or the opening hours of childcare facilities are incompatible with working hours, mothers may have to take longer periods of leave. This may also mean that extended leave is an exit route of the labour market rather than a bridge for resuming employment. In terms of public childcare coverage rates, only a limited number of European countries have reached the Barcelona targets<sup>7</sup> of childcare services available for both 33% of children under three years old and 90% of children between the age of three years and school age. These countries include Belgium, Denmark, France, the Netherlands and Sweden, while Italy and Spain have reached the target for children aged over three years but not for younger children (Plantenga and Remery, 2005). Even where childcare coverage is relatively high, many parents still face problems with regard to cost or limited opening hours, for example in Italy and

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<sup>7</sup> These targets were set by the Barcelona European Council in 2002 as part of the European Employment Strategy (EES), and Member States are expected to expand their childcare services accordingly to reach these targets by 2010.

Spain. Furthermore, while childcare services used to be rather extensive in Member States which were formerly communist countries, these services deteriorated in the economic transition of these countries; for example, costs have risen in Latvia and there are long waiting lists, while in Hungary and Poland workplace nursery provision is no longer common and the total level of childcare services has declined. By contrast, childcare services remain high and are increasing in Slovenia, but parents still face a problem of incompatibility between their working hours and opening hours of childcare services (Fagan and Hebson, 2006).

The provisions of the parental leave schemes and the availability of childcare facilities, as well as of other measures to reconcile work and family life, affect the employment patterns of mothers following a period of leave. For example, mothers in the Nordic countries have high employment rates, with most mothers taking parental leave and resuming employment afterwards. This is largely in the form of full-time employment for mothers in Finland while reduced hours are particularly common in Sweden and to a lesser extent in Denmark. In contrast, German family policy combines a lengthy leave entitlement with a modest allowance, uneven childcare provision (particularly limited in western Germany) and a family tax system which provides subsidies to men with non-employed wives. In this context, once parental leave is completed, the return rate is rather low at 50%, and many mothers who resume employment switch to part-time work. Conversely, return rates are high in Austria, the Czech Republic and the UK, with 75% of mothers or more resuming work following parental leave (Plantenga and Remery, 2005).

### **Acceptance and implementation of parental leave in companies**

Whether the organisational culture in the workplace supports or dissuades employees from taking parental leave is also very important, perhaps more so in relation to the take-up of leave by fathers.

Some companies try to enhance the statutory parental leave entitlement. Of the countries surveyed, only in the Netherlands, the UK and to some extent in Denmark, non-statutory enhancements are significant in some sectors of the economy which offer better payment levels or flexibility options<sup>8</sup> (Plantenga and Remery, 2005). More limited enhancements exist in some collective agreements for various economic sectors in Germany, Greece, Italy, Spain and Slovenia. In general, leave enhancements are more likely to be found in the public sector and in large private companies which are unionised and have a high number of women in the workforce (such as in the banking and financial services sector).

Case studies of organisations revealed that while policies make extended leave and other measures to reconcile work and family life available to women and men, in practice the assumption is that they are provided mainly for mothers. Consequently, fathers can face negative attitudes in the workplace and other barriers which can obstruct their ability to make use of their parental leave entitlement. Mothers who want to take parental leave can also face obstacles or fear they will incur career penalties afterwards by using the 'mummy track' (Lewis, 1997; Moss and Deven, 1999). For instance, take-up rates are often higher in the public sector than in private sector companies. In the public sector, the flexibility and financial provisions of statutory parental leave schemes are often better and the organisational culture can be more supportive for employees to make use of their leave

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<sup>8</sup> For example, the Dutch collective agreement for civil servants provides parents who take parental leave with about 70% of their salary during the leave period and the right to request to take the leave full time over a period of three months or part time for one year.

entitlement or other work–family reconciliation measures (Math and Meilland, 2004; Anxo and Boulin, 2006).

Wider economic and competitive conditions also impact on the operation of parental leave. An employee may be deterred from taking parental leave for fear that this could make them more vulnerable to job loss in situations where redundancies and unemployment are high or rising. Such labour market conditions are particularly acute in many of the new central and eastern European Member States; this creates thus a situation in which parental leave can expose an individual parent to heightened risks of redundancy. For example, take-up of parental leave has been falling in Poland. In Hungary, many women face resistance from their employers when they want to resume employment at the end of their leave period with the result that the rate of Hungarian mothers resuming employment after parental leave has also fallen to 45% (Fagan and Hebson, 2006).

Conversely, from the employers' point of view, managing parental leave absences can become difficult in various circumstances. On the one hand, in workplaces where few employees request parental leave, line managers may be ill-equipped to devise arrangements for temporary cover. On the other hand, a high take-up of parental leave may create problems for temporary cover and longer-term planning if establishments have to deal with restricted labour market conditions, skill shortages or instances where a sizeable proportion of mothers do not return to work after their leave period.

Moreover, the proportion of the workforce eligible for and availing of parental leave varies across the countries surveyed and between establishments within individual countries. Factors that generate national variation include fertility rates and employment rates for women, which both determine the proportion of the workforce who may be eligible to take parental leave. Another factor that leads to variations across the countries surveyed is the length of statutory leave entitlement; in countries where employees can take a long period of leave or split it into block periods over several years, the probability of employees being on leave at any given point in time is higher. Variation at establishment level is influenced by the characteristics of their workforce. It can be expected that, for instance, in companies with a higher proportion of women of child-bearing age in the workforce, there will be more employees taking up their parental leave entitlement.

In summary, this chapter has reviewed the important national differences which remain in statutory provisions for parental leave. Overall, most of the employees who take parental leave are women; the take-up rate by women, however, varies significantly across the countries surveyed. Take-up rates by fathers are low in most of the countries, although notably higher in the Netherlands and Sweden than elsewhere in the EU. A variety of factors shape the take-up patterns of parental leave, namely: the financial and legal conditions of the statutory parental leave system; the prevailing gender division of labour in society; access to measures aimed at reconciling work and family life, such as the provision of public childcare services and opportunities for reduced working hours; whether parental leave is accepted and supported within the organisational culture as well as the establishment's HR practices; and labour market conditions with regard to wage levels, job insecurity and unemployment.

# Incidence of parental leave and variations across establishments

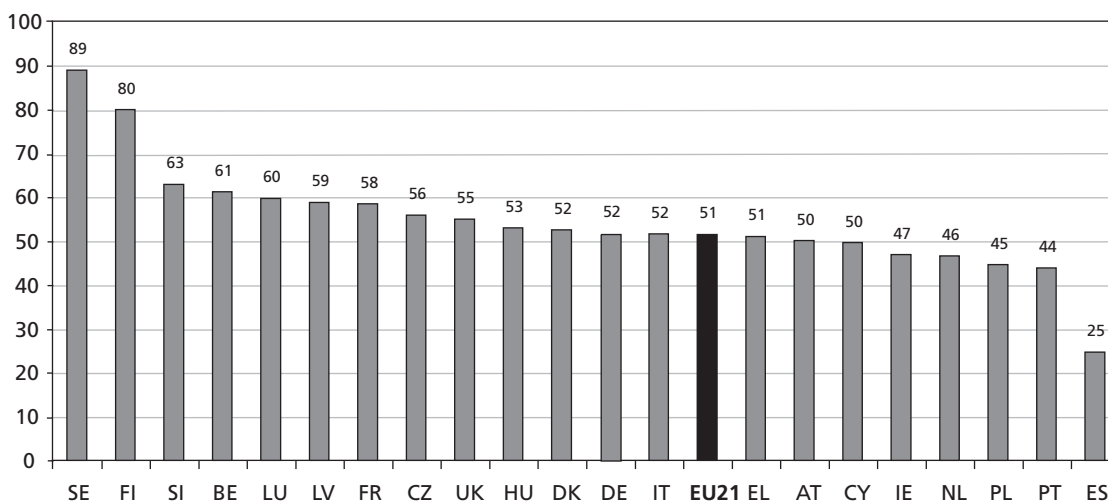
This chapter examines the establishment-level perspective on parental leave and identifies which characteristics increase the companies' experience of parental leave. It also identifies the types of establishments where fathers are included in the group of employees who take parental leave.

## Type of establishments and take-up of parental leave

The findings of this survey on working time and work–life balance in European establishments with 10 or more employees revealed that just over half of the companies surveyed (51%) had some experience of employees taking parental leave in the last three years. It is important to note that the survey questionnaire only established whether at least one employee had taken parental leave, by asking 'Have any of your employees taken parental leave in the last three years?' The questionnaire did not collect any information about the proportion of employees who took leave or any details about leave usage, such as the length of leave taken and whether it was taken on a full-time or part-time basis.

The proportion of establishments with employees on parental leave varies from 45% to 60% of companies in most of the 21 countries surveyed (Figure 1). The incidence of employees taking parental leave is significantly higher in Sweden, with employees in 89% of the establishments surveyed availing of this option, followed by Finland, with employees in 80% of establishments taking up such leave. Surprisingly, the incidence is much lower in Denmark, with 52% of companies having recently experienced employees taking parental leave, although Denmark shares the Nordic approach of providing a somewhat generously financed parental leave scheme combined with extensive childcare services (see Chapter 1). Slovenia ranks third, after Sweden and Finland, with 63% of establishments having had an employee on parental leave in the past three years. A high take-up might be expected in Slovenia, given the full earnings replacement provided for employees on parental leave (see Table 1).

**Figure 1 Establishments with employees on parental leave in past three years, by country (%)**



Base: All establishments (management interviews)

Source: ESWT, 2004–2005

In the middle of the country rank is a group of mainly western and eastern European countries, witnessing an incidence of parental leave higher than the EU21 average. At the same time, there is a tendency for many of the southern European countries to have lower rates close to or below the EU21 average. In Ireland, the Netherlands, Poland and Portugal, less than 50% of the establishments surveyed have had any experience of employees requesting parental leave, which declines to only 25% of establishments in Spain.

These national differences may be attributed to a ‘country’ effect whereby a given type of establishment is more likely to have experience of parental leave in one country than in another due to national variations in statutory provisions, in addition to other societal differences, such as public childcare provisions and labour market conditions. However, part of the explanation may be attributed to differences in the industrial structure within the various countries, as Chapter 1 also argued that parental leave is more likely to be used in certain types of establishments, according to characteristics such as economic sector, company size or the number of women in the workforce. To explore this question, multivariate analysis techniques were used to control the influence of various characteristics simultaneously (see Annexes 1 and 2 for a further explanation of the methodology used, a list of all the variables controlled in the analysis and a detailed presentation of the results). The national ranking shown in Figure 1 is confirmed by the estimation results: compared with the situation in Sweden, similar establishments in every other country have a lower probability of one or more employees taking parental leave. Finland shows the smallest difference in relation to Sweden, whereas Spain and Portugal have the largest variation.

Some caution is needed in the interpretation of the result about the ‘country effect’ due to the limits of the questionnaire design. Figure 1 shows that a large group of the countries in the middle of the rank have a broadly similar proportion of establishments with employees on parental leave. However, more variation could have been expected between these countries given the national differences in statutory entitlements to parental leave and financial support as well as other societal features discussed in Chapter 1. In addition, it should be recalled that the number of employees within the establishments who have taken parental leave is unknown, as is the ways in which the leave has been taken (full time or part time, in one or several blocks). Therefore, it is likely that these broad indicators conceal wide differences between establishments according to size, sectors of activity, or the proportion of women in the workforce.

As can be expected, the share of establishments with experience of parental leave within the last three years has increased and varies with the size of the companies’ workforce. For the EU21, some 40% of small establishments with 10 to 19 employees have had one or more employees on parental leave over the past three years, rising to more than 90% of large establishments with more than 200 employees. The multivariate analysis shows that the two most significant characteristics for predicting whether an establishment has experience of parental leave are ‘country’ and ‘establishment size’<sup>9</sup>.

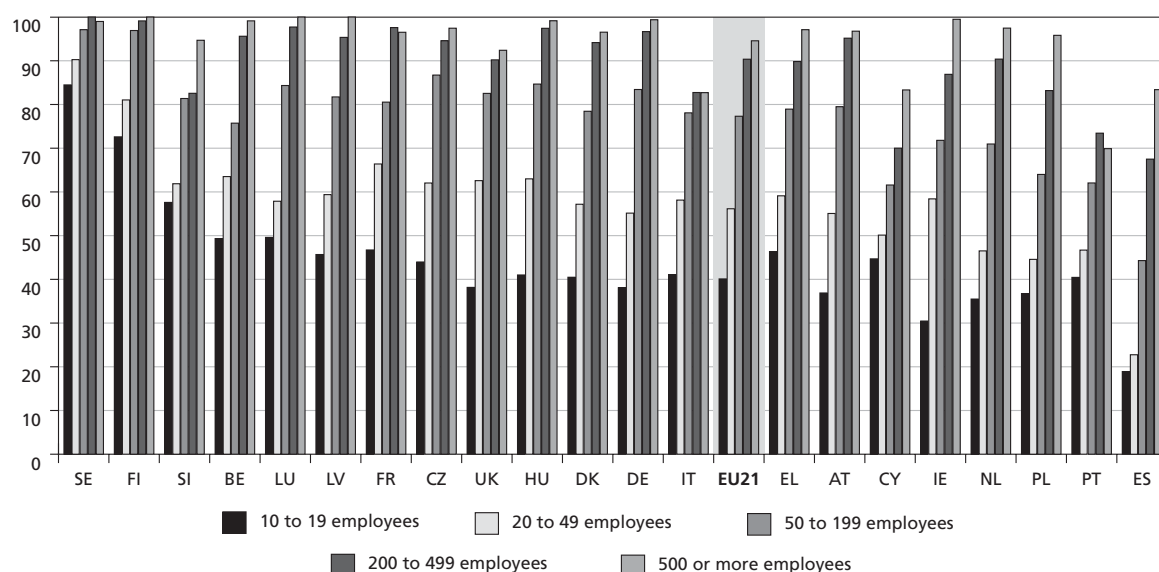
Nevertheless, establishment size is more significant in some countries than in others. Figure 2 illustrates that establishment size has little influence in Sweden where the majority of establishments (89%) experience parental leave and the incidence exceeds 80% even for small establishments with 10 to 19 employees. The variation according to establishment size is also small in Finland. Moreover, the influence of establishment size is relatively modest in Slovenia, Belgium and Luxembourg,

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<sup>9</sup> See coefficients in Table A3 in Annex 2.

countries where 60% or more of the establishments surveyed reported some experience of parental leave (Figure 1) and where the incidence for small establishments with 10 to 19 employees exceeds the average for the EU21. Thus, the experience of parental leave is widespread across establishments of all sizes in these countries. By contrast, in some countries, the share of establishments with any experience of parental leave over a three-year period is below the EU21 average, even among the largest organisations with 500 employees or more. This is particularly the case in Cyprus, Italy, Portugal, Spain and the UK.

**Figure 2 Establishments with employees on parental leave in past three years, by size of establishment (%)**



*Note:* Countries are sorted according to the share of establishments with recent experience of parental leave (see Figure 1). Since the percentages are computed on all establishments, each country histogram indicates the incidence of parental leave in the establishments of this country.

*Base:* All establishments (management interviews)

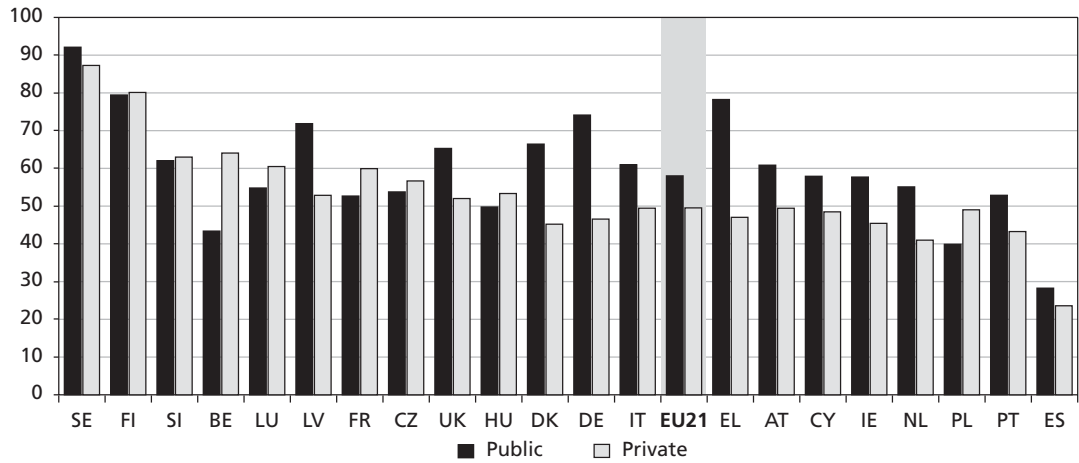
*Source:* ESWT, 2004–2005

In general, public sector establishments are more likely to have some experience of parental leave than those in the private sector: on average, 58% of public sector establishments surveyed had employees taking parental leave in the past three years compared with 50% of private sector companies (Figure 3). This gap between the two sectors is found in 13 of the 21 countries in this study and is particularly pronounced in Denmark, Germany, Greece, Latvia, the Netherlands and the UK. However, a smaller group of countries reveal a significant gap in the reverse direction, with private sector companies much more likely to have experience of parental leave, for example, in Belgium, France, Luxembourg and Poland, as well as the Czech Republic and Hungary.

These sector differences are likely to arise from a number of different employment conditions in the public and private sectors, one of which may be different leave entitlements across the sectors. For example, in Greece, the leave entitlement is much more generous in the public sector, whereas the Belgian legislation does not extend all leave entitlements to the public sector (see Table 1). Another factor that may explain this sectoral difference is the high proportion of women in the public sector workforce, taking into account that more mothers make use of their parental leave entitlement than fathers do.



**Figure 3 Establishments with employees on parental leave in past three years, by public and private sector (%)**



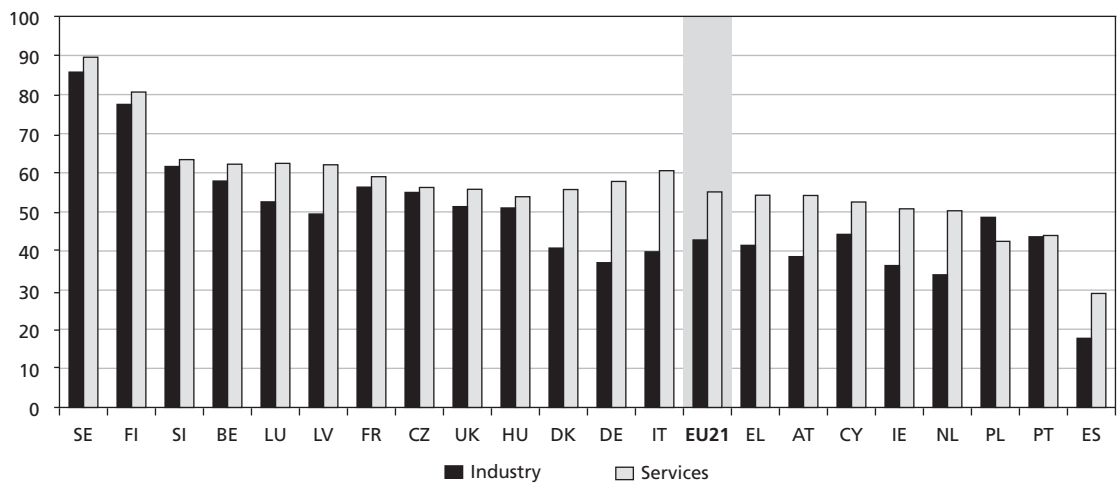
Note: Countries are sorted according to the share of establishments with recent experience of parental leave (see Figure 1). See Figure 2 note.

Base: All establishments (management interviews)

Source: ESWT, 2004–2005

A more uniform pattern across the countries appears when looking at the distribution of establishments with parental leave experience by sector of activities. In all countries, except Poland, there are more establishments experiencing parental leave in the services sector than in industry, accounting for 55% of companies in services compared with 43% of establishments in industry at the average EU21 level. Figure 4 shows that this applies particularly to Germany, Italy, Denmark, Ireland, the Netherlands, Austria and Greece, whereas the difference between services and industry is low for Sweden, Finland, Slovenia, Belgium, France, the Czech Republic, the UK, Hungary and Portugal.

**Figure 4 Establishments with employees on parental leave in past three years, by sector of activity (%)**



Note: Countries are sorted according to the share of establishments with recent experience of parental leave (see Figure 1). See Figure 2 note.

Base: All establishments (management interviews)

Source: ESWT, 2004–2005

Considerable variation in the incidence of parental leave exists between the services sector as well as within industry. A high proportion of establishments in financial services have experience of parental leave, with about 70% of companies averaging at the current EU21 level. This is the case in most of the countries, except for the Czech Republic, Portugal and Slovenia where the incidence of parental leave in financial services is lower than the EU21 average. Rates are also particularly high for establishments in health and social work and in education. Moreover, the share of establishments with parental leave is particularly high in public administration in Ireland, Sweden, the Netherlands, Finland, Denmark, Germany and Greece, whereas this is not the case in Belgium, Spain or Poland.

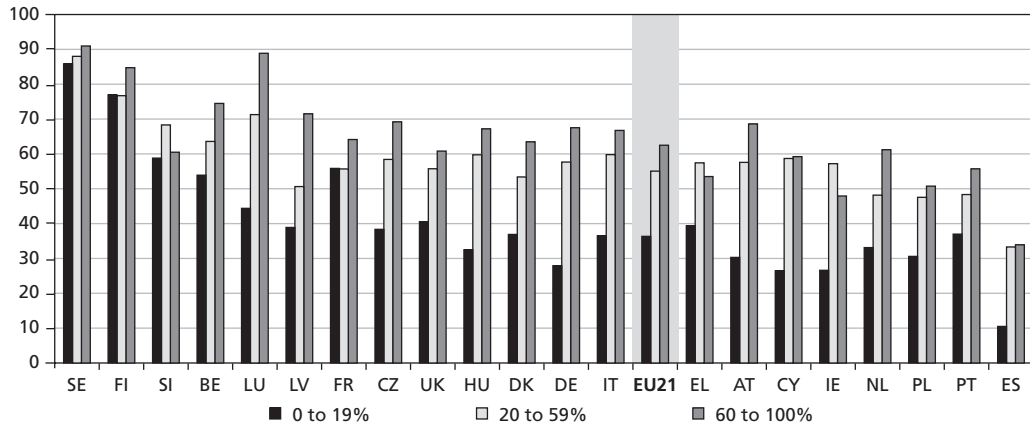
In sharp contrast, there are much smaller proportions of establishments with experience of parental leave in the small mining and quarrying sector, construction, transport and communications, manufacturing and one subsector of the services sector, hotels and catering. However, there are some noteworthy country exceptions. In Latvia and Finland, the incidence of parental leave in establishments in the hotels and catering sector exceeds the EU21 average for the same sector; in Ireland and Sweden, the incidence is greater than the EU21 average in the transport and communications sector.

Some of the variation between different subsectors of industry and services is linked to the gender-segregated character of employment. It can be expected that sectors with a high proportion of women in the workforce will have more employees taking parental leave than those with a male-dominated workforce given the acute gender inequalities in the take-up of parental leave. Indeed, the exposure of establishments to parental leave increases along with the incidence of women in the workforce (Figure 5). On average across the EU21, slightly over one third (36%) of establishments where less than 20% of the workforce are women have had some experience of parental leave within the last three years; this figure rises to almost two thirds (62%) of establishments where 60% or more of the workforce are women. The variation according to the gender profile of the workforce is particularly pronounced in Luxembourg, Hungary, Germany, Austria, Cyprus and Spain. By contrast, the gender effect is quite small in Finland and Sweden, as well as in Slovenia, Belgium, France and Greece (see Figure 5).

When the effect of country, establishment size and composition of the workforce by sex is controlled, the sectors which are the most likely to experience parental leave are 'public administration' (NACE L), 'finance intermediation' (NACE J), 'business services' (NACE K) and 'retail' (NACE G). In contrast, the low incidence of parental leave observed for 'hotels and restaurants' (NACE H), 'construction' (NACE F) and 'transport, storage and communication' (NACE I) persist even when factors such as the proportion of women in the workforce or establishment size are taken into account. These sector differences which cannot be attributed to factors such as the size or demographic composition of the workforce suggest that a number of conditions may be leading to the reduced take-up of parental leave. These conditions might include a lack of support for employees to make use of parental leave reflected in weak collective agreements or by an organisational culture where a negative attitude towards parental leave prevails.

Besides the significant influence of country, establishment size, sector and the gender composition of the workforce, the multivariate estimation results indicate that the probability of companies experiencing parental leave is positively correlated with the use of short-term employment contracts (see Table A3 in Annex 2). A plausible explanation is that these companies hire temporary employees as one method of covering parental leave absences.

**Figure 5 Establishments with employees on parental leave in past three years, by proportion of women in the workforce (%)**



Note: Countries are sorted according to the share of establishments with recent experience of parental leave (see Figure 1). See Figure 2 note.

Base: All establishments (management interviews)

Source: ESWT 2004–2005

The working time arrangements prevailing in establishments are also correlated with the experience of parental leave. One hypothesis is that establishments offering working time arrangements which can enhance the work–life balance of their workforce provide a context in which employees are more likely to take parental leave. This is due to a combination of cultural acceptance of parental leave and the logistical feasibility of securing suitable working time arrangements following a leave period. Indeed, an establishment is more likely to have had at least one employee on parental leave in the past three years if it has one or more of the following in place: flexible working time accounts that allow employees to work extra hours and to save this time to be exchanged for a long period of leave; collective agreements on working time; and the possibility for employees of two-way reversibility of working hours (from part-time to full-time work and vice versa). Surprisingly, however, the presence of other work–life balance arrangements in companies such as special services offered to support employees in their domestic commitments – for example a crèche or company kindergarten, company babysitting services, cleaning or shopping services – or the fact that managers have a positive attitude towards work–life balance do not impact significantly on whether or not the establishment has any experience of parental leave<sup>10</sup>. However, the survey findings also support the hypothesis that establishments may be more likely to experience parental leave where working time schedules are prevailing that can be difficult to reconcile with the demands of young children. This applies to establishments with working time arrangements including shift work and night work<sup>11</sup>.

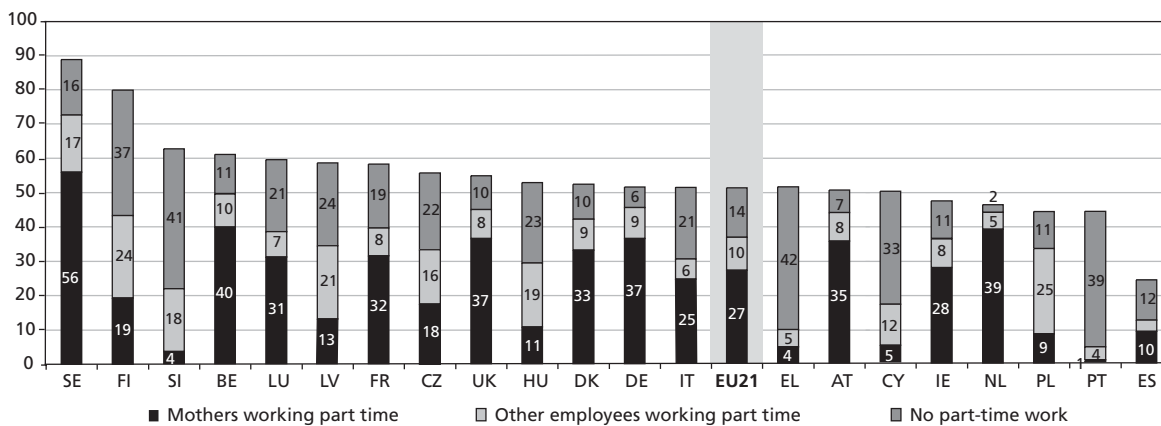
Finally, the age of the establishment’s workforce also has a small impact on the take-up of parental leave, over and above that of gender, the sector and working time characteristics. Establishments that

<sup>10</sup> Other provisions and managerial attitudes towards work–life balance may influence individual take-up rates of parental leave by eligible employees in the establishment but this survey only reveals whether or not the establishment has had at least one employee on leave in the past three years.

<sup>11</sup> It should be noted that the survey provides establishment-level data about whether at least part of the workforce have particular working time schedules alongside information that at least one employee has taken parental leave in the past three years. The survey findings do not, however, indicate the actual working time schedules faced by the employee(s) who have taken parental leave.

have a high proportion of young employees (aged less than 30 years) are more likely to experience parental leave as family formation typically commences at this age. Conversely, where the age profile of the workforce is older, the establishment is less likely to have recent experience of parental leave.

**Figure 6 Establishments with employees on parental leave in past three years, by presence of part-time work (%)**



Note: Countries are sorted according to the share of establishments with recent experience of parental leave (see Figure 1). See Figure 2 note.

Base: All establishments (management interviews)

Source: ESWT 2004–2005

Many establishments with experience of parental leave also have mothers employed part time; this link however is not inevitable (Figure 6). While 51% of all establishments within the EU21 experience parental leave, this comprises 27% of establishments with mothers working part time, 10% with other types of part-time workers and 14% with no employees working part time. The link between establishments experiencing parental leave and employing mothers who work part time is particularly prevalent in the Nordic countries – with the notable exception of Finland – and in western European countries. No such link is apparent in the southern European countries – except Italy – or in eastern European countries. The survey findings also indicate that establishments are more likely to experience parental leave if they have some employees working part time; this is the case in every country except Portugal.

A combination of factors generate these national differences regarding the extent to which establishments have experience of parental leave and have employees working part time. In many of the countries surveyed, either the statutory parental leave system or related family policy legislation offers parents options to work reduced or part-time hours (see Chapter 1); this option of working less hours however is not always taken up in practice. For example, most women make use of the extensive flexibility within the Swedish leave system to work reduced hours. In Belgium, the part-time option is also popular among those who make use of the parental leave system. In contrast, fewer parents who take leave use the part-time option in the southern or eastern European countries. Moreover, this option does not exist within the Italian parental leave system where working time arrangements including part-time work are generally less used by establishments than in the Nordic or western European countries.

Furthermore, establishments use part-time work schedules to address a range of operational considerations such as covering night or weekend operating. Thus, considerations in terms of reconciling work and family life are not always the primary motive. In this context, women may accept part-time work because they face limited alternative options which, in turn, may be due to a lack of childcare services or high unemployment. Nevertheless, this is a more limited form of reconciling work and family obligations which contrasts with the more employee-oriented work-life balance policies in certain establishments. Such policies give full-time employees the option of adjusting between full-time and part-time hours as their domestic responsibilities change over the life course. This aspect will be further discussed in Chapters 4 and 5, as well as in the ESWT analytical report on part-time work (Anxo et al, 2007).<sup>12</sup>

### Establishments with fathers on parental leave

Fathers' take-up of parental leave is very low, and a number of the EU21 countries have introduced some incentives within the statutory leave provision to encourage more fathers to take parental leave. The statutory parental leave systems of seven countries – Austria, Belgium, Finland, Italy, Luxembourg, Slovenia and Sweden – offer periods of paid leave to fathers either as individual entitlements or reserved periods within family entitlements. The provisions of the Swedish leave system are the most significant in terms of the number of parental leave days reserved for fathers and the income compensation provided which corresponds to 60 days at 80% of earnings. In the other 14 countries covered in this survey, incentives for fathers to take parental leave are more modest or non-existent.

It is interesting to explore whether there are fathers among the employees on parental leave in this establishment survey. The hypothesis is that managers' attitudes and other factors which influence men in making use of their parental leave entitlement vary widely across sectors and countries, and therefore influence the take-up of leave.

On average, 30% of the establishments with recent experience of parental leave reported that one or more fathers took parental leave over the last three years. However, wide differences exist between the countries surveyed (see Riedmann et al, 2006, Figure 20, p. 36). Establishments that are most likely to report fathers being among their employees taking parental leave are in Sweden (69%), Slovenia (66%) and Finland (59%). In sharp contrast, very few establishments with experience of parental leave have had at least one father on parental leave in Cyprus (1%), the Czech Republic (2%) and Hungary (5%).

Sweden, Slovenia and Finland provide fathers with a statutory entitlement to an individual period of paid parental leave. These are also the countries with the highest proportion of establishments reporting experience of parental leave (see Figure 1). Sweden also shows the highest individual take-up rate for fathers, with about two out of every five fathers taking parental leave for an average period of 28 days in total (see Table 2). In these countries, take-up of parental leave is thus spread more widely across establishments than in the other 18 countries included in this survey. However, this may still mean that an establishment's experience of men taking parental leave is very limited. For example, while two thirds of establishments in Slovenia report some experience of male employees taking parental leave, estimates for individual take-up indicate that only about 2% of all fathers take parental leave in this country (see Table 2).

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<sup>12</sup> The recent report from the European Foundation for the Improvement of Living and Working Conditions on working time options also examines in detail country differences in working time policy over the life course (see Anxo and Boulin, 2006).

In terms of men taking parental leave, Portugal and the Netherlands rank fourth and fifth, respectively, of the 21 European countries surveyed. Both countries represent interesting cases because they are among the countries with the lowest number of establishments reporting some experience with parental leave (see Figure 1); but of these establishments just over half have at least one father among the employees taking parental leave. In Portugal, individual take-up rates are low for both mothers and fathers (see Table 2); however, a recent reform of the statutory parental leave system has increased support for men to take leave, which supplements the existing parental leave entitlement. Since this reform, fathers have an additional right to 15 days leave at full pay, which can be taken either as an extension to paternity leave (also recently introduced) or following maternity leave as a reserved parental leave's 'Daddy quota'. In the Netherlands, the unpaid individual entitlement is often enhanced with financial support within collective agreements and take-up by fathers is higher than in most other European countries, usually on a part-time basis as is the case for mothers (see Chapter 1).

The middle of the country ranking comprises a set of countries with different forms of leave entitlements: in Belgium and Luxembourg fathers have an individual entitlement to leave which is paid; in Denmark fathers have the right to access a joint entitlement with some paid parental days at a high earnings-replacement rate; in Ireland and the UK each parent has an individual unpaid entitlement. However, other countries with more modest incentives for fathers to take leave rank much lower among the 21 countries of this study, and they figure alongside those where the leave allocation can be taken entirely by the mother. These findings indicate that modest incentives are insufficient to really challenge the prevailing gender division of labour. This also applies to the reserved parental leave time for fathers within the joint family allocation in Austria and Italy, and the individual entitlement to unpaid leave for fathers in Cyprus and Greece (see Table 1).

Nevertheless, it should be noted that the survey questionnaire did not collect any information about the precise number of fathers on leave from their work, or what proportion of all leave takers they comprise or the length of leave they take. The survey findings only allow exploration of the factors which influence the probability that an establishment has experienced at least one father on parental leave over the past three years (see Table A4 in Annex 2 for the presentation of the econometric results).

The results confirm that once differences in the structure of establishments are controlled<sup>13</sup> and then compared with the situation in Sweden, the probability that fathers will take up parental leave is significantly lower in all other European countries. The shortfall is less for establishments in Finland and Slovenia. Establishments in Germany, Spain and the eastern European countries – except Slovenia – show the lowest probability that fathers will take parental leave. The establishment characteristics also impact on the probability of fathers availing of parental leave, and many of these links are similar to those which identified the probability of an establishment having any employees on leave.

First, the sector and establishment size affect the probability that an establishment will have any fathers on parental leave. Taking manufacturing industries as the reference sector, the likelihood that an establishment has fathers on parental leave is significantly higher in the 'public administration',

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<sup>13</sup> The characteristics controlled in the regression analysis are sector, size, working time and the gender and age composition of the workforce (see Annexes 1 and 2).

'financial intermediation' and 'business services' sectors. Conversely, the probability is much lower in the 'hotels and restaurants' sector. Likewise, the larger the establishment, the more likely it is that fathers are represented among the employees taking parental leave.

Secondly, the probability that establishments have experience of fathers on parental leave is positively correlated with the use of short-term employment contracts. A similar effect was noted in the previous analysis of the probability that an establishment had any employees on parental leave in the previous three years.

Thirdly, working time policies also impact on the likelihood that fathers take parental leave. In establishments in which at least some employees have access to work-life balance arrangements (e.g. crèches, company babysitting service, cleaning or shopping services), flexible working time accounts, collective agreements on working time and two-way reversibility options, employers are more likely to declare that they have fathers on parental leave. Companies operating at night are more likely to have fathers on leave, but weekend and shift work do not affect the probability that fathers are among the employees taking parental leave. Surprisingly, companies that profess a responsibility to promote measures for their employees to reconcile work and family life are less likely to have fathers on leave (see variable 'attitude conciliation' in Table A4).

Fourthly, the likelihood that an establishment has one or more fathers on leave is only slightly increased by the skills level or age profile of the workforce. An increase in the proportion of female employees in the workforce decreases the probability of having fathers on parental leave. In other words, establishments with an important number of women in their workforce show a lower probability to have fathers on parental leave. This may be somewhat surprising, since it is frequently argued that the organisational culture is more receptive to employees taking parental leave in a female-dominated workplace; for example, in the public sector where there is often a longer tradition of policies to reconcile work and family life in place. To be more conclusive on this issue, further information would be required on the take-up rates of parental leave among women and men at establishment level and on the gender composition of the work units and departments in which men did and did not take parental leave.

These findings have provided a first but systematic insight into the characteristics that increase the likelihood of establishments across Europe to have recent experience of parental leave, including the particular issue of fathers taking parental leave. The analysis has identified country differences with regard to the share of establishments with recent experience of parental leave, especially between those countries with very limited experience and those where it is common for establishments to have employees on leave, including fathers as in Finland, Slovenia and Sweden. Conversely, in Cyprus, the Czech Republic, Germany, Hungary, Latvia, Poland and Spain, few or no establishments have witnessed men taking parental leave. Moreover, the analysis shows that country, sector, establishment size and a high number of women in the workforce are the major factors explaining the propensity for establishments to experience leave. However, to fully understand the establishment factors which influence the possibility for parental leave to be taken, additional information would be required on the actual numbers and proportions of women and men on parental leave in the establishments, as well as details about any enhancements to the statutory leave entitlements within the organisation and financing of leave.

# Employment patterns of mothers following parental leave

Returning to work following a period of parental leave is a major issue for both employers and employees. In terms of company policy, it is a relevant question regarding the replacement of staff absent due to childcare leave. This is also relevant for employees as it may affect mid-term personal planning. Managers surveyed were asked to specify the typical employment patterns of their female employees following parental leave. They were also asked to identify the most frequent behaviour among the following three possibilities: mothers who take parental leave resume employment afterwards to the same extent as before; they resume employment but request reduced working hours; or they do not return to the company. This chapter will focus on the choices made by women following a period of parental leave as the survey did not collect equivalent information on fathers who took parental leave.

## Possibilities offered by establishments following parental leave

It is striking that in a sizeable number of establishments the majority of mothers either reduce their hours or do not return to the establishment following a period of parental leave. This varies noticeably by country. It should be noted that the survey did not collect any information on the proportion of mothers choosing the various alternatives, but only on the share of establishments where one or the other alternative is most frequently chosen by mothers. Nonetheless, in 44% of establishments that had one or more employees on parental leave over the past three years, employers reported that the majority of female employees resumed employment at the end of the leave period, working the same number of hours as they did prior to taking leave. In 34% of establishments, employers stated that the majority of women asked for reduced working hours following parental leave. In only 10% of establishments, managers reported that most of the women did not return to their job, while managers in 13% of the companies surveyed could not answer this question.

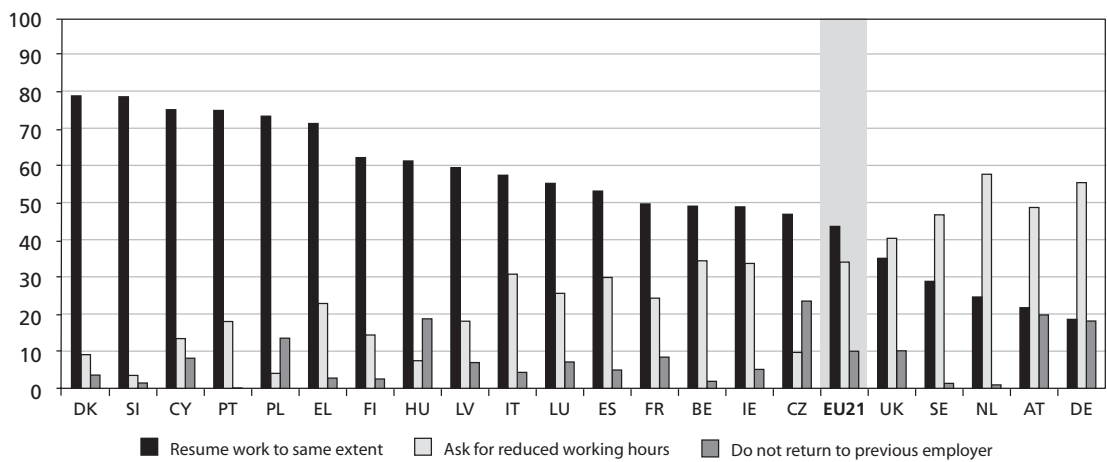
Figure 7 shows the different behavioural patterns of mothers across the 21 European countries. It is striking that sizeable proportions of establishments report that mothers in their employment who take parental leave do not resume work following the leave period in the Czech Republic (23%), Austria (20%), Hungary (19%), Germany (18%) and Poland (13%). One reason why parental leave results in women exiting the labour market is due to the limited provision of childcare services; another reason for this choice by women is that employers may be resistant to reintegrating mothers at the end of the leave period. In all of these five countries, the availability of childcare services is limited and has even declined in some of the eastern European countries, such as in Hungary, Poland, as well as in eastern Germany in the immediate post-unification period. High rates of unemployment, redundancy and company closures have also made it difficult for women to take parental leave and resume work following their leave period in many central and eastern European countries, including Hungary and Poland. Some of these mothers who exit the labour market at this time may subsequently secure employment with other establishments, for example to obtain more suitable working hours, or may return to the labour market at a later stage. However, it is clear that for this group of mothers the leave system does not support a strong reintegration relationship with their original employer.

Throughout the EU21, a marked difference exists between countries in terms of whether the mothers who resume employment work the same hours as before the leave period (i.e. this may be full-time or part-time hours) or request and secure reduced working hours. It should also be recalled that in some of the western and southern European countries, the proportion of eligible women who take



leave is much smaller than in the Nordic countries where most women are employed, take leave and then resume employment afterwards (see Table 2). To resume employment with reduced working hours is particularly common in Austria, Germany, the Netherlands, Sweden and the UK. In Austria and Germany, the second most common pattern among women who have taken parental leave is to exit the labour market afterwards, while in the other three countries, if mothers do not reduce their working hours, they tend to resume their previous working pattern. This may already be on a part-time basis, particularly if an adjustment was made following a previous leave period taken for an older child.

**Figure 7 Establishments according to the choices of mothers to resume employment following parental leave, by country (%)**



Note: Countries are sorted according to the questionnaire answer 'resume work to the same extent'.  
 Base: Establishments with employees on parental leave in past three years (management interviews)  
 Source: ESWT 2004–2005

In the other 16 countries surveyed, most mothers who take parental leave return to their employment afterwards, maintaining the same level of working hours as before the leave period. This tendency among mothers is particularly evident in Denmark, Finland and most of the eastern and southern European countries; Italy and Spain represent exceptions with sizeable proportions of establishments reporting that mothers who take leave reduce their working hours following the leave period. Part-time employment is generally rare in all of these countries with the exception of Denmark. In the case of Spain, parents of young children are entitled to a working time reduction until the child is six years old (Table 1), but if parents take up this right they are generally considered to be full-time workers with a temporary reduction in hours rather than being re-classified as a part-timer. In economies where part-time work is not widely established, it is likely that this influences both mothers' preferences and motivation to request part-time hours as well as employers' preparedness to offer this option as a work–family reconciliation measure.

In order to help explain differences in mothers' behaviour across the EU21 countries, an econometric estimation of the establishment-level factors was undertaken (see Table A5 in Annex 2 for results). The results indicate that, compared with Sweden, the likelihood that mothers resume work to the same extent as before parental leave is much higher in most of the eastern and southern European countries; however, it is much lower in Austria and Germany. Apart from mothers in Sweden, mothers in all of the other countries are significantly less likely to ask for reduced working time following parental leave. Only Germany and the Netherlands do not show a significant difference compared

with Sweden. The likelihood that mothers will leave their current job is significantly higher in the eastern and western European countries (except Slovenia) than in Sweden. In contrast, mothers who take leave in Portugal and Slovenia are significantly less likely to leave their company than mothers in Sweden. In the Nordic countries, only a small percentage of mothers do not return to work following a period of parental leave, and there is no significant difference between the countries.

Compared with manufacturing industries, the probability that mothers resume work to the same extent is significantly higher in 'public administration' and 'education'. Moreover, the likelihood of not returning to the same employer is lower in these two sectors, as well as in 'health and social work' and 'construction'. Conversely, the probability of requesting and securing reduced working hours is significantly higher in the 'financial intermediation' and 'business services' sectors, but significantly lower in the 'transport and communication' sector.

It is less common for mothers of larger establishments to exit the labour market than for mothers of smaller companies. Evidence also suggests that the probability of mothers to resume work with reduced working hours increases with company size. However, the likelihood that mothers go back to work maintaining the same level of working hours is lower in intermediate-sized establishments (with between 200 and 499 employees) than in smaller or larger ones.

The survey findings also reveal a link between mothers and the working time practices at the workplace. A higher incidence of part-time work in the establishment raises the probability that mothers will ask for reduced working time and decreases the likelihood that they will resume work to the same extent as before taking parental leave. In addition, mothers are less likely to resume the same numbers of work hours in establishments where weekends are worked by part of the workforce. It should be noted that the survey did not provide any information on whether weekends were part of a mother's work schedule prior to taking leave. Weekend work also increases the probability that mothers will choose to exit the labour market following parental leave while night work decreases the probability of mothers working reduced hours after a leave period. Shift work does not seem to impact on mothers' return to work following a period of parental leave.

The age composition of the workforce has only a slight impact on mothers' labour market participation after parental leave. As far as the skills composition of the workforce is concerned, the higher the skills level in the workforce, the greater the probability that mothers will ask for reduced working hours following parental leave; the impact of the skills composition of the workforce however appears to be relatively small. Furthermore, a high proportion of female employees in the establishment's workforce increases the probability that mothers will resume work on the basis of reduced working hours.

To conclude, this chapter has shown that while some important variations exist according to establishment characteristics, it is the country variable which is by far the most decisive one for explaining mothers' behaviour following parental leave. This captures the influence of societal differences in family policy and welfare state regimes, such as public childcare services and family taxation, which shape the national 'gender regime' and which may or may not encourage employment of mothers, in addition to the economic conditions in which establishments and households operate. There are, of course, a number of policies which can be pursued within companies to increase the retention rate of mothers following parental leave, such as assistance with childcare, opportunities to work reduced hours and reintegration training. Chapter 5 will explore these policies in more detail.

# Human resources approaches to managing parental leave

Family-related leave may create difficulties for managers dealing with the day-to-day management of work in organisations where employees are absent due to parental leave; other forms of extended leave, such as sabbatical or training leave, can generate similar management problems. Temporary cover can be difficult to arrange for absent employees, and there is uncertainty as to whether the individual employee on parental leave will resume work as before or perhaps on a reduced working time basis. Thus, a range of reasons exist why managers may report implementation problems and/or negative experiences with employees taking longer periods of leave.

An important result of this survey is that relatively few managers in establishments with recent experience of parental leave report problems with managing this arrangement. Of course, it should be recalled that nearly half of the European establishments in this survey did not have any recent experience of parental leave, and for these workplaces, the survey findings do not provide any information about managers' attitudes towards parental leave.

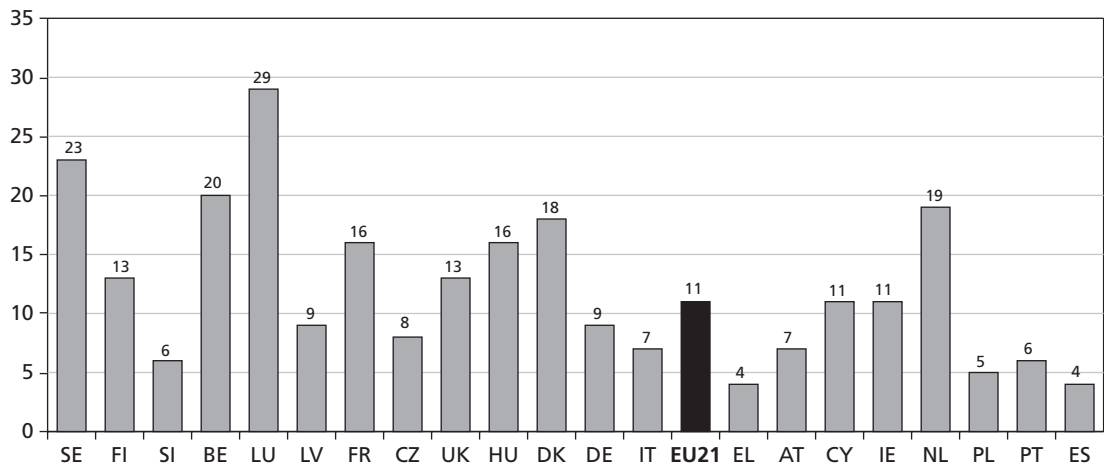
## Extent and type of operational problems

Managers were asked whether their establishment had encountered any problems related to parental leave. Of the 51% of establishments which had recorded at least one member of staff on parental leave in the last three years, just 11% of these companies reported that they encountered problems with parental leave. The reasons why managers may face problems are various. One reason is that if a sizeable number of employees take parental leave, this may create problems arranging cover and continuity of tasks, especially if these employees are concentrated in particular departments or activities. However, it could also be the case that such establishments are more able to manage this scale of parental leave because of factors such as company size, workforce skills and experience of the HR department, or labour market conditions that yield an available pool of suitably skilled persons to provide temporary cover. Problems might also be reported more frequently in countries with very flexible parental leave systems (e.g. allowing the option of splitting the leave period between the parents or to reserve it for a later period, until the child is eight years old for example) than in those where options are more limited. This might partly explain the relatively high incidence of parental leave problems reported by company managers in Sweden. Conversely, establishments where parental leave is an unusual request may face the most difficulties in coping with the absence of employees for this reason, perhaps because the HR department lacks experience in how to reallocate the work or because there are acute skills shortages or other restricted labour market conditions. Given that the survey did not collect any data on the extent of parental leave in companies, many of these issues cannot be addressed with precision; however, the survey findings provide some insight into the types of establishments that are most likely to report problems in their recent experience of parental leave.

In terms of the problems encountered by establishments in relation to parental leave, some variation exists across countries. Nonetheless, when countries are ranked according to the prevalence of parental leave experience among the various types of establishments (as shown in Figure 1), there is no clear relationship between the share of establishments with experience of employees on parental leave and the reporting of problems. As shown in Figure 8, establishments with recent experience of employees taking parental leave in Luxembourg (29%), Sweden (23%) and Belgium

(20%) are the most likely to report problems related to such leave. The incidence reported in the Netherlands (19%) and Denmark (18%) is close to that of Belgium but in a context where a smaller proportion of establishments have recent experience of parental leave (see Figure 1). By contrast, in the Czech Republic (8%) and Slovenia (6%), where above-average proportions of establishments experience parental leave, there were below-average numbers of problems.

**Figure 8 Establishments reporting problems related to parental leave, by country (%)**



Note: Countries are sorted according to the share of establishments with recent experience of parental leave as shown in Figure 1.

Base: Establishments with employees on parental leave in past three years (management interviews)

Source: ESWT, 2004–2005

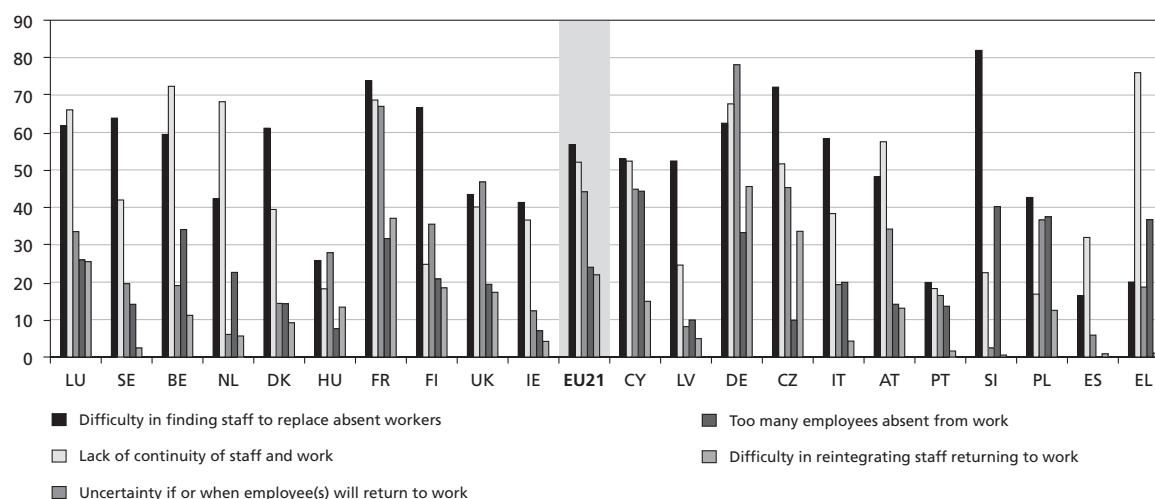
Establishments with experience of parental leave reported most frequently difficulties in finding staff to replace absent workers (57%), a lack of continuity of work (52%) and uncertainty if or when employees on parental leave will return to work (44%). Managers also reported that too many employees were absent because of parental leave (24%) and there were difficulties in reintegrating the staff resuming work after a period of leave (22%).

In Figure 9, the countries appear in order according to the share of establishments that reported problems. The difficulties specified by establishments vary between countries, but without a simple relationship to either the proportion of establishments reporting problems or the institutional setting. Main country differences are related to the uncertainty of return to work patterns, which is high in Germany, France, the Czech Republic, Cyprus and the UK, and to reintegration problems, which a lot of establishments in Germany, France, the Czech Republic and Luxembourg report.

The proportion of establishments reporting problems with parental leave varies across sectors but shows relatively little variation around the 11% average for the EU21. Establishments in the services sector were the most likely to report problems with implementing parental leave, which is the sector where establishments are more likely to experience parental leave (see ‘Type of establishments and take-up of parental leave’). Retail companies are the most likely to report problems whereas sectors with the lowest number of establishments reporting problems include two small and male-dominated sectors, namely ‘mining and quarrying’ and ‘energy’. Hotels and restaurants which have a higher presence of women among its employees are also less likely to report difficulties with parental leave.

Although hotels and restaurants are part of the services sector, they are least exposed to parental leave (see ‘Type of establishments and take-up of parental leave’). This may be due to the fact that this subsector has a relatively young workforce and often a high staff turnover rate.

**Figure 9 Major problems related to parental leave, by country (%)**



Note: Countries are sorted according to the share of establishments reporting problems.

Base: Establishments with problems related to parental leave (management interviews)

Source: ESWT, 2004–2005

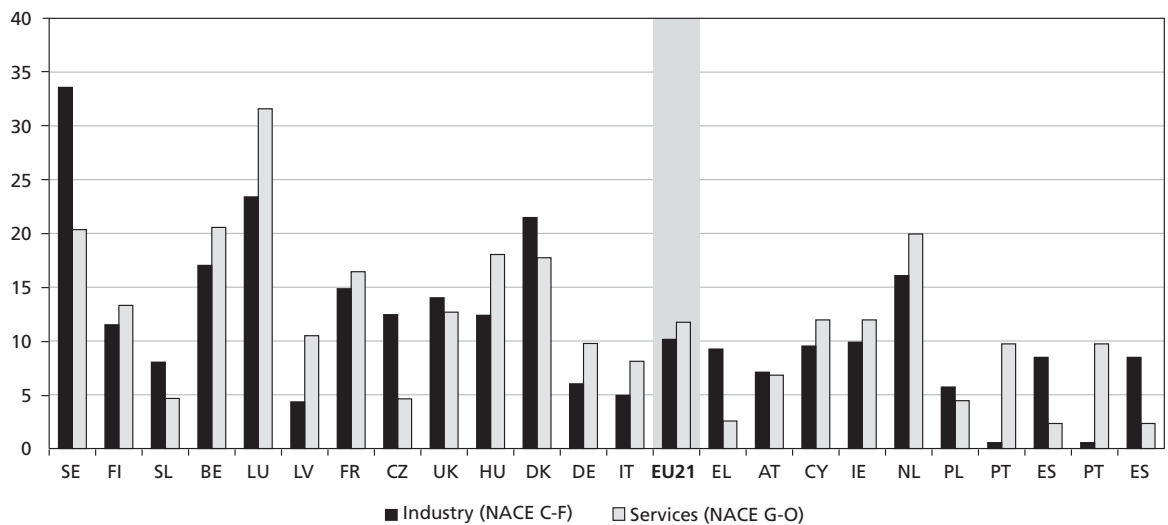
In most sectors, the main problems associated with parental leave are finding replacement staff, continuity of cover and uncertainty about when and if those employees on leave will return. Establishments in financial services, real estate and business activities, and in health and social work were notably more likely to report problems stemming from the number of people on leave than establishments in other sectors. Uncertainty about patterns of return to work was highest in hotels and restaurants, and problems of obtaining cover seemed most prevalent in hotels and catering, and community and related services.

Although establishments in services are, on average, more likely to experience parental leave (see Figure 4), the pattern of reporting problems is more varied across countries. While at the EU21 average services sector establishments would be slightly more likely to report difficulties with parental leave, this is in fact only the case in about half of the countries surveyed. Interestingly, in two Nordic countries (Sweden and Denmark), two southern countries (Greece and Spain) and the Czech Republic, it is establishments in industry that are much more likely to report problems than companies in the services sector.

It was expected that establishments would report more problems with leave if they had a high proportion of female employees on the basis that women are more likely to take parental leave than men. However, Table 3 illustrates that the likelihood of an establishment reporting problems with parental leave is relatively insensitive to the gender composition of the workforce. Similarly, the age profile of the workforce also appears to have relatively little impact on the likelihood that an establishment with experience of parental leave will report problems. Nevertheless, some variation exists in the type of problem reported according to the composition of the workforce. When more than

20% of the workforce are women or young, establishments are more likely to report problems of having too many employees absent on parental leave, uncertainty about return to work patterns and reintegration difficulties. In contrast, no evident pattern appears in the likelihood to have problems of arranging cover or continuity of work according to the number of female employees or presence of young people in the establishment's workforce. The probability that an establishment reports most types of problems related to parental leave tends to be lower in companies where the majority of the workforce are older workers (60% or more); the exception is continuity problems which is reported by 71% of these establishments.

**Figure 10 Experience of problems related to parental leave, by sector and country (%)**



*Note:* Countries are sorted according to the share of establishments with recent experience of parental leave (see Figure 1).  
*Base:* Establishments with problems related to parental leave (management interviews)  
*Source:* ESWT, 2004–2005

While the probability of experiencing parental leave increases with establishment size, it had little impact on the probability of reporting problems. Small enterprises – even the very smallest with fewer than 20 employees – were only slightly more likely to report problems than the EU21 average of 11% of companies. Between medium-sized and larger establishments, the incidence of reporting difficulties with parental leave fluctuated only slightly.

### Human resources strategies to cover parental leave absences

Figure 11 presents the various strategies adopted by employers to manage staff absences in relation to parental leave. The main approaches consist of hiring new staff on fixed-term contracts or redistributing work among existing employees: about half of all establishments with recent experience of employees taking parental leave have used at least one of these methods. In Sweden and Finland, it is particularly common for establishments to employ extra staff on fixed-term contracts, with 70% of all establishments doing so. This is also the main strategy of 60% of companies experiencing parental leave in Germany, France, Spain, the Czech Republic, Latvia and Poland. Temporary agency workers are widely used in Denmark, Belgium, Luxembourg and the Netherlands, as well as in the UK and Slovenia. These approaches can be expected to be influenced to some degree by existing

labour market conditions; for example, in Spain, fixed-term contracts are widespread in the labour market. Temporary agency work is also more prevalent in certain labour markets, for example in the Netherlands, Denmark and Sweden; this trend has emerged for a range of reasons and not simply to fill the gaps created by parental leave.

**Table 3 Major problems related to parental leave, by workforce composition of the establishment**

Establishment reporting problems (%)	Types of problems reported (multiple response permitted)						
	Too many employees on leave	Difficult to find cover	Lack of continuity in staffing	Uncertainty about return to work	Reintegration	Other	
<b>Share of female employees (%)</b>							
0%–19%	10	20	63	54	35	19	24
20%–39%	11	28	57	59	47	22	22
60%–99%	12	25	59	50	50	25	20
<b>Share of younger employees (aged under 30 years, %)</b>							
0%–19%	10	20	57	50	35	19	17
20%–39%	12	28	61	59	53	26	24
60%–99%	11	28	52	45	54	24	22
<b>Share of older employees (aged 51+ years; %)</b>							
0%–19%	11	29	60	51	47	22	18
20%–39%	11	21	59	57	48	25	27
60%–99%	13	10	35	71	10	20	26
<b>Total</b>	<b>11</b>	<b>25</b>	<b>59</b>	<b>54</b>	<b>46</b>	<b>23</b>	<b>21</b>

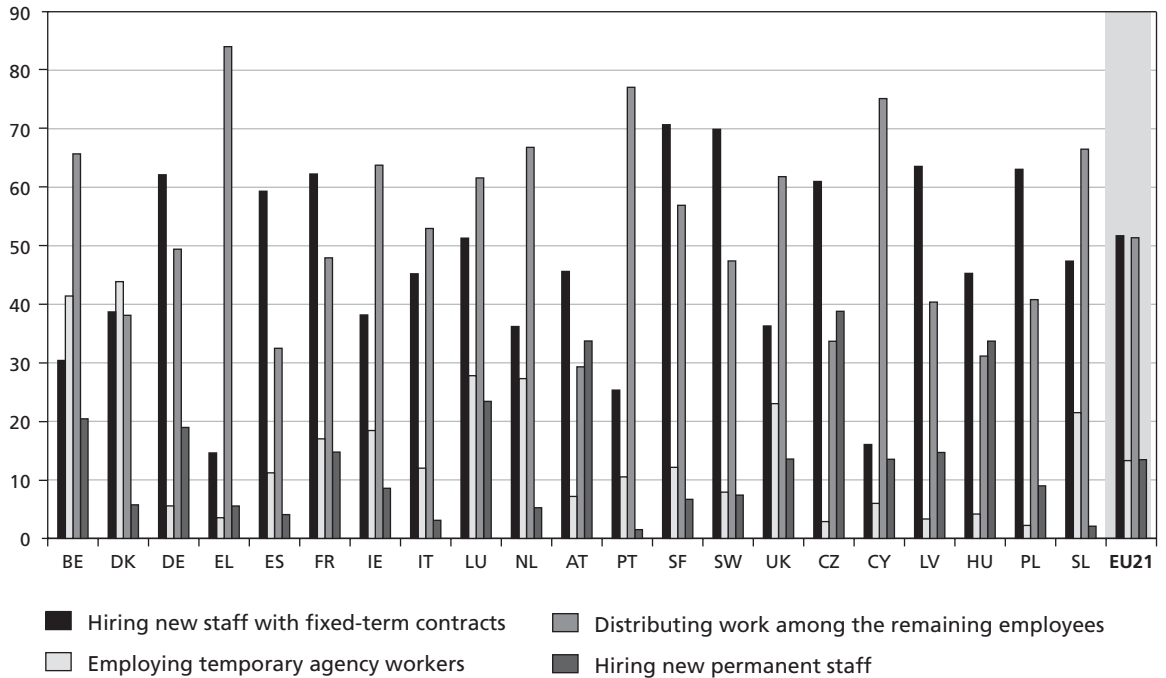
Base: Establishments with problems related to parental leave (management interviews)

Source: ESWT, 2004–2005

Redistributing work among the remaining employees forms part of the strategy for many establishments in every country; however, in Greece, Portugal and Cyprus, this is by far the most common strategy of companies while they rarely hire temporary replacements. In most countries, only a minority of companies resort to hiring new permanent staff but in the Czech Republic, Hungary and Austria, more than 30% of establishments adopt this strategy. Interestingly, these three countries also show the highest probability that women do not return to work following parental leave. These are also three of the countries where the statutory leave entitlement is quite lengthy; however, extensive leave entitlements in other countries, such as in Germany, France and Sweden, are mainly covered by other arrangements.

Overall, 61% of all establishments with recent experience of parental leave deployed more than one method to cope with absences of employees resulting from parental leave (Table 4). On average, companies which reported difficulties pursued a higher number of methods, and this result is statistically significant for the EU21 on average and in six countries – Belgium, Germany, Denmark, Sweden, Latvia and Hungary. In Italy and Cyprus, the relationship is reversed and also statistically significant: companies reporting problems use a smaller number of strategies to manage staff absences due to parental leave.

**Figure 11 Establishment approaches to cope with staff absence due to parental leave, by country (%)**



Base: Establishments with experience of employees having been on parental leave (management interviews)

Source: ESWT, 2004–2005

### Measures to reintegrate staff returning from parental leave

Managers were also asked if they offered special training programmes for people returning to work after an extended break in their careers as a measure to reintegrate employees. On average, 22% of all surveyed establishments offered such specific training programmes, regardless of whether they had recent experience of employees on parental leave or not. In only a limited number of countries – Poland, Sweden, the UK, Latvia and Finland – a significant number of companies offer specific training programmes for people returning to work following a leave period (Figure 12). Riedmann et al (2006; Chapter 6) points out that these training programmes are more prevalent in larger companies and in some of the subsectors of the services sector. By contrast, companies in the manufacturing and construction sectors are the least likely to offer training and show a low rate of establishments experiencing employees on parental leave. Companies with higher proportions of female employees are also more likely to provide training for employees returning from parental leave.



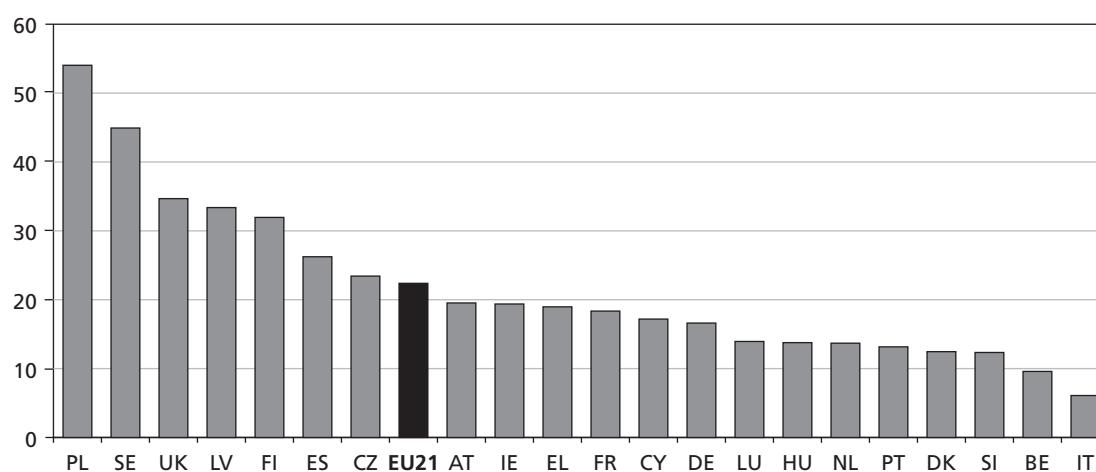
**Table 4 Multiple methods to cope with staff absences due to parental leave, by country**

	Establishments using more than one of the methods (%)	Mean number of methods used by:		
		Establishments reporting problems related to parental leave	Establishments having no problems related to parental leave	T- statistic of difference in means
Belgium	63%	2.0	1.8	2.927**
Germany	89%	2.0	1.6	4.314***
France	87%	1.6	1.6	0.722
Ireland	15%	1.6	1.4	1.539
Luxembourg	68%	1.8	1.8	-0.126
Netherlands	58%	1.7	1.7	0.632
Austria	33%	1.4	1.3	0.912
UK	45%	1.6	1.6	-0.726
Denmark	40%	1.6	1.5	2.167**
Finland	59%	1.8	1.7	1.928
Sweden	42%	1.7	1.5	3.610***
Greece	55%	1.2	1.1	0.629
Spain	6%	1.3	1.2	0.854
Italy	32%	1.1	1.2	-2.215*
Cyprus	54%	1.1	1.2	-2.707**
Portugal	47%	1.3	1.2	0.507
Czech Republic	66%	1.6	1.5	0.948
Latvia	32%	1.5	1.3	2.057*
Hungary	26%	1.4	1.3	2.359*
Poland	38%	1.4	1.3	0.682
Slovenia	57%	1.8	1.5	1.884
Total	61%	1.6	1.4	9.520***

Base: Establishments with employees having been on parental leave (management interviews)

\* Statistically significant at the 0.10 level; \*\* at the 0.05 level and \*\*\* at the 0.01 level

Source: ESWT, 2004–2005 (unweighted)

**Figure 12 Establishments with training programmes, by country (%)**


Base: All establishments (management interviews)

Source: ESWT, 2004–2005

Of the 51% of establishments which had at least one member of staff on parental leave in the past three years, just 11% of companies reported that they encountered problems with parental leave. Over half of the companies which reported problems cited difficulties in finding replacement staff and half of the enterprises also mentioned problems with continuity of work. Uncertainty about if or when the employees on parental leave would return to work after a period of leave represented a problem in 44% of establishments. Sizeable proportions of establishments mentioned having problems with too many staff absent on leave (24%) and reintegration difficulties with staff returning to work (22%). Some variation exists regarding the probability that establishments will report problems and the type of problems identified according to the country and sector they operate in, and also according to establishment size and the gender and age profile of the companies' workforce. However, the variations were not significant and appeared to have little connection to issues, such as the detail of the national legislation or how widespread the experience of parental leave was across the economy or economic sector. More information about the proportion of employees taking leave, their skills levels and position within the establishment as well as labour market conditions, would be needed to provide a more in-depth analysis of these issues.

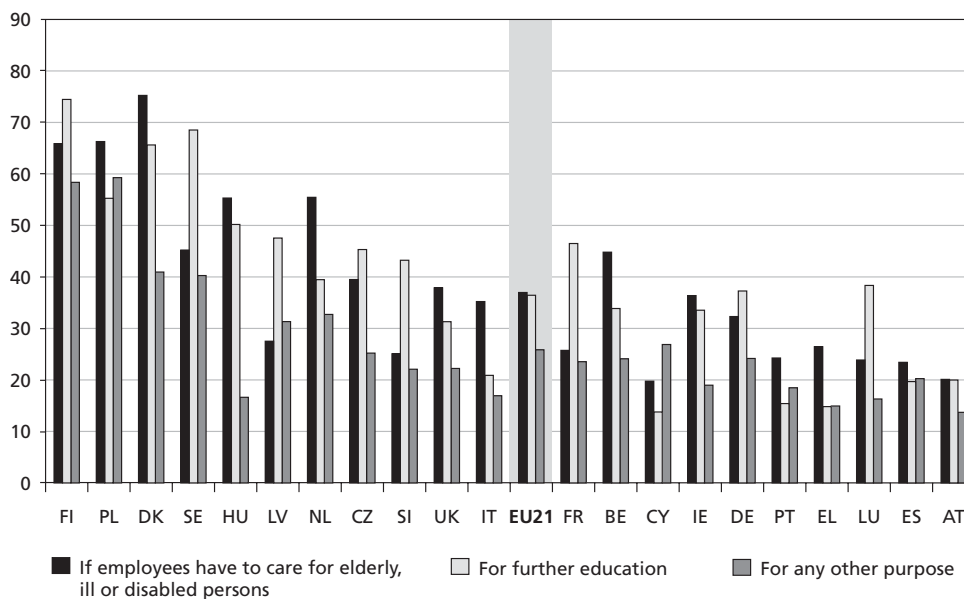
Overall, establishments deployed a range of strategies to manage parental leave. The main approaches are to hire temporary staff or to redistribute work among the remaining employees. There is some variation between companies according to the country they operate in, which is likely to reflect the national labour market conditions; for example, in relation to regulations concerning the use of fixed-term contracts or temporary agency workers. On average in the EU21, companies reporting problems with parental leave are more likely to deploy a higher number of methods to cope with staff absences. This connection is more evident in some countries, but not in all of the 21 countries surveyed. A small proportion of establishments provide specific training programmes for those returning to work from parental leave.

# Other forms of long-term leave and additional support offered by companies

The most established forms of extended leave are those pertaining to caring for babies and young children; however, other reasons are increasingly gaining more prominence in public policy. In particular, awareness is rising that other forms of extended care leave – for frail, elderly parents or other adults needing care due to ill-health, for example – and leave for education and training are needed in light of the changing demographic conditions and shifting skills requirements in the economy.

In this survey, managers were asked if their establishment offered their employees the possibility to take periods of long-term leave (paid or unpaid) to care for older, ill or disabled persons, for further education or for any other reason, except parental leave. Just over one third (37%) of establishments did not provide any of these additional forms of long-term leave arrangements. Overall, 37% of establishments offered long-term leave arrangements for care, 36% of companies for further education, and 26% of enterprises for any other purpose. Large companies and public sector organisations are more likely to offer any additional type of long-term leave to their employees (Riedmann et al, 2006).

**Figure 13 Establishments according to long-term leave arrangements, by country (%)**



Note: Countries are sorted according to the presence of long-term leave possibilities for employees.

Base: All establishments (management interviews)

Source: ESWT, 2004–2005

The availability of long-term leave possibilities is more widespread within establishments in the Nordic countries, in most eastern European countries and also in the Netherlands (Figure 13). More than 40% of companies provide extended care leave options in Finland, Poland, Denmark, Sweden, Hungary, the Netherlands and Belgium. As for parental leave, the existence of statutory entitlements tends to be a major driving force for initiating this form of leave at establishment level. Education and

training leave is most widespread in companies in Finland, Denmark and Sweden, followed by enterprises in the eastern European countries. Sizeable proportions of establishments in France, the Netherlands, Germany and Luxembourg also provide employees with opportunities for education and training leave.

Very few establishments provide employees with other forms of support with domestic arrangements to facilitate a greater work–life balance for all employees. Employers were asked about childcare as well as other household management services, such as cleaning or shopping which appear to be emerging in some companies for very elite groups of senior managerial and professional staff. Overall, just 7% of EU21 establishments provided any of these types of services to some of their workforce. Provision of such services at company level is notably more extensive in the Netherlands than in the other countries surveyed, reflecting the explicitly organised Dutch childcare policy which operates on a partnership basis between the government, employers and parents (Table 5). The UK and Latvia also have a sizeable proportion of employers offering some form of additional support to employees. In contrast, establishment-level provision of extra support for staff in Sweden is one of the lowest, but this is because of the already extensive public childcare provision.

**Table 5 Provision of other forms of long-term leave and childcare/other domestic support in establishments with/without employees on parental leave, by country**

	Establishment offers childcare services or other domestic support		Establishment offers other forms of long-term leave	
	Those with employees on parental leave (%)	Those with no employees on parental leave (%)	Those with employees on parental leave (%)	Those with no employees on parental leave (%)
Belgium	3	3	57	46
Denmark	5	4	82	74
Germany	5	3	52	42
Greece	9	5	41	41
Spain	8	3	47	33
France	7	8	54	50
Ireland	5	14	51	39
Italy	2	2	54	39
Luxembourg	9	5	43	50
Netherlands	41	26	75	57
Austria	6	7	36	26
Portugal	7	5	43	43
Finland	7	4	82	78
Sweden	3	3	73	64
UK	17	17	55	46
Czech Republic	3	3	58	57
Cyprus	4	3	49	38
Latvia	22	15	63	61
Hungary	4	5	75	59
Poland	3	7	80	82
Slovenia	1	2	51	49
EU21	8	7	57	47

Base: All establishments (management interviews)

Source: ESWT, 2004–2005

A clustering of policies might be expected at establishment level, whereby those companies which have employees taking parental leave are also more likely to offer other forms of extended leave to

their employees. The availability of these other forms of leave, for example to care for sick family members or to undertake further training, indicate the existence of a wider life course perspective in the working time policies of organisations (Anxo and Boulin, 2006). Similarly, establishments seem to be more likely to develop some form of service provision for childcare or other domestic tasks if they have employees taking parental leave as part of a broader package of policies aimed at reconciling work and family obligations.

Table 5 indicates that there is some evidence of policy clustering in establishments. Those establishments which have recent experience of employees on parental leave are more likely to have other forms of long-term leave available to their workforce than other establishments. In fact, companies with recent experience of parental leave are up to 10 percentage points more likely to offer other forms of extended leave at the EU21 level and the relationship is positive in 17 of the 21 countries. This relation is particularly clear in Spain, Ireland, Italy, the Netherlands and Hungary. Although the provision of childcare and other services at company level is generally low in most countries, there is also evidence that in some countries provision is higher in companies reporting recent experience of parental leave. This link is particularly evident in Greece, Spain, Luxembourg, the Netherlands and Latvia. In only two countries – Ireland and Poland – were establishments more likely to assist with childcare or domestic services if they did not have recent experience of parental leave. The explanation for these two countries may be that among the minority of companies offering childcare options and related services, there is a group of companies with no employees currently eligible to take parental leave (some may have employees with older children who took parental leave some years ago); moreover, the organisational culture in these establishments may encourage parents with young children to use childcare and related services rather than take parental leave.

Thus, these results indicate some policy clustering at the establishment level across Europe: companies reporting recent experience of parental leave are more likely to offer other forms of extended leave and are also more likely to be among the minority of establishments providing some form of work–family reconciliation services. The causes of this clustering are likely to vary. In some countries the national policy framework encourages establishments to provide extended leave or to develop childcare services, such as Dutch childcare policy or leave systems in the Nordic countries. Apart from the outlook of national policy, company-level policy dynamics are also pertinent. For example, in some companies employee take-up of parental leave may encourage the employer to introduce other forms of leave options; in other establishments it may be that the availability of a wide range of extended-leave options increases the likelihood of eligible employees feeling able to use their parental leave entitlements. Likewise, in the minority of companies which provide childcare or related services the policy rationale may in some cases be about encouraging parents to maintain a particular working time arrangement rather than taking extended leave or making other reductions to their hours of work.

Other forms of long-term leave for care responsibilities are available in around one in three establishments, and a similar proportion of companies offer education and training leave. Only 7% of companies provide employees with childcare options or other domestic services. There is evidence to suggest that across the 21 European countries those establishments with recent experience of parental leave are more likely to have a wider set or ‘policy package’ of work–life reconciliation measures in place. Moreover, those companies with recent experience of parental leave are more likely to offer more forms of leave than other establishments, and a similar but weaker tendency applies for the provision of childcare and related services.

The ESWT offers the first systematic collection of information at establishment level about attitudes towards and practices regarding parental leave across Europe. Due to design constraints of the survey, it was only possible to include a limited and quite simple set of questions on parental leave, but these still provide a suitable basis for analysing certain issues.

A comparative review was presented of the different national parental leave systems, the differential usage of parental leave by women and men across the EU21 countries and a discussion of the factors which influence take-up of parental leave by employees. The review identified important differences between national statutory leave provisions and significant gender imbalances in the take-up of parental leave. Individual take-up rates vary across countries but in each establishment it is mainly women who take parental leave. Very few fathers take parental leave, but fathers' take-up rates are higher in Sweden and the Netherlands than elsewhere among the EU21. Social conventions shape these patterns whereby it is widely expected that measures aimed at reconciling work and family obligations are to be used by women rather than men. These patterns are also influenced by policy measures and labour market conditions. The policy factors affecting the take-up of parental leave include the detail of the financial and legal provisions of the statutory parental leave system; access to complimentary reconciliation measures, such as childcare services and opportunities for reduced working hours; and the organisational culture and HR practices in the various companies. This discussion contributed to the survey analysis presented throughout the report.

Furthermore, the report explored the variation between establishments in terms of the incidence of parental leave, including a focus on identifying the conditions which increase the probability that fathers will take parental leave. Overall, the findings reveal that about half of the establishments surveyed in the EU21 countries have recent experience of employees taking parental leave. Country, sector, company size and the gender composition of the workforce are the major factors explaining the probability that establishments experience parental leave. In addition, the survey findings identify those countries where it is common for establishments to have employees on leave, including fathers (Sweden, Slovenia and Finland in particular) and those where few or no establishments have men taking parental leave (Czech Republic, Cyprus, Latvia, Hungary, Germany, Poland and Spain). The analysis also shows that in some countries there is a correlation at company level between the experience of parental leave and the use of part-time workers but that this correlation does not apply in other countries.

Moreover, while there are some important variations according to establishment characteristics, it is the country variable which is by far the most decisive one for explaining mothers' behavioural patterns after parental leave. This reflects the societal differences in the wider institutional package of family policy and welfare state regimes, and national economic conditions in which companies and households operate.

In relation to how establishments manage parental leave, the survey results reveal that just 11% of the establishments with recent experience of parental leave reported having encountered problems as a result. Over half of the establishments cited difficulties in finding replacement staff for those on parental leave and half of them also mentioned continuity of staff and work problems. Uncertainty about if or when the employees on parental leave will return to work represented a problem in 44% of companies while a sizeable proportions of establishments mentioned having problems with too many staff absent on leave (24%) and reintegration difficulties with staff returning to work (22%). Some variation appears in the probability that establishments report problems and the type of problems identified according to the country and sector they operate in. Establishment size and the

gender and age profile of the companies' workforce also influences the type of difficulties encountered by companies in relation to parental leave. However, the variations are not significant and appear to have little connection to issues such as the provisions of the national legislation or how widespread the experience of parental leave was across the economy or economic sector. More information on the proportion of employees taking leave, their skills levels and position within the company, as well as on the general labour market conditions would be needed to provide a more detailed analysis of these issues.

The survey analysis reveals that establishments deployed a range of strategies to manage the take-up of parental leave. The main HR approaches taken by companies are to hire temporary staff or to redistribute work among the remaining employees. Some variation exists between establishments according to the country they operate in, and this is likely to reflect the national labour market conditions; for example, regulations concerning the use of fixed-term employment contracts or temporary agency workers as well as the type of statutory parental leave provision (i.e. duration and scope for splitting leave periods into various blocks). In the EU21, companies reporting problems with parental leave are, on average, more likely to deploy a higher number of methods to cope with parental leave absences. This is the case in some countries, but not all. A small proportion of establishments provide specific training programmes for people returning from a period of parental leave.

In addition, companies have tried to provide reconciliation measures for staff. About one in three establishments offers provision for other forms of long-term leave to manage care responsibilities, and a similar share of companies offer their employees education and training leave. Only 7% of establishments provide childcare or other domestic services. In all, companies with recent experience of parental leave are more likely to have a wider set of options or 'policy package' in place aimed at reconciling work and family life.

This survey provides a number of useful insights into the operation of parental leave in establishments across Europe. However, to fully understand the company factors that influence the predisposition of employees to take parental leave, additional information would be required on the actual numbers and proportions of women and men taking parental leave in the establishments, as well as more in-depth analysis about any enhancements to the statutory leave entitlements for the organisation and financing of leave.

The results of the survey analysis raise several policy issues. First, the analysis underlines the powerful influence of national statutory provisions on the take-up of parental leave by employees in establishments. In particular, financial support is critical. About half of the establishments across the EU21 have had no employee on parental leave during the past three years, and it is likely that financial obstacles are a major cause of this as well as other barriers, such as negative attitudes from line managers who are not accustomed to dealing with parental leave. Countries with a leave system that provides a high earnings-replacement rate also have the highest proportion of establishments with employees taking leave. To promote fathers' take-up of parental leave, financial support has to be combined with a reserved period of leave as basic building blocks for starting to shift the existing gender division of labour. Secondly, while only a minority of companies report problems with parental leave, it is still a policy concern. Moreover, further research is required to identify and disseminate 'good practice' solutions of companies that manage to combine high rates of parental leave with limited implementation problems.

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# Annex 1

## Estimation methods, dependent and independent variables

### Estimation procedure

The incidence of employees on parental leave (dummy 0/1) during the past three years and the number of men among those who took parental leave (dummy 0/1) are estimated with a standard probit model.

As far as mothers' behaviour following a period of parental leave is concerned, there are three outcomes:

- 1 = Resume work to the same extent
- 2 = Ask for reduced working hours
- 3 = Do not return to the previous employer

The impact of the independent variables ('country' and 'establishment' characteristics) on the probability of each outcome has been estimated with a standard multinomial logit model.

All the estimations have been performed with the statistical software STATA.

### List of independent variables

The following independent variables have been retained for the estimations of the two probit models and the multinomial logit.

#### Country dummies

The reference country is Sweden.

#### Industry dummies

**Table A1 Sectors by NACE classification**

Sector	NACE classification
Mining and quarrying	NACE C
Manufacturing industries	NACE D
Energy (electricity, gas and water supply)	NACE E
Construction	NACE F
Transport, storage and communication	NACE I
Retail and repair	NACE G
Hotels and restaurants	NACE H
Financial intermediation	NACE J
Real estate, renting and business activities	NACE K
Public administration	NACE L
Health and social work	NACE N
Education	NACE M
Other community, social and personal services	NACE O

The reference category is Mining and quarrying (NACE C), Manufacturing industries (NACE D) and Energy (NACE E).

## Establishment characteristics

**Table A2** Variables of establishment characteristics

Multi-site	Type of establishment, multi-site <i>versus</i> mono-site, dummy
<b>Size</b>	
Small establishment	Less than 50 employees, <b>Reference category</b>
Medium-sized establishment	Between 50 and 199 employees
Intermediate-sized establishment	Between 200 and 499 employees
Large establishment	500 employees or more
<b>Workforce and employment conditions</b>	
Staff increased	Positive hiring trends over past three years, dummy
Weekend work	Weekend work (on Saturdays or on Sundays), dummy
Shift work	Shift work and irregular working time, dummy
Night work	Night work, dummy
Short-term contracts	Short-term contracts, temporary agency workers or freelancers, count variable
Working time agreement	Working time agreement in the establishment, dummy
Two-way reversibility	Full reversibility from and to part-time and full-time work, dummy
Work–life balance arrangements	Establishment work–life balance arrangements, such as company kindergarten or crèche, company babysitting service, cleaning or shopping services, count variable
Flexible working time bank	Working time bank with possibilities to accumulate hours, dummy
Attitude conciliation	Take into consideration the private responsibilities of employees
Incidence of part-time work	Range 0 to 100%, centre of class
Share of young employees	Range 0 to 100%, centre of class
Share of elderly workers	Range 0 to 100%, centre of class
Skill intensity	Range 0 to 100%, centre of class
Share of female employees	Range 0 to 100%, centre of class

# Annex 2

## Estimation results

**Table A3 Incidence of employees on parental leave during past three years, probit estimation, marginal effect evaluated at sample means**

Variables	Marginal effect
Denmark	-0.458***
Finland	-0.138***
Austria	-0.422***
Belgium	-0.341***
France	-0.391***
Germany	-0.431***
Luxembourg	-0.319***
Netherlands	-0.526***
Ireland	-0.482***
United Kingdom	-0.407***
Czech Republic	-0.381***
Hungary	-0.368***
Latvia	-0.426***
Poland	-0.523***
Cyprus	-0.450***
Greece	-0.430***
Italy	-0.414***
Portugal	-0.512***
Spain	-0.661***
Slovenia	-0.413***
Construction <sup>a</sup>	-0.063***
Transport <sup>a</sup>	-0.029*
Retail <sup>a</sup>	0.036***
Hotels and restaurants <sup>a</sup>	-0.106***
Financial intermediation and Business activities <sup>a</sup> (NACE J and K)	0.037***
Public administration <sup>a</sup>	0.048***
Health and social work <sup>a</sup>	0.025
Education <sup>a</sup>	0.022
Other community, social and personal services <sup>a</sup>	-0.018
Multi-site <sup>a</sup>	0.055***
Size medium <sup>a</sup>	0.208***
Size intermediary <sup>a</sup>	0.291***
Size large <sup>a</sup>	0.309***
Weekend work <sup>a</sup>	-0.008
Shift work <sup>a</sup>	0.027***
Night work <sup>a</sup>	0.041***
Short-term contracts <sup>b</sup>	0.048***
Working time agreement <sup>a</sup>	0.041***
Two-way reversibility <sup>a</sup>	0.062***
Work-life balance arrangements <sup>b</sup>	-0.003
Flexible working time bank <sup>a</sup>	0.048***

**Table A3 (continued)**

Variables	Marginal effect
Attitude conciliation	-0.001
Share of young employees (under 30 years of age)	0.001***
Share of elderly workers (50+ years)	-0.001***
Skill intensity	0.000***
Share of female employees	0.003***
Observed/predicted probability	<b>0.653/0.707</b>
Number of observations	19,333

Reference categories: Country: Sweden; Sector: Mining and quarrying, Manufacturing industries and Energy (NACE C, D, and E, respectively); Establishment size: small, with less than 50 employees

\* Statistically significant at the 0.10 level; \*\* at the 0.05 level and \*\*\* at the 0.01 level

<sup>a</sup> Dummy variables, <sup>b</sup> count variables

**Table A4 Occurrence of men taking parental leave during past three years, probit estimation, marginal effect evaluated at sample means**

Variables	Marginal effect
Denmark	-0.204***
Finland	-0.131***
Austria	-0.235***
Belgium	-0.200***
France	-0.230***
Germany	-0.252***
Luxembourg	-0.193***
Netherlands	-0.204***
Ireland	-0.201***
United Kingdom	-0.177***
Czech Republic	-0.247***
Hungary	-0.241***
Latvia	-0.219***
Poland	-0.241***
Cyprus	-0.226***
Greece	-0.224***
Italy	-0.236***
Portugal	-0.201***
Spain	-0.260***
Slovenia	-0.164***
Construction <sup>a</sup>	0.010
Transport <sup>a</sup>	0.022
Retail <sup>a</sup>	0.012
Hotels and restaurants <sup>a</sup>	-0.035*
Financial intermediation and Business activities <sup>a</sup> (NACE J and K)	0.037***
Public administration <sup>a</sup>	0.089***

Table A4 (continued)

Variables	Marginal effect
Health and social work <sup>a</sup>	-0.014
Education <sup>a</sup>	0.027
Other community, social and personal services <sup>a</sup>	0.003
Multi-site <sup>a</sup>	0.025***
Size medium <sup>a</sup>	0.126***
Size intermediary <sup>a</sup>	0.297***
Size large <sup>a</sup>	0.453***
Weekend work <sup>a</sup>	-0.003
Shift work <sup>a</sup>	0.002
Night work <sup>a</sup>	0.042***
Short-term contracts <sup>b</sup>	0.032***
Working time agreement <sup>a</sup>	0.020***
Two-way reversibility <sup>a</sup>	0.045***
Work-life balance arrangements <sup>b</sup>	0.032***
Flexible working time bank <sup>a</sup>	0.047***
Attitude conciliation	-0.002*
Share of young employees (under 30 years of age)	0.000*
Share of elderly workers (50+ years)	0.000**
Skill intensity	0.000***
Share of female employees	-0.002***
Observed/predicted probability	<b>0.272/0.208</b>
Number of observations	19,333

Reference categories: Country: Sweden; Sector: Mining and quarrying, Manufacturing industries and Energy (NACE C, D, and E, respectively); Establishment size: small, with less than 50 employees

\* Statistically significant at the 0.10 level; \*\* at the 0.05 level and \*\*\* at the 0.01 level

<sup>a</sup> Dummy variables, <sup>b</sup> count variables

**Table A5 Labour supply behaviour of mothers following parental leave, multinomial logit, marginal effect evaluated at sample means**

Independent variables	Resume work same extent	Ask for reduced working hours	Do not return to the previous employer
Denmark	0.270***	-0.279***	0.048
Finland	0.255***	-0.266***	0.035
Austria	-0.322***	-0.095**	0.457***
Belgium	0.155***	-0.144***	0.027
France	0.058	-0.186***	0.162**
Germany	-0.427***	-0.067	0.538***
Luxembourg	0.096	-0.199***	0.147*
Netherlands	-0.049	0.018	0.046
Ireland	0.107**	-0.151***	0.072
United Kingdom	-0.074	-0.108***	0.213***
Czech Republic	-0.131	-0.289***	0.443***
Hungary	0.040	-0.303***	0.297***
Latvia	0.146**	-0.239***	0.127*
Poland	0.102	-0.327***	0.259***
Cyprus	0.207***	-0.244***	0.084
Greece	0.233***	-0.200***	0.023
Italy	0.157***	-0.170***	0.061
Portugal	0.311***	-0.224***	-0.042***
Spain	0.068	-0.173***	0.139**
Slovenia	0.353***	-0.289***	-0.025*
Construction <sup>a</sup>	0.030	-0.024	-0.017***
Transport <sup>a</sup>	0.007	-0.038*	0.001
Public administration <sup>a</sup>	0.052***	0.008	-0.039***
Retail <sup>a</sup>	-0.011	0.022	0.000
Hotels and restaurants <sup>a</sup>	0.004	-0.040	0.016*
Financial intermediation and Business activities <sup>a</sup> (NACE J and K)	-0.023	0.030*	-0.005
Other community, social and personal services <sup>a</sup>	0.016	0.001	-0.011
Health and social work <sup>a</sup>	-0.006	0.033	-0.020***
Education <sup>a</sup>	0.058**	-0.010	-0.021***
Multi-site <sup>a</sup>	-0.012	0.030***	-0.006*
Size medium <sup>a</sup>	0.003	0.041***	-0.007**
Size intermediary <sup>a</sup>	-0.027*	0.097***	-0.024***
Size large <sup>a</sup>	-0.008	0.089***	-0.030***
Staff increased over past three years <sup>a</sup>	0.010	-0.014	-0.003
Incidence of part-time work	-0.001**	0.001***	0.000
Weekend work <sup>a</sup>	-0.029**	0.017	0.007**
Night work <sup>a</sup>	0.048***	-0.037***	-0.005
Shift work <sup>a</sup>	-0.003	0.014	-0.001
Share of young employees (under 30 years of age)	-0.001***	0.001**	0.000**
Share of elderly workers (50+ years)	0.000	0.000	0.000

Table A5 (continued)

Independent variables	Resume work same extent	Ask for reduced working hours	Do not return to the previous employer
Skill intensity	0.000*	0.001***	0.000***
Share of female employees	0.000	0.001***	0.000**
Observed/predicted probability	0.64	0.31	0.05
Number of observations	12,366		

Reference categories: Country: Sweden; Sector: Mining and quarrying, Manufacturing industries and Energy (NACE C, D, and E, respectively); Establishment size: small, with less than 50 employees

\* Statistically significant at the 0.10 level; \*\* at the 0.05 level and \*\*\* at the 0.01 level

<sup>a</sup> Dummy variables, <sup>b</sup> count variables

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*Parental leave – as well as other forms of family leave such as leave to care for children or family members – is a major policy element in the promotion of a better work–life balance for employees with caring responsibilities. While the 1996 EU Directive granted the right to parental leave in all EU countries, there are wide variations between countries in the policy provisions and uptake by parents. This report explores the prevalence of parental leave in companies across Europe, based on analysing the findings of a large-scale, representative survey carried out in establishments with 10 or more employees in 21 European countries in 2004-5. The report identifies the national, sector and workplace characteristics of enterprises which have employees on such leave and analyses company policies and issues related to managing leave absences and re-integration into the workplace. It highlights the critical influence of national provisions on the taking of parental leave by employees, showing that financial support represents a strong motivating factor.*

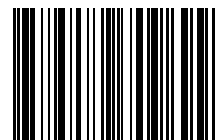
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