

# Costs and Benefits of Work-Life Balancing in Europe What are the Challenges for the Social Partners

Work-life-balancing in the trouble spot of employers and employees  
goals: Enhancing a dialogue on the economic and social impact  
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## Preface

The project BILANCIA, promoted by the Confederation of Independent Trade Unions in Bulgaria (KNSB), aims to analyse the social and economic impact of work-life-balancing strategies in the partner countries and to offer a profound information and communication tool in order to promote a higher implementation of work-life-balancing measures and mechanisms on company level in Europe. The project partners are trade union organizations/training institutions from six EU member-states, namely Zarząd Regionu Małopolska NSZZ "Solidarność", Poland; Magyar Szakszervezetek Országos Szövetsége (MSZOSZ), Hungary; Instituto Addestramento Lavoratori – IAL/CISL Piemonte, Italy; Unión General de Trabajadores de Extremadura, Spain; National Trade Union Confederation – "Cartel Alfa", Romania and Berufsbildungswerk BfW/DGB, Germany.

The main objectives of the project are:

- To contribute to the political objectives of the EU, particularly to contribute to the strategy of the European Social Partners, declared in their Framework of Actions on gender equality, decided in March 2005. To support the work-life-balance is one of the four declared objectives of the Action Plan;
- To improve the dialogue between employers and employees and deliver specific data with regard to the economic impact of work-life-balancing arrangements;
- To give profound information about the common facts and differences with regard to the social and economic impact of work-life-balancing arrangements in different European countries;
- To help to reduce the unequal state-of-the-art and level of implementation of work-life-balancing strategies measures between the East- and West EU member-states;
- To integrate stronger the economic effects into the social dialogue debates and deliver profound information and analyses on these issues;
- To provide the necessary information material, including recommendations and communication guidelines for the European trade unionists.

The expected results/outcomes of the project are

- Analysis of the existing studies and material about the economic effects of work-life-balancing measures;
- Development of an analytical framework, to identify the common indicators for an own economic oriented impact assessment;
- Accomplishment of own small surveys in 5 SMEs in each partner country in order to get concrete model calculations (as an example);
- Elaboration and publishing of National Brochures by each project-partner in the national languages containing the results of the survey, comparative analysis of the situation in the other partner countries with regard to work-life-balancing, etc.
- Development and publishing of an information and communication manual (Transnational Manual) in English containing the results of the surveys, the situation in each partner country with regard to family-friendly arrangements and measures and delivering conclusions and recommendations for an improved social dialogue on this issues;
- Development and carrying out of National seminars in each partner country in order to spread the information and knowledge among the main target group.
- Organization of a Transnational conference in order to spread the knowledge to a broader public and other countries/regions and enhancing the mainstreaming of the results and products into other regional contexts and to other stakeholders.



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- Establishment of a network of trade union activists, employers and other stakeholders for the improvement and enhancement of work-life balancing arrangements in Europe.

The project BILANCIA supports the development of the social dimension of a common market in Europe, it focuses upon the promotion of gender equality issues in Europe and is aimed mainly at the following target group: trade unionists on a European, national and regional level as well as workers' representatives who have the influence (through information and communication mechanisms, but also as negotiators in the collective bargaining) to put work-life-balancing at the heart of the organization and company culture and its strategic plans.

Through profound information on the social and economic impact of work-life-balancing measures, better communication and argumentation material for enhancing the dialogue on work-life-balancing with employers, the project supports trade unionists to create the frame for a better reconciliation of work and private duties of workers and employees and a higher level of engagement of employers in these issues on regional, national and European level.



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## 1 Introduction

### *The situation of work-life balancing in Europe*

The economic development in the last decades can be characterized by an increased competition of rapidly changing markets, a highly expanded use of information technology and the necessity to concentrate permanently on the customer needs and expectations. These factors cause more pressure in work; they mean more burdens because of the necessity to deal with the information load, a higher need for quick reactions on customer requests and the permanent availability of the employees. These developments can become a source of work-life imbalance. At the same time workers and employees in most European countries are still confronted with an insufficient frame for a better reconciliation of work and family duties.

The statistics show that in all European countries employees have difficulties with work-life-balancing: The first 'European Quality of Life Survey' of 2003 for example showed that many people in Europe have difficulties to fulfil their family responsibilities for their children or for elderly relatives.<sup>1</sup> 10 % of the men and women in the EU25 have difficulties to find time for their family duties each week because of the amount of time they spend at work. The comparison between the EU15 with the 10 new member-states shows that work-life balancing is more problematic in the new member-states (15 % of men, 14 % of women). In Bulgaria, Romania and Turkey the problems are even higher (22 % of men and 25 % of women).

With regard to gender differentiation it is obvious that the problem of work-life balancing still effects mostly women: the employment rate of women in the EU27 is 58,3 % whilst it is 72,5 % for men (Eurostat, 2007), revealing a gap of 14,2 %. The rate has decreased during the last years but it still remains significant. It varies considerably across countries from less than 10 % in Denmark, Finland and Sweden to over 20 % in countries like Spain (employment of men: 76,2%; women: 54,7%) and Italy (employment of men: 70,7 %; women: 46,6 %) (Eurostat: 2007). Despite the convergence in the employment rates it must be recognized that women's participation in the labour market is still relatively low although their share in the part-time work is very big compared to men's share due to the fact that family care is mainly womens' duty. In 2004 32,6% of women worked part-time but only 7,4% of men. In nearly all European countries women do more housework and caring which means unpaid work. Especially in the South European countries like Spain and Italy the statistic shows more women in unpaid employment. In those countries women explain that they have difficulties concerning work-life balancing. The reason might be that in these countries the welfare systems are based much more on care provided by the family, mainly by women.<sup>2</sup>

It is obvious that the working conditions and the employment policy across Europe do not facilitate the possibility for a better reconciliation of work and family life. This fact was often mentioned in a lot of policy formulations and papers<sup>3</sup> but family policy is not yet specifically referred to in any of the European Treaties. Therefore no key programmes in terms of family

<sup>1</sup> see Eurofound (2003), p. 45ff.; see also Eurofound (2007a), p. 6f.

<sup>2</sup> see Eurofound (2007a), p. 7.

<sup>3</sup> e.g. in the Kok report, which calls for measures that "enable people to stay in employment...by creating structures in which they can best combine their work and non-work responsibilities". In the Green Paper (2005) it is also said: "If Europe is to reverse his demographic decline, families must be further encouraged by public policies that allow women and men to reconcile family life and work".



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policy were included for example in the Social Agendas.<sup>4</sup> But the Council of Ministers has adopted a 'Gender Pact at the Spring Summit of 2006' calling on all actors at national and European level to increase efforts and actions concerning gender equality and face the demographic challenges by promoting better work-life balance for men and women.

A recent publication of the 'European Foundation for the Improvement of Living and Working Conditions' says: "The European Union faces a dilemma in terms of social policy: it needs to increase employment rates to ensure continued growth and promote social inclusion. To do this, however, the EU needs to make it easier for people to combine their work and family commitments to facilitate people – women in particular – to enter the labour market."<sup>5</sup> Helping people to combine work and private life leads to paid employment and thus supports the social inclusion by reducing the risk of poverty. This is also important in the context of Europe's demographic change. As people get older a better work-life balance for men and women also means to increase birth rates by promoting incentives and removing obstacles to private choices.

To promote work-life balancing in the every-day process of organisation, leadership and management and to improve equal chances for men and women within companies it is necessary to look at the work arrangements, work organisation etc. Work-life-balance arrangements like flexible working time models, job breaks and childcare possibilities are important tools to achieve gender equality by facilitating continuing employment of women whilst also following their care and family demands. Work-life balancing and gender policies contribute to the EU overall goal of promoting economic growth and competitiveness, better jobs and greater social cohesion (Lisbon strategy).

### *Facing the challenge of work-life balancing in Europe with the help of public childcare*

In terms of public childcare only a limited number of European countries have reached the Barcelona targets to expand their childcare services (as part of the European Employment Strategy): till 2010 childcare is supposed to be provided for 33 % of children under three years and 90 % of children between the age of three years and school age. Countries like Italy and Spain reached the targets only for children over three years but not for younger children. The parents in these countries still face problems like limited opening hours or the financing of these services. In countries like Poland and Hungary the former extensive childcare services deteriorated during the economic transitions of the countries. In those countries workplace nursery provisions are no longer common and the total level of childcare services has declined.<sup>6</sup>

### *One of the major policy components for work-life balancing: parental leave in Europe*

One of the major policy components to increase women's participation in employment and to promote work-life-balancing for employees with caring responsibilities is the parental leave. The right for parental leave has been adopted in all member-states of the EU endorsed by the EU directive on parental leave. There exist large differences with regard to policy priorities and patterns of taking up such leave by parents.<sup>7</sup> The duration of statutory maternity

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<sup>4</sup> see Eurofound (2007a), p. 3f.

<sup>5</sup> see Eurofound (2007a), p.3.

<sup>6</sup> see Eurofound (2007b), p. 11f.

<sup>7</sup> see Eurofound (2007b), p.1.



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leave ranges from 14-28 weeks across the EU Member States with most national provisions falling within the range of 15-20 weeks.<sup>8</sup>

Parental leave is mainly used by women because of economic conditions (women still earn less than men) and cultural norms. Take-up rates of parental leave are high in northern European countries like Finland, Denmark and Sweden. The existing schemes in these countries are flexible and supported by high earnings-replacement levels. In addition there are comprehensive childcare services and other reconciliation measures are available which support the employment of those with care responsibilities after they get to work from parental leave. In the new member-states from the former communist economies (e.g. Hungary and Poland) the take-up of parental leave by women is also high due to the fact that the parental leave was part of a policy based on the expectation that mothers should be engaged in employment. In countries like Poland for example the take-up rate is decreasing as a result of new or unstable economic conditions. In Germany and Italy the take-up rate by mothers is also high because of more limited reconciliation measures to support their employment. In the majority of the countries less than 10 % of the fathers use the parental leave.

With regard to the acceptance and application in practice it is evident that the parental leave is mainly used by mothers: fathers still face negative attitudes at their workplace and other barriers which hinder them to make use of the to parental leave entitlement. In general take-up rates are often higher in the public sector than in private companies as the flexibility, financial provisions and organisational culture is often more supportive to make use of it. In addition it seems that employees fear that the parental leave can make them more vulnerable to lose their jobs in times where dismissals and unemployment are high, like in many of the new member-states (e. g. Poland). In Hungary women have to face resistance from their employers when they want to go back to work after their parental leave. The employment rate of mothers after the parental leave has fallen to 45 %.

### *Experience of the Trade Unions concerning work-life balancing*

The experience of the trade unions, gained through the communication, bargaining and negotiation processes, often show that employers see work-life balance arrangements mainly as a social benefit or – in the better case – as part of their social responsibility. Especially the managers of small and medium enterprises (SMEs) argue that an investment in family-friendly measures will generate costs which they cannot bear with regard to the increasing competition and market pressure. This attitude can be characterized as short-term oriented and does not take into account the middle or long-term perspective where it also comes to returns on “investment”.

In a lot of countries there is almost no or only little awareness that family-friendly arrangements can deliver a potential for SAVING the costs of the companies: there is just a brief example of those costs:

- costs of fluctuation resp. costs of hiring a new person with the same qualification
- costs which arise during the parental leave
- costs of reintegration after the parental leave
- costs of absenteeism

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<sup>8</sup> For the following information see in detail Eurofound (2007b), p. 5-13.



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Detailed analyses of those costs have been undertaken in the United States. In Germany there was also a survey undertaken by PROGNOSE AG in 2003. The survey undertaken by the German Ministry of Families in ten medium-sized German companies came to the conclusion that family-friendly measures are a source of cost reduction for companies: The costs for consultancy, flexible working time schedules, tele-working and childcare were overlapped from the costs of absence and fluctuation of those employees with family duties.<sup>9</sup> According to the results of the survey the following conclusion could be drawn – family friendly measures bring a positive economic effect for the companies.<sup>10</sup>

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<sup>9</sup> for the detailed report see [http://www.prognos.com/pdf/Kosten\\_Nutzen.pdf](http://www.prognos.com/pdf/Kosten_Nutzen.pdf)

<sup>10</sup> see e. g. also the conceptual analyses of Rubery, J./Humphries, J./Fagan, D./Grimshaw/D.P./Smith, M.J.: "Equal Opportunities as a Productive Factor", in: Burchell, B./Deakin, S./Michie, J./Rubery J.: Systems of Production: markets, organisations and performance. London 2003. The authors came to the conclusion that the question about the productive factor of gender equality depends on whether one takes the very narrow approach of only looking at the costs or whether expanding the approach and looking also at the return in terms of quality of life.

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Green paper: Confronting demographic change: a new solidarity between generations COM (2005).

Kok report: Facing the challenge: The Lisbon strategy for growth and employment, [http://ec.europa.eu/growthandjobs/pdf/kok\\_report\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/kok_report_en.pdf)



## 2 Situation and status of implementation of work-life-balancing in the partner countries



provided by CITUB

### 2.1 The situation in Bulgaria

#### 2.1.1 Legislative framework

##### *General rights*

The legislation of Republic of Bulgaria contains a lot of provisions prohibiting discrimination on the basis of different aspects, including gender and marital status. Together with the general decree for the prohibition of discrimination underlying in the Constitution of the Republic of Bulgaria (art.6, para.2), the Labour Code (art.8, para.3) also stipulates the principle of non-discrimination in relation to the implementation of the labour rights and obligations as a prohibition of direct and indirect discrimination, privileges or restrictions based on “ethnicity, origin, gender...marital or economic status...”. The principle “marital status” is stipulated also in the Law for Protection against Discrimination on the basis of which the direct and indirect discrimination is prohibited in the public relations including work. From the above mentioned documents a conclusion could be drawn that the “marital status” as grounds for a prohibition of the discrimination is adopted in the Bulgarian legislation.

The analysis of the legislative base shows that it consists of separate provisions which directly or indirectly refer to the possibility for work-life balancing. The acting legislative base is mainly obeying the normative concept for a special protection of the pregnant women and mothers with children rather than a concrete provision for protection and support of the family for work-life balancing. The approach is only one-sided and is aimed at protection not as a whole of the working mothers but of their rights in the period before and after the birth of the child. The undertaken measures do not have a complex nature and special purpose for guaranteeing the balance of work-life duties of the employed men and women.

Special protection of maternity by the state and society (art.14), and of the working mothers (art.47, para. 2) is guaranteed by the Constitution of the Republic of Bulgaria which stipulates that the mother has special protection from the state which “provides her paid maternity leave before and after the birth, free of charge specialized medical care, reduced work burdens and social benefits” (art.47, para. 2).

##### *Maternity and parental leaves*

The general form for special protection of the women is the maternity leave (pregnancy, birth and taking care of a child) that all employed women have the right to use (art.163-168 from the Labour Code). According to the provisions of the Law for Changes and Amendments of



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the Code for Social Insurance – the employed woman has the right to a 315 days leave for pregnancy and giving birth for each child; 45 days of them used obligatory before childbirth. During that period the mother has a right to a compensation amounting to 90% from her gross wage. According to the Social Insurance Code, the right to compensation in case of taking care of a child is not equal for the men and women. For example a father, even as an adopter, does not have the right to receive compensation and to use pregnancy and maternity leave till the child becomes 9 months old despite the fact that he was insured in the “General illness and maternity” Fund. This means that the law expels the men from the opportunity to take care of their children till they become 9 months old, which reflects the traditional stereotype that men cannot and should not replace women during that period.

When the maternity leave is over, the labour legislation stipulates the right for an additional paid leave for taking care of the child until it becomes 2 years of age (art. 164 from the Labour Code). This type of leave is also permitted to be transferred - with the consent of the mother - to the father or to one of the grandparents if they work on a labour contract. Through this act the legislator envisages the possibility for work-life balancing. The amount of the compensation of this leave is regulated by the Law for the Budget of the Tax for Public Insurance and is almost equal to the Minimum Salary (MS) for the country. (for 2008 it is 220 BGN =110 Euro).

The labour legislation (art.167, para.a from the Labour Code) regulates the possibility for unpaid parental leave for taking care of a child aged 2 to 8 years with duration of 12 months. This type of leave could be used by both parents with duration of 6 months for each parent. If one of the parents does not use it in the appropriate period this does not mean that the other parent could use it for the duration of 12 months. The full amount of the leave could be used only in case one of the parents is taking care of the child alone. The law gives the possibility that this leave could be used at once or parts of it at different times according to the decision of the parent till the child becomes 8 years old.

As a conclusion it is important to point out that the Bulgarian legislation should be given credit for the duration of the maternity leaves. The duration of the paid leave is 24 months and the unpaid leave 12 months divided into 6 months between the two parents. The time of the paid leave is considered as working time and is recognized in the length of service. Traditionally in most cases women take care of the children and the other dependent members of the family. Usually men have higher incomes and the family economic interest determines that the women should stay at home and take care of the children. Actually not all of the mothers benefit from the full duration of the paid leave for taking care of a child. The studies show that over the last few years the number of the working mothers who have used the full length of their paid leave (24 months) has decreased. This is due to the low incomes of the families with children as well as to the desire of part of the working mothers to reduce their leaves in order to maintain and update their professional qualification and avoid becoming participants in the labour market. In case of voluntary suspension of the childcare leave, the mother receives 50% from the monthly compensation till its legal term expires.

The legislative provisions regarding the protection of the work of the women are gathered in a separate part of the Labour Code entitled “Special protection of women”. Its provisions prohibit the precarious forms of work for women (art. 307), work that could harm the health of women and their maternity functions. The employer is not allowed to send pregnant women and mothers of children up to 3 years of age to a business trip without their written consent.



## *Provisions for flexible work organisation*

In that part the legislator has stipulated the right for working at home for the employed mother of a small child for the same or another employer till the child becomes 6 years old. The law also guarantees the right of the working mother (after coming back to work) to the same job position which she had occupied before the distance working period. This legislative provision enhances the possibility for work-life balancing but it is again based upon the concept of special protection for the working mothers without taking into consideration the gender approach.

In accordance with the acting legislation the labour contracts for part-time work and the temporary (fixed term) contracts could be used by the employees with family obligations as flexible forms of work. The legislator has prohibited that the part-time employed (or on a fixed-term contract) should be subject to more unfavorable conditions compared to those working full time or on permanent labour contracts if they do the same or similar work except in cases when the law demands the use of certain rights with regard to the qualification or acquired skills (art.138, para.3; art. 68, para.2). Another form of flexible work in accordance to the legislation is the possibility for setting out non-fixed working time in the enterprises where the work organization makes this possible. Outside the time of obligatory presence the employed himself/herself determines the beginning and the end of his/her working time.

In Bulgaria the different schemes for flexible work providing opportunities for work-life balancing are not yet widespread. According to official statistics the indicator characterizing the flexibility of the labour market is the percentage of part-time work. In Bulgaria the percentage of the part-time employed is only 1,5%, from which 66,3% are women (2006). The data from the regular surveys of the National Statistical Institute for the working force shows that 3/4 of the part-employed work under this conditions due to "lack of enough work" or "because they are not able to find another job". Motives based upon the personal choice of the employed related to "education in a training/education center/school or qualification courses" or related to "family reasons" are given only by 5% of the respondents. Therefore in Bulgaria the flexible working time (part-time work) is mainly a forced decision imposed from outside by the employer or the economic situation and not a personal choice of the employed. This is mainly the case for the employed women who cannot give up their full time job due to financial situation in the family. As a result the duration of the working time has a negative impact upon the work-life balancing.

### **2.1.2 Work-life-balancing in Collective Labour Agreements**

In the enterprises with established grass root trade union organizations additional special measures with regard to the rights of the working women above the minimum rights stipulated by the law could be negotiated in the Collective Labour Agreements (CLA). Most often the achieved provisions aim at the support of the women to balance their work and family life. For example in the CLA some clauses for longer paid annual leave than the minimum standard for the working mothers with children (up to 18 years) are included. The right for the use of such a leave depends only if it is provided for in the CLA.

The CLA also stipulates the special terms for the use of paid annual leave for a mother with a child that would be in the first school grade (primary school). The terms are special because they permit the employed mother to use the leave whenever she decides and the permission



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is given if she has informed the employer within the time stipulated by the CLA and has proven that her child will be in the first grade (primary school). The single mothers are granted one day additional leave per month (but if it's not used during the respective month, the additional day is not transferred to the next month).

In some CLA there are clauses for decreased working day (up to one hour) for the working pregnant women, mothers with children up to 3 years or handicapped children.

A big number of sectoral and branch CLA include clauses concerning the different types of social benefits and social assistance for pregnancy and maternity leaves, sickness leaves, national and religious holidays, annual leaves, as well as a possibility for both working parents to use their paid annual leave at one and the same time.

### 2.1.3 Implementation of work-life-balancing on company-level

The small and medium enterprises are 99.3% of all the enterprises in the country. The SMEs ensure 79% of the employment and create 61% of the added value of the private enterprises. Besides, the SMEs are more vulnerable to the international competition, to the changes resulting from the accession of Bulgaria to EU, to the internal regulations, tax policy, the state of the financial system, etc.

With regard to the application of mechanisms for work-life balancing a considerable part of the SMEs are strictly obeying the labour legislation. Usually the business considers the balance as observation of the requirements of the legislation, like work conditions, duration of the working time, security of the contractual relations, etc. Nevertheless there are some examples for the application of a special company policy related to the implementation of flexible forms of employment during the maternity leaves like teleworking, decreased working time for the mothers with children up to three years, free of charge transport, etc.

The biggest contribution in this sphere have the Multinational Companies and the big enterprises, which are 0.7% from the enterprises in the country. The MNC have strong and recognized relations based upon the principles of the Global Compact which are the basis for the incorporation of the social and ecological values in the activities of the companies. On the basis of those global principles the rights of the employed to work-life balancing are protected by a lot of international standards and by our national legislation. The CLA for example in one enterprise from the metallurgy sector obliges the employer to cover the whole (or part) of the kindergarten costs of the children, to cover the expenses for the children in summer camps, to give 2 additional days to the annual leave for the mothers with two children, flexible working time for the mothers with children up to three years, social benefits for the lonely mothers, special protection in case of dismissal of mothers who are poor or bear the financial burden of their families.

Unfortunately the good practice examples of the MNC are not widely spread and do not enjoy a broad application in the Bulgarian economy. The issue of work-life balancing is not a subject of special attention for a certain part of the small and micro enterprises and for the manufacturing and handicraft sector. The employers in those sectors in principle do not employ young women with family obligations although they do not declare this officially. When applying for a job those categories of women face different attitude. They are asked additional questions regarding their marital status, the number and the age of their children. This approach of the employers is definitely discriminative for the young mothers but it is excused



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with the specific work organization in the enterprise. Usually the increase of the productivity in the enterprise is achieved through the increase of the working time i.e. through overtime work, and this type of work organization is incompatible with the family duties of the mothers. According to the surveys this is one of the reasons why the employers do not want to employ women after their maternity leave because then they have special privileges stipulated by the legislation, for example use of paid leave for taking care of sick children, the prohibition to send mothers of children up to 3 years to business trips, etc. As a conclusion, the protective clauses in the national legislation for the special protection of the mothers with children lead to serious discrimination regarding certain activities of the small and micro enterprises.

According to the employers all the additional specific measures for work-life balancing depend on the financial stability of the enterprise as well as on the economic stimulus for their implementation. The business and the employers share the opinion that the state should show a higher level of engagement through the establishment of accessible and qualitative social structures for the children and for the dependent members of the family.

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## 2.2 The situation in Germany



Unternehmen für Bildung.

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### 2.2.1 Introduction

Significant changes are happening in Germany. During the recent years the emphasis in family policy priority has been on facilitating work and family balance within the context of an increasing number of working mothers. Family policy has now become a key field of debate and policy, long-discussed reform issues – aiming at a better reconciliation between work and family – such as the parental leave scheme with an earnings replacement benefit and the extension of public childcare have finally been brought into being. The role of enterprises and social partners in the framing of these fields is increasing.

### 2.2.2 Family policy design in Germany

In (western) Germany social and family policy was focused on the male-breadwinner model of married couples for a long time. This was based on the expectation that women, in particular married women with children, would withdraw from the labour market permanently or at least temporarily. This model was and still is massively promoted and subsidized by the state family policy. In addition the expansion of public childcare infrastructure was conspicuously neglected and progressed only very slowly compared to the situation in many other European countries.

In East Germany (the former German Democratic Republic) a completely different gender model had developed with a much higher participation of women in the labour market including mothers. This was supported by a very high level of public childcare facilities all over the country. After the reunification in 1990 however, the gender model of East Germany had no major impact on the western German model and did not lead to a significant improvement in gender equality throughout Germany. Instead the western German institutional framework was transferred to East Germany and confronted women from this part of Germany with the established support for married couples and the breadwinner model.

#### *The new focus on family policy in Germany – towards a sustainable family policy*

The concern about demographic trends and in particular the low birth rate in Germany has refocused the attention on family policy in recent years and this has now become a key point of debate in Germany. During the first term of office of the 'Red-Green' government (1998-2002) the responsible persons mainly concentrated their family policy endeavours on increasing monetary benefits for families.

A reform of the parental leave scheme in 2001 improved parents' options to combine parental leave with part-time work and also provided incentives for mothers to return faster to the labour market. A big pension reform of 2001 upgraded the pension rights of part-time working mothers. In addition the general right to part-time employment was improved by law in 2001.



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A central problem for many (western) German parents remained the missing availability and flexibility of public childcare. The right to a nursery place for children above the age of 3 does not extend to full-day care places. When it comes to children below the age of 3 western Germany is even near the bottom end of the EU with a quota below 5 per cent. In East Germany however, the availability of childcare is (still) much more comprehensive. In their second term of office (2002-2005) the 'Red-Green' government finally declared the extension of state childcare facilities for small children as a high-priority family policy objective. The success remained moderate.

After the change of government in 2005, when a grand coalition between Christian Democrats and Social Democrats came into power, the support for families was strengthened once more. Although the Christian Democrats always supported the privileges for married couples and the male-breadwinner model, the new family minister of the Christian Democrats now pushes forward the extension of public childcare and in addition introduced a new parental leave benefit (Elterngeld) imitating the Swedish scheme.

### **2.2.3 Public childcare: Infrastructure for families – promotion of children**

The Federation together with the local government and the federal states (Länder) has adopted the particular objective of expanding childcare for the under-threes. High-quality childcare meets specific needs and thus makes a decisive contribution towards improving families' living conditions. It supports individual life planning and is the key to enabling parents to reconcile family and work. Better possibilities for fathers and mothers to engage in work expand their financial capacity and reduce the poverty risks faced by families and children. Early promotion and early assistance are also the key to more equal opportunities for all children in our country. The Day-care Expansion Act (Tagesbetreuungsausbaugesetz - TAG) of 2005 takes care of this necessary expansion by creating a total of at least 230.000 additional care places till 2010.

Voluntary commitments of enterprises are a helpful supplement to the manner in which the German state shoulders responsibility for the expansion of the care infrastructure.

### **2.2.4 Elterngeld/Parental leave benefit**

Since January 2007 parents who interrupt their employment to care for a newborn baby get a parental leave benefit replacing 67 per cent of their net income from work – up to € 1.800 per month – for up to 14 months (two months of which are reserved to the father).

This new tax-financed scheme can be interpreted as a significant reorientation in the German family policy. It will not only lead to a considerable overall increase in spending more money for families (estimated costs: \$ 3.87 billion per year)<sup>11</sup> but it will shift resources from needy parents to working parents. The cash benefits during parental leave are therefore no longer (primarily) meant to help poor parents but to compensate working parents for a temporary loss of income. One important motive for that change was to give well-educated women incentives to have children since a growing number of them remains childless in Germany.

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<sup>11</sup> BMFSFJ 2006



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### 2.2.5 New actors: Germany's Alliance for the Family

In addition to the considerable changes in the traditional areas of family policy – cash benefits, legal rights and childcare infrastructure – another trend has become visible in Germany: since the second term of office of the 'Red–Green' government (2002–2005) much emphasis has been put on the involvement of other actors in the development of a family-friendly society.

The launching of the new initiative 'Alliance for the Family' by the 'Red–Green' government in 2003 is an example of the new policy orientation. It brings together a broad range of measures and activities to improve the work–life balance in Germany. The basic idea was to sensitize different societal actors concerning the importance of the family for the whole society and to stimulate the awareness concerning the need to support families. The project – initiated by the German Family Ministry– aimed at uniting the activities of different actors such as employers' associations and trade unions, local governments, companies, etc. The main goal, laid down in a consensus paper, is the development of a 'sustainable family policy' based on three (normative) assumptions: (a) the German society needs a higher fertility rate, (b) the economy needs qualified workers and a higher participation of women in the labour market, and (c) children need a (better) education and guidance in their early years.

Activities that reach this goal include the regular exchange of experiences between actors at different levels. Representatives of the institutions and associations involved built a 'competence group for balance' to work towards a consensus between the interest groups. A competence network of scientists supports the process and scientific studies have been commissioned. Press conferences, publications and detailed information about the 'Alliance for the Family' are provided on the Family Ministry's website ([www.bmfsfj.de](http://www.bmfsfj.de)) and ensure the transfer into the public sphere.

One project of the alliance is the initiative 'Local Alliances for Family'. Following the assumption that the local context is essential for families' living conditions and well-being the initiative 'Local Alliances for Family' was launched by the Family Ministry in 2003. The aim was to initiate assemblages and round-tabled discussions so that alliances of the relevant local actors were capable of improving the context for family life in the municipalities.

Such networks can include the local administration, the town council, companies, representatives of employers' associations and trade unions, churches, third sector initiatives, families and other actors. Till April 2008 480 towns, cities and regions already joined the initiative.

Furthermore the ministry has installed a service office to support towns and municipalities running a 'Local Alliance for Family'. A broad range of services and support is offered with the focus on counselling and workshops on the spot. In these workshops individual approaches – designed to fit in with the workings of the respective municipality – are developed. The services offered follow the principle of subsidiarity: the idea is to assist engaged partners to find their own strategies. Another aim of the service office is to bring different local alliances together for an exchange of ideas and experiences.

The evaluation suggests that local alliances are focusing on different aspects of family life and work–life balance according to the needs and resources identified in their local contexts. The topics treated range from the organisation of public childcare and elder care to flexible working hours arrangements, family-friendly opening hours for the administration, modified timetables for public transport and many more issues. There is a widespread approval and



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support for this initiative and a scientific evaluation has meanwhile confirmed the positive economic effects of these 'Local Alliances for Family'.<sup>12</sup>

### 2.2.6 Family-friendly regulations in German collective agreements

Today there is an imbalance in Germany between time structures defined by work, those of schools, kindergartens and other educational institutions and the time for families and care. Without new concepts making it possible to connect education, work, partnership, parenthood and solidarity with the older generation there is a danger that care for the coming generation as well as solidarity between the generations will become insecure.

Social partners and enterprises play a particular role concerning time issues of work–life balance. Three factors have to be considered: the place of reconciliation issues in collective agreements, the family-friendly strategies of employers and the policies and support brought to employees by work councils.

An analysis of collective agreements by the WSI archive for collective agreements shows that family-friendliness is still not a high profile issue in German collective agreements (CAs).<sup>13</sup> Nevertheless a considerable number of CAs contains some relevant items to support reconciliation between work and family life. Most of these regulations had already been agreed to in the collective bargaining rounds of the 1990s.

New regulations laid down in 2000 include the (soft) right to return from part-time to full-time work in some collective agreements in retail, the right to claim qualification during parental leave (metal industry of Baden-Württemberg) and some comprehensive agreements on family-friendly measures and gender equality in selected collective agreements at the enterprise level, for example the agreements of the German Telekom (privatized telecommunication company).

As Klenner sums it up relevant regulations can in particular be found in branches with a high percentage of female employees as well as in branches that depend on women with high qualifications (e.g. the chemical industry, banking sector, IT sector).<sup>14</sup> Company-level collective agreements in former public companies also have a higher probability of containing family-friendly regulations. In these cases issues from the public sector equality law have often been adapted to the new collective agreement, once a company was privatized. Some collective agreements in branches with long or flexible working hours which raise special reconciliation problems for the (female) workforce (as in the retail and metal industry), regulate that the working hours match (better) with school times and opening hours of childcare institutions or again specify the scope for taking time off if a child is ill (beyond the legal right).

Many collective agreements now contain regulations concerning part-time work and the organisation of parental leave. There are for example measures to keep in touch with the company during the parental leave. Some collective agreements contain an extended job guarantee beyond the legal right to be able to have three years of parental leave. This policy is contradictory to the latest trend in family policy which is to increase incentives for a quick return to the labour market after given birth. Box 1 sums the main issues concerning reconciliation between work and family life up as so far incorporated by German collective agreements.

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<sup>12</sup> BMFSFJ 2006.

<sup>13</sup> see Klenner (2005).

<sup>14</sup> see Klenner (2005), p. 61.



## Box 1

Regulations concerning the reconciliation between work and family in German collective agreements

- Transition from full-time work to part-time work and vice versa.
- Prevention of working hours in the evening and on the weekend when childcare cannot be arranged.
- Adjustment of working hours to the opening times of childcare institutions.
- Equal treatment of part-time and full-time employees.
- (Extra) options to take off time when children or elderly relatives are ill or in need of care.
- Organisation of parental leave and qualification measures during parental leave.
- Organisation of telework.

Source: WSI-collective agreement archive (Klenner 2005: 62).

### 2.2.7 Work–life balance and family-friendly regulations in German enterprises

An agglomeration of literature has proved that family-friendliness at the company level constitutes not merely a cost factor but can also point to ways ahead concerning the economic benefit for the company. Benefits can include a reduction of staff turnover, increased returns on training investment, reduced absenteeism, reduced use of sick leave, stress reduction, greater staff loyalty and commitment and increased return from parental leave.

In a German study commissioned by the Family Ministry the research institute 'Prognos' came to the conclusion that the introduction of family-friendly measures at company level resulted in a positive return on investment of +25 per cent.<sup>15</sup>

According to this study family-friendly policies in the company saved over 50 per cent of the costs that occurred as a result of the lack of reconcilability between work and family, in particular bridging, fluctuation and reintegration costs. Although it was a small study and although the extent of the positive effects depended strongly on the labour market segment in question this study has stirred a lot of interest among German employers.

Company agreements on reconciliation or work–life issues typically cover one or several of the four fields differentiated by the OECD:<sup>16</sup>

- options for shorter or longer interruptions of work (e.g. for parental leave or elder care, sabbaticals, illness of a child or relative);
- adaptation of work organisation (including part-time work and particular working hours, teleworking);
- organisation of or support of childcare;
- information and qualification.

Whereas in 2002 only 4 per cent of the German companies offered childcare facilities and 12 per cent provided special offers for parents in parental leave, flexible working hours as a measure to combine work and family life was much more widespread.<sup>17</sup> The survey shows

<sup>15</sup> see PROGNOSE AG 2003.

<sup>16</sup> see OECD 2001; Maschke/ Zurholt (2005).

<sup>17</sup> see Klenner (2004a).



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that in the overwhelming majority of German companies (9 out of 10) employees already had the opportunity to adapt their working hours. The option of taking free time to compensate the previously worked overtime existed in 3 out of 4 companies and was the most frequently cited means of adapting working hours to family needs. Other options were flexitime, part-time work or informal arrangements with superiors and other team members.

In 2001 the goal of reconciling work and family life was included in the amended 'Works Constitution Act' (BetrVG), governing the rights and obligations of the employee representatives in German companies. The law now states that work councils are responsible for promoting reconciliation between work and family life (section 80 (1),2b BetrVG). Since the introduction of the law this topic has been the subject of debates in many companies (WSI work council survey).<sup>18</sup> In companies where the topic was put on the agenda the initiative has often come from the work councils (80 per cent, multiple answers) – often in combination with interested colleagues (44 per cent, multiple answers).

Until 2003 only 8 per cent of the companies with more than 20 employees had a company agreement concerning the reconciliation between work and family compared to 20 per cent of companies with more than 1000 employees. Initiatives in the company or company agreements on family-friendliness and equality are much more widespread in companies with a work council than in others.

According to the latest wave of the representative survey 'Enterprise Monitor on Family-friendliness'<sup>19</sup> the awareness of German companies concerning family-friendliness and the need for reconciliation policy has steadily grown over the recent years. In 2006 72 per cent of the interviewed employers regarded family-friendliness as important for their company compared to 47 per cent in 2003. Almost every fourth enterprise in 2003 practised between 7 and 9 measures characterized as 'family-friendly'. In particular flexible working hours models and the active organisation of the parental leave period – issues that were mentioned by employees to be particularly important for them<sup>20</sup> – are more widespread today than three years ago. Several employers were questioned about the motives behind the introduction or extension of family-friendly measures: 83 per cent of the employers mentioned the aim to keep qualified employees in the company, 81 per cent want to increase the work satisfaction of their staff and 78 per cent mentioned economic motives.<sup>21</sup>

### 2.2.8 The German 'career and family audit'

The German 'career and family audit' was introduced in order to give private companies – as well as public establishments – incentives and ideas for the development of family-friendly strategies in accordance with the particular situation and goals of each company. Run by the 'Hertie Foundation' the programme is supported and promoted by the Family Ministry under the roof of the 'Alliance for the Family'. Companies applying for this audit get support to develop firm-specific strategies. Within the auditing process already existing family-friendly measures are scrutinized and the firm-specific potential to develop additional family-friendly activities is analysed. Since there is no legal obligation for companies to activate family-friendly policies the audit is based on their voluntary engagement.

More than 140 single family-friendly measures are found in the portfolio checked within the auditing process.<sup>22</sup> One main focus turns out to be on working hours arrangements to im-

<sup>18</sup> see Klenner (2003), (2004a).

<sup>19</sup> see BMFSFJ (2006).

<sup>20</sup> see Klenner (2004b).

<sup>21</sup> see BMFSFJ (2006).

<sup>22</sup> see Schmidt/ Mohn (2004), p. 183ff.



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prove the balance between work and family. Other measures encompass monetary benefits on the company level, company childcare facilities, measures concerning the location of work or the work organisation. Up to March 2008 650 German enterprises had successfully undergone this auditing process and received their certificates.

### 2.2.9 Conclusions

On the one hand some fundamental structures and regulations of German family policy still remain unchanged. Most privileges are for the married breadwinner family as the system of matrimonial tax-splitting remain untouched and small part-time jobs are still promoted as an option for married women. On the other hand considerable changes in the recent family policy are taking place in Germany. The 'Day-care Expansion Act' (Tagesbetreuungsausbaugesetz - TAG) and the new parental leave benefit (Elterngeld) definitely mark a considerable shift in the logics of the German family policy. Both measures are strongly geared towards the idea of the working mother who only interrupts work for a short period of time after childbirth.

The empirical data only partly reflects the ongoing changes. The family type based on the male-breadwinner model is still predominant, mainly in western Germany, although it is no longer the norm for the majority of the households of today. Attitudes among both men and women are increasingly in favour of the greater participation of women as well as – to a lesser extent – the mothers of small children in the labour market.

In Germany the rate of women participating in the labour market has increased to a middle place (11th) in a ranking of the 25 EU member states<sup>23</sup>. It is particularly the participation of mothers in the labour market that increased during the recent years. But due to the high part-time rate of working mothers in western Germany many women in this part of Germany contribute only to a small extent to household incomes and still depend economically on their male partners. This reflects the ongoing support for the male-breadwinner model.

As shown family policy issues in Germany overlap more and more with other actors and areas of social policy. Companies are motivated by incentives and assistance to become active in the areas of gender equality and family-friendly working conditions. Family policy is increasingly linked to the labour market, pension, health and anti-poverty policy as well as to issues of gender equality. In times of labour market and demographic changes the 'family issue' is being shifted into the centre of political interest and increasingly shapes the reform trends of the German welfare state.<sup>24</sup>

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<sup>23</sup> see Bothfeld et al. (2005); based on Eurostat

<sup>24</sup> see Klammer/ Letablier (2007).



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## 2.3 The situation in Italy



provided by IAL

### 2.3.1 Introduction

An on-line survey conducted in 2007 by the Ministry of Equal Opportunities showed that in Italy the balancing of life and work is a difficult issue. The respondents to the survey – individual citizens – complained that still today caring for family members is still mainly woman's tasks, which is the main source of the difficulty to reconcile work and private life. Work organisation is considered too inflexible by the respondents, and the family policies not effective enough. Also the division of roles inside the family is considered unsatisfactory, and it is mainly women who take care of the household. The parental leave legislation is considered not effective enough and many complain that employers put obstacles to its implementation. The increase in part-time work arrangements is considered less of a priority for future developments.<sup>23</sup>

These views are confirmed if one looks into the main obstacles which women identify to have children before and after giving birth: the main obstacles are the economic difficulty (41,)% before, 33,3% once the child is born), the difficulty to balance the time of work and the time of family (43,6% and 31,8%) and finally the difficulty to choose the right educational paths (41,3% and 42,3%).<sup>24</sup>

Indeed, Italian policy for the family and for work life balancing not always helps to solve the problems that women and parents in general are confronted with.

### 2.3.2 Work Life Balancing – a short overview of the legal framework

#### 2.3.2.1 Maternity leave

The length of maternity leave (before and after birth) is twenty weeks with at least four weeks before the birth. The 20-week period is compulsory, but there are two options for taking this leave: four weeks before the birth and 16 weeks after; and eight weeks before the birth and 12 after.

All women employees and self-employed women with social security membership are eligible to maternity leave. There is a variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent), and it is possible to delegate the leave to person other than the mother. In the case of multiple or premature births, the length of leave increases by 12 weeks.

<sup>23</sup> Sondaggio conciliazione vita-lavoro, i risultati, <http://www.pariopportunita.gov.it/DefaultDesktop.aspx?doc=1595>

<sup>24</sup> Censis, La famiglia italiana nei dati del Censis, Firenze 24 – 26 maggio 2007



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Since November 2007 the so-called “atipici” work contracts<sup>25</sup> have been included into the maternity provisions. Indeed, until then workers with flexible contracts, i.e. on project or collaboration basis had not been included into the maternity provisions.

The parental leave is eighty per cent of earnings with no ceiling, i.e. most social partner agreements foresee that the salary will be 100%. In practice this means that the welfare system bears the legal 80% minimum and the company tops it up to 100%. The public sector employees receive 100 per cent of earnings.

### 2.3.2.2 *Paternity leave*

There is no general statutory entitlement. However, employed fathers may take three months’ leave following childbirth in the following circumstances: the mother’s death or severe illness; the child being left by the mother; or the child being in the sole care of the father. Conditions are the same as for maternity leave.

### 2.3.3 **Actual situation**

#### 2.3.3.1 *Parental leave*

The maximum is a leave of six months for mothers and six months for fathers. If the father takes three months’ paternity leave the total parental leave can be extended to 11 months. Otherwise no more than 10 months are possible.

The payment is thirty per cent of earnings when leave is taken for a child under three years. After that age, and up to the age of 8, parents are entitled to take unpaid leave. Only in the case of low earners state financial aid can be granted.

Leave can be taken at any time until a child is eight years old. There are two options for taking this leave: a single leave period up to a maximum of six months; or shorter leave periods amounting to a maximum of six months. It is possible for each parent to take leave at the same time. A lone parent is entitled to ten months’ leave. The transposition of the EU Directive 2006/54/CE, if it is passed into legislation as foreseen, will also stipulate that leave can be taken on an hourly basis. Unpaid leave can be taken without limit for a child under three years, while after that age there is a limit of five days per parent.

The father is entitled to leave even if the mother is not, for example if she is a housewife. As the leave is per child, each parent is entitled to additional leave in the case of a multiple birth (e.g. the length is doubled for twins, tripled for triplets). Public sector employees receive 100 per cent of earnings during the first 30 days of leave.

There is no childcare leave or provision for career breaks. The same regulations as for parents having their own children apply in the case of adoption.

#### 2.3.3.2 *Flexible working*

Until a child is 12 months old, women who are employees are entitled to work reduced hours (one hour less per day if working six hours a day or less; two hours less per day if working longer), with full earnings compensation. Fathers are entitled to use this benefit in certain conditions, for example: if the mother is self employed; if the mother opts not to use it; if the mother is not employed; or if the father has sole custody of the child.

Employees (mothers and fathers) who have parental responsibility for a child under six years or a disabled child under 18 years have a legal right to apply to their employers to work flexibly (e.g. to reduce their working hours). Employers have a legal duty to consider these re-

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<sup>25</sup> Such work contracts are situated in terms of security between regular employment and self-employment.



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quests and may refuse them only 'where there is a clear business ground for doing so and must give a written explanation explaining why'.

In 2007 the Italian government with the Italian social partners introduced its legislative draft which aims at improving quality of work and to tackle precariousness. As far as women are concerned the measures are:

- fiscal incentives with the set up of measures to arrange the work schedules in order to allow reconciliation between professional and family life,
- improvement of services for early childhood and non-self sufficient elderly.

Further novelties still to be introduced are:

- incentives for the creation of flexible working hours are foreseen which will be linked to the need for conciliation and also to favour an increase in female employment levels;
- revision of the norm regarding parental leave, with particular reference to the extension of the period of leave and the increase in relative indemnity;
- strengthening of interventions at various governmental levels in matters regarding services for children and elderly people which are not self-sufficient;
- directing the intervention linked to the programming of the use of European Community Funds, giving priority to female employment;
- strengthening of the guarantees to be applied to ensure equal rights;
- strengthening of the actions to be undertaken to encourage the development of female entrepreneurship;
- interventions which will facilitate access and re-entry into the labour market for women, also through vocational training.

### Actual Situation

#### Parental leave

The take-up rates of mothers of parental leave is 75% in Italy, and of 7% of fathers. The figure for mothers is high while for fathers it is close to the European average. In terms of distribution between private and public sector, Italy is very close to the European average with slightly over 60% of parental leaves being taken in the public sector. Within the private sector, the distribution is in favour of services with approximately 60% and industry 40%. Also this is close to the European average (55% and 43% respectively).<sup>26</sup>

#### 2.3.3.3 Working mothers

The general situation of women's participation on the labour market in Italy is generally weak in comparison to European average with 46,3% of women working in 2006, short of more than 17% of the Lisbon target of 60%. The situation of work is clearly linked to the family situation of the women.

Single women between 35 and 44 are occupied at a rate of 83%. This passes to 75,4% for women who live in a couple but without children. 56,9% of those women who have one or two children work, which further is reduced to 40,5% for those with three or more children.

Indeed, 18,8% of the women who give birth do not return to work two years after the child was born, keeping in mind that the statutory leave is limited to 5 months. The figures are more favourable in the North in comparison with the South.<sup>27</sup>

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<sup>26</sup> Parental leave in European Companies, Establishment Survey on Working Time 2004 – 2005, Foundation for the Improvement of Working and Living Conditions, Dublin

<sup>27</sup> *La Famiglia in Italia, Dossier statistico*, Istat Ministero delle Politiche per la Famiglia, 2007



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### 2.3.3.4 Part time work

Female labour market participation in Italy has increased over the past years – in 1992 it was at 41,9% while in 2003 it had reached 48,3% with an employment rate of 42,7%. Most of the increase in female occupation has happened in the central and northern regions of the country.

Part-time work has increased in Italy steadily over the past years, both for men and women. Women work at 17,3% part time in 2003, it was 11,2% in 1993. It is interesting to note that the involuntary part-timers have decreased among women from 30,9% to 27,1% (for men the opposite tendency is the case). This can be put down to the fact that women use part time work as a work-life balancing measure. The figures compare unfavourably to the EU average of 33,1% in 2002.<sup>28</sup>

### 2.3.3.5 Child care

The number of children who are sent to a child care under the age of 3 is very small with only 7%.<sup>29</sup> Indeed, the following table shows how child care is organised for children between 1 and 2 years of age:

Persons or services in charge of the child when the mother works						
	parents	grandparents	babysitter	Public child care facility	Private child care facility	Other family of friends
North West (incl Piedmont)	6,5	56,9	8,7	12,9	12,1	2,8
All of Italy	7,3	52,3	9,2	13,5	14,3	3,4

Source: *La Famiglia in Italia, Dossier statistico*, Istat Ministero delle Politiche per la Famiglia, 2007

such as nursery school and family based crèche been introduced only to a small extent.

Clearly in Italy reliance on the family structure is still a main feature of the society and work life balancing for a mother depends to a large degree on the availability of such a network. This traditional system still underlies the conception of social services but is more and more under strain. Indeed, the change in the demographic composition of the Italian society implies that the role of the woman as care-giver is not only put into question by her role as bread-winner. The longer life and lower fertility rate imply that fewer women have a bigger number of relatives or persons in Italy is among the EU 15 on the 13<sup>th</sup> place in 2004 with respect to public expenditure for the family. Public child care still needs to be paid by the parents: If the public expenditure per child is an average 5280 EURO, the private additional payment amounts to an average 1236. In the North West, the two figures are 5193 EURO and 2146 EURO respectively. This changes in the South, where the figures are of a public coverage of 5342 EURO vs 575 EURO of private contribution.<sup>30</sup> Innovative services their close social relationships to take care of. Analyses of demographic data show that the development is drastic and puts the social network under increasing strain.<sup>31</sup>

<sup>28</sup> *Come cambia la vita delle donne*, Istituto nazionale di statistica, dott.ssa Linda Laura Sabbadini, 2004

<sup>29</sup> *Famiglia e lavoro*, Daniela Del Boca, Università di Torino e CHILD

<sup>30</sup> data concern 2004, source: *La Famiglia in Italia, Dossier statistico*, Istat

<sup>31</sup> *Conciliazione dei tempi di vita denatalità*, Relazione, Dott.ssa Linda Laura Sabbadini, Direttore Centrale Istat, 2005



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### 2.3.3.6 Public financial assistance

At the birth of the child, the family receives a one-off payment if the income is below a certain threshold. This is followed by monthly family assistance (“assegni familiari”). These are calculated on the basis of the number of children and the family income. A family with an average income of 43 000 EURO/year before tax for example would receive 36 Euro with one child and 63 Euro if they have two children. In the case of a single parent household the figures vary – for example a mother with an income of 16 000 Euro/year after tax would receive 102 Euro with one child and 209 with two children.

### 2.3.4 Practice of work life balancing implementation in establishments<sup>32</sup>

In Italy there are few establishments reporting problems with parental leave. Only 7% of those who had experienced parental leave in the previous 5 years reported problems, against an average of 11 of the EU 21. In Italy major problems, where they were encountered, were related to finding staff to replace absent workers (58% / EU average: 57%), lack of continuity of staff and work (38% / EU average: 52%), uncertainty if or when employees will return to work (19% EU average: 44%), too many employees absent from work (20% / EU average: 24%), and the reintegration of staff who returns to work (4% / EU average: 22%).

The measures adopted in Italy to replace absent staff are mainly a re-distribution of work among remaining employees (53%), followed by hiring of new fixed term staff (45%), employing temporary agency staff (12%) and hiring new permanent staff (3%). With respect to the European average which sees an even distribution of re-distribution of work and fixed term staff (ca 52% both), Italy deviates clearly on the use of new permanent staff where the EU average is ca 13%.

Upon re-integration, in Italy only 7% of the establishment offer a training programme, against a European average of 22%.

Finally, the offer of support child care support or other domestic serve in Italy is 2% of all firms (the lowest with Slovenia), which compares to an EU average of 8% for firms with staff on parental leave and 7% without staff on parental leave.

#### 2.3.4.1 Establishments who have staff returning to work after parental leaves<sup>33</sup>

	IT	D	PL	HU	ES
Resume work to the same extent:	57%	55%	73%	61%	53%
Ask for reduced working hours:	31%	19%	13%	19%	30%
Do not resume work at all:	4%	18%	4%	7%	5%
Don't know/no answer:	8%	8%	9%	13%	12%

The provision of training programmes for people returning to work after an extended period of leave is low in Italy with 6%. To compare: average is 22%, PL is high with 54%, S 45%, UK 35%.<sup>34</sup>

<sup>32</sup> Working Time and Work Life Balance in European Companies, Establishment Survey on Working Time 2004 – 2005, Foundation for the Improvement of Working and Living Conditions, Dublin

<sup>33</sup> ibid



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### 2.3.4.2 Attitudes with regards to WLB in the enterprises

In a recent piece of research carried out in the framework of an EQUAL project in Northern Italy (Province of Vercelli) 166 SMEs were interviewed with respect to work-life-balancing and corporate social responsibility.<sup>35</sup> The outcome shows that 46 % of the employers were neither informed nor interested in the issue, while only 16% were both informed and interested to explore the subject more. The rest of the SMEs lay somewhere in the middle. A clear pattern emerged linking the opinion to the size of firms: the bigger the company the bigger the interest.

The survey considered a large variety of measures and fields of balancing: organisation of work (work flexibility), family care responsibilities (leave policies, support to care facilities etc), equal opportunities with respect to career development (training and recognition of competences etc), and finally sustainable development (combination of urban development and work).

Flexible work organisation was clearly considered an issue of individual work organisation rather than an issue for the company's work organisation. Consequently, flexible arrangements tend to be made upon individual request, rather than as part of company human resources policy or as part of a company level trade union agreement. Work life balancing tends to be treated sporadically and as an individual matter. The research comes to the conclusion that the companies apparently have difficulties to envisage work-life balancing as an innovation of their own organisation and see it rather as concessions made on an ad-hoc level with a clear time-limit and with little impact.

With respect to the conciliation of care responsibilities and work, the research shows a total absence of care facility support. The main facility offered is a company restaurant (77%) and – to a much lesser extent, external services such as insurances, medical care, cultural and sports activities (42,9%).

Finally, the research shows that most employers do consider that the private life and well-being has an influence on productivity, but at the same time does not consider that care responsibilities have an impact on productivity. The interpretation of this data is difficult. It is clear that care responsibility is considered a private matter or a matter of social policy but not one of the company. It may also be that the out-dated image of the male breadwinner is still prevalent which means that the family care taking responsibility does not enter the picture.

### 2.3.5 Policy discussion

In Italy the reforms of the labour market and welfare system in general are high on the agenda and work life balancing is part of the discussions. The main driving forces for the discussion are those of labour market participation, very much pushed by the Lisbon agenda, and the demographic change, where Italy shows one of the lowest fertility rates in Europe.

The issues which are touched upon in Italy are the flexibilisation of the labour market and the increasingly precarious work conditions which are generally noted. At the moment young workers are experiencing unstable work conditions which retards their decision to start a family, while once this step is done the conciliation of work with this family becomes a prob-

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<sup>34</sup> [Working Time and Work Life Balance in European Companies](#), Establishment Survey on Working Time 2004 – 2005, Foundation for the Improvement of Working and Living Conditions, Dublin

<sup>35</sup> Equal SKILL3, [Le Aziende in Provincia di Vercelli: Rappresentazioni e Azioni su Responsabilità e Sociale e Conciliaze](#), Estratto del rapporto di ricerca, Gennaio 2008, ROBERTA GIRAUDDO e VALERIA ZAFFALON



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lem. Therefore, work life balancing is very much seen as a question of fertility rates and measures to allow work life balancing for women as a means to increase fertility rates.

It is clear in the political debate that the provision of services must be increased and made more flexible to coincide with the needs of working mothers. In particular the provision of nursery schools is an issue given the low coverage rate in the country and especially in the South.

In terms of labour market flexibility, the possible solutions are increased part-time offer, tele-work, working hours bank, training after return from leave etc. The legislation foresees all of these but the up-take is still not satisfactory.

The agreement on welfare reached between the social partners and the government in July 2007 contains many chapters that go into this direction. The growth in female employment, as a way of satisfying the Lisbon objectives, has become a primary aim, and in its turn has become a central theme of “conciliation” and of quality of female employment.

### **2.3.6 Trade union position**

Cisl trade union is strongly engaged in the discussion on work life balancing. Recently a working group on work life balancing has been set up between the department of Labour Market and Social Policy. The working group has the objective to bring work life balancing to the forefront in the union’s policy, and in particular to contribute to shifting the stress on measures for balancing for women towards all persons.

Cisl is convinced that the subject is not one of labour policy only (e.g. an increase of women’s participation on the labour market) nor is it a question of social policy only (e.g. the increase in public services for the family). A transversal policy is necessary.

The starting point is the necessity to increase the general participation on the labour market. Thus, work life balancing is not an equal opportunities issue, even though it is necessary to adopt an incremental approach to a change in the male role in the family and on the labour market. A profound change in the mentality is necessary.

- An increase in the occupation necessitates above all an increased occupation rate of women who are currently participate at a very low rate on the labour market, it is the greatest number of unused working force. One of the main instruments should be the so called “long part-time” work contracts, i.e. between 25 and 30 hours/week. This type of part-time which is not longer than the typical half of normal working hours (18 hrs/week), is sufficient to allow caring for the child while at the same time it is less economically disadvantageous and comprises less career hurdles. Cisl advocates a tax reduction for such employers who use
- There should be a possibility to use parental leave in the form of reduced working hours and the income for the parental leave should be increased.

Cisl also engages to promote specifically the negotiation of company agreements with strong WLB measures.



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### 2.3.7 Italian legal framework on gender equality

A number of fundamental principles can be found in art. 3 of the Italian Constitution, including equality and non-discrimination principles.

The most important legislation which has relevance for work-life-balancing is

- Law on Equal Treatment Law No. 903 of 9 December 1977

Law No. 903 of 9 December 1977 applies the constitutional principle of equal treatment. This brought Italy into line with EEC Directives Nos. 75/117 and 76/206. It forbids any discrimination on the grounds of sex as regards access to employment (independently of hiring procedures and sector of activity, whether public or private), vocational training, pay, job evaluation and classification, assignment of jobs and grades, career advancement and social security protection. The penalty for actions or agreements which violate the ban on discrimination is that they are null and void, while a special restraint/remedy procedure is provided for the particular case of discrimination in access to employment

- Decree on Equal Opportunities Legislative Decree No. 80 of 1989

Legislative Decree No. 80 of 1989 introduced general principles pertaining to equal opportunities. It also introduced gender culture into the training programs for the public administration offices. Moreover, the principle of reconciliation of professional and family life was also introduced to promote access to training for female civil servants. Training on gender policy and equal opportunity principles must also be offered to all civil servants.

- Law on Equality Advisors

Legislative Decree No. 196 of 23 May 2000 introduced significant changes to Italy's system of "equality advisors", who are responsible for promoting female employment and enforcing sex equality law at the workplace. The Decree boosted the advisors' functions, allocating an annual fund of ITL 20 billion to their activities, and creating a national network coordinated by a national advisor. The Decree also reformed the procedures for granting public funding for positive action plans in the workplace and extended funding to new beneficiaries, like trade unions and other associations. During 2001, the new equality advisors were jointly appointed by the Minister of Labour and the Minister for Equal Opportunities.

- Framework Law No. 104 of 5 February 1992

Framework Law No. 104 of 5 February 1992 concerns the social integration and rights of disabled persons and assistance to such persons and contains a number of provisions benefiting the working mother or working father of a disabled person. This law also granted to the working mother or, alternatively, father (including an adoptive mother or father) of a severely disabled child the right to extend the period of optional leave up to the child's third birthday, provided the child is not cared for full-time in a special institution. As an alternative to this extension, the same individuals are entitled to two hours' paid time off a day until the child's third birthday. After the child has reached the age of three, the mother or father, or any individual caring for a disabled child to whom they are closely related by blood or marriage, is entitled to three days' paid time off a month, again provided the child is not in full-time residential care.

- Legislative Decree 532 of 1999

The decree on night work provides limitations on women's night work (especially pregnant women and those with children on under 1 year old).



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- Legal framework on Parental Leave

In Italy parental leave is regulated mainly by laws 1204 of 1971 and 903 of 1977. These statutory entitlements can be extended by collective bargaining at the sector and company level, but this happens only to a limited extent.

- Maternity Protection Act (Law No. 1204 of December 30, 1971)

Maternity policy in Italy is based mainly on this law. Female employees are ensured a number of special guarantees during pregnancy and the post-confinement period. The rules governing the period of compulsory abstention from work (which carries entitlement to payments equal to 80% of pay) provide for a complete ban on working during the period beginning two months prior to the expected date of confinement (which may be longer in cases of serious complications with the pregnancy or if necessary due to working or environmental conditions deemed to be harmful to the pregnant worker) and ending three months after the actual date of the confinement. The worker may also take optional leave (on 30% of pay) for a further period of six months during the baby's first year of life and unpaid leave during any periods of illness of the child while it is under three years of age.

Other legislation in connection with the protection of maternity is Act No. 546 of 29 December 1987 concerning the maternity allowance for self-employed women, and Act No. 379 of 11 December 1990 concerning the maternity allowance for women in professional self-employment. Legislative Decree No. 452 of December 2000, Legislative Decree No. 151 of March 2001 and Legislative Decree No. 115 of April 2003 lay down rules and specific measures for the implementations of the Maternity Protection Act and related legislation.

- Law No. 125 of 10 April 1991

In the Italian system, measures constituting positive or affirmative action are recognized and promoted under Law No. 125 of 10 April 1991. This Law deals with positive or affirmative action and, among other things, expressly prohibits indirect discrimination which is defined as all prejudicial treatment based on the adoption of criteria which disproportionately disadvantage employees of one sex or the other and relate to requirements which are not essential to the actual work involved.

Law No. 125/1991 on positive action is aimed at reinforcing the provisions on equal treatment contained in Law No. 903 of 9 December 1977 and at introducing new promotional measures. It also reinforces the sanctions against discrimination, granting the courts special powers for the purposes of abolishing collective discrimination ( i.e. where the discrimination is necessarily directed towards a particular individual employee) and empowering public authorities to suspend or revoke the grant of financial benefits or public contracts to employers who are proved to practice discrimination.

They are in principle voluntary, but employers are given encouragement in the form of financial incentives (Articles 2 and 3). Particular emphasis is placed on measures which are agreed between employers and unions. Public authorities were under an obligation to institute positive action programmes within a year of the Law's entry into force (Article 2(6)).

- Law 215 of 1992 - Italy

This law deals with affirmative action for women's entrepreneurship. The National Committee for Equal Opportunities at the Labour Ministry and the Equal Opportunities Councilor are responsible for the implementation of this law and of other equal opportunities policies in the labour market. The Decree of 17 July 1996 lays down the measures to be taken for the implementation of this law.



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- Law No. 53 of 8 March 2000 – law on protection and support of maternity and paternity

Law No 53 of 8 March 2000 extends the period during which parents may be absent from work in order to look after a child. Before approval of the new law, parents could take optional leave for six months prior to the child's first birthday. Moreover, parents were entitled to take paid leave to look after a sick child until he or she was three years old. Under the new law, the mother or father may take a total of 10 months' parental leave until the child's ninth birthday. In order to encourage fathers to apply for leave, the law provides that they can be granted an extra month if they have applied for three months' leave. Parental leave is doubled in the case of twins. Moreover, adoptive parents have the same rights as natural ones. The paid leave to look after a sick child is extended to cover children over the age of three - between the ages of three and eight, if the child is ill, the parents may now be absent from work, on an alternating basis, for up to five days a year. The period of compulsory maternity leave for women can now be arranged differently. Whereas previously the entitlement was two months prior to confinement and three months after, under the new law mothers may apply for a period of leave amounting to one month before confinement and four months after. Another innovative aspect of the law concerns self-employed women. If they intend to take parental leave, they are entitled to tax relief if they arrange a substitute to replace them at work.

- Protocol of 23 July/Law 247/2007

In the Protocol of 23 July with the Italian social partners, the Italian government has introduced its legislative draft which aims at improving quality of work and to tackle precariousness. As far as women are concerned the measures are:

- fiscal incentives with the set up of measures to arrange the work schedules in order to allow reconciliation between professional and family life,
- improvement of services for early childhood and non-self sufficient elderly.

The protocol was transposed into Law N° 247 by the Italian Parliament on 23 December 2007.

There were few modifications to the original text of July. The Law contains various delegations which the Government must carry out within the following 12 months and in conjunction with the social partners.

Within 12 months, the Government should adopt one or more legislative decrees, following certain directive criteria and principles:

- incentives for the creation of flexible working hours are foreseen which will be linked to the need for conciliation and also to favour an increase in female employment levels;
- revision of the norm regarding parental leave, with particular reference to the extension of the period of leave and the increase in relative indemnity;
- strengthening of interventions at various governmental levels in matters regarding services for children and elderly people which are not self-sufficient;
- directing the intervention linked to the programming of the use of European Community Funds, giving priority to female employment;
- strengthening of the guarantees to be applied to ensure equal rights;
- strengthening of the actions to be undertaken to encourage the development of female entrepreneurship;
- interventions which will facilitate access and re-entry into the labour market for women, also through vocational training.



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- Legislative decree to transpose EU Directive 2006/54/CE

This legislative decree needs to be passed by the parliament by June 2008 at the latest. Given the elections of April 2008 it is not clear yet whether the decree will be passed as it is proposed or not. The content, in terms of WLB foresees modifications to law 53 on the protection and support of maternity and paternity by allowing that parental leave is taken on an hourly basis, whereby it can be split by counting hours of work rather than days only. In addition, the workers after their return are entitled to the same improvements in working conditions as if they had not been absent. Furthermore the financing possibilities are extended in terms of type of action and beneficiary, e.g. to all types of workers in any case and to associations of enterprises.



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### 2.4 The situation in Spain



Provided by UGT

The work life balance continues nowadays being one of the big unsettled challenges to be solved in Spain.

According to the data and studies that confirm it, there are great differences between women and men that derive in negative effects for the set of the society.

In considering what is the status-quo of the implementation of work-life-balancing, in Spain, it is important to mention, firstly, to the actual situation in which there are people in our country. To achieve real equality of opportunity between men and women lack a long way to go.

Women have come a long ground in the public sphere: education, employment and occupation. Today in Spain the number of female university percentage exceeds the number of men in Spain joined the working world 2 million women in the past 25 years, compared with an addition of 300 000 men. By contrast, men have made little ground in the private sphere or domestic. On numerous occasions the men do not participate in household chores, or are considered responsible for the smooth running of the household.

This part of a clear division of roles between men and women: reproductive and productive. However, this pattern is broken at the time that there is a massive incorporation of women to employment, but it is women who bear the responsibility of caring mostly for children, and elderly people who are dependent upon That is, today remains mostly women who deal with the workload family to which no value is attributed

Various data corroborated the earlier assertions:

- a) the absence from work of women is due in most cases, circumstances beyond (diseases of children, etc...) rather than circumstances.
- b) 98% of the surplus for childcare requesting women, although in this case is due as much to this historic role, regarding an economic reality, as, generally, women have a lower salary.
- c) The issue of timetables and flexibility is a relatively minor issue, the key being the global burden of work, which should include paid and unpaid work: Spain has the most lopsided model of Europe on that Spanish men have the greatest burden of paid work and Spanish women the minimum workload of the highest paid and unpaid work.
- d) The Spanish women still spend three hours longer than men on tasks related to home and family, and have one hour per day less free time than men. Women spend two hours a day at least "productive work" (paid), industrial relations, and activities related to the study and training.

People who have less free time in Spain are:



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- Women with children,
- Women between 25 and 44 years-which is the age of having and raising children,
- And women unemployed or inactive (who devote six hours to the family and home, while the unemployed men spend only two hours, just like if they were working).

e) The difference in the uses of time is about three ideas: for men, the time devoted to paid work that determines the time they can devote to the family, whereas in the case of women occurs in setback; time women have a continuing nature, not difference between working days and holidays, instead of men is discontinuous and clearly differentiates between work and leisure; time women is organized according to the interests of others, while the man is free to allocate their time.

f) Much of unpaid work is used in the attention and care of children and old age. Task which falls mostly on women. Some spend all their time to these people, excluded from the labour market, while the caretakers who do join the labour market, are facing the need to reconcile the dual role of assisting the work and care for a child or a relative. All this has consequences on the quality of life and personal autonomy of women.

g) The percentage of permanent jobs for men is almost always much higher than that of women.

h) There are 22 points of difference in labour force participation between men and women, and 23 points difference in the employment rate.

i) 54% of women over 16 are economically inactive, and of them, because half are devoted to work from home (compared with 31% of inactive men, of whom two thirds are retired).

j) The employment rate of Spanish men is higher than the European average-a more-73.8 versus 72.7 and the employment rate for women is 8.5 points below the average employment rate of women rest of Europe.

k) In Spain works 90% of men with children and 40% of women with children, while women without children working in 67% of cases.

l) There are very dynamic areas of the Spanish economy in which hardly has been integrated women such as the construction sector or the mechanics.

m) Maintain wage differentials between men and women between 20 and 30%, depending on the case.

n) there are easier for women to have access to middle management so that access to positions of senior management, so that there are few women in senior managerial levels: in Europe the average is 5% and in Spain 2%. The segment of consumer goods and financial are those with more women. In family businesses are passed by 6% to 14% on average, bringing family businesses hire many more women than those who are not relatives.

In connection with the under representation of women in boards of directors, the studies presented by appearing cited, pointing the importance of the 'old boys club' or 'boys club', within which a woman finds it difficult to enter a lot.



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o) In the abandonment of businesses, in the case of women, the main reason is the impossibility of reconciling, in the case of men; the causes are economic and new professional projects.

p) Over 80% of part-time contracts are for women, which lead us to think that in many cases, are the difficulties of reconciling that constrain them to use this formula contract. The problem is that these women are paying contributions by half, resulting in a situation of insecurity in generating social rights.

q) In Spain, family status affects employment opportunities for men and women on a reverse: a young man married and with children will be chosen in 93% of cases, equal to resume other women, where it appears that women will only be chosen by 7% of the time. Discrimination in recruitment and career development, rather than directed at women, is headed to their status as potential mothers, toward motherhood.

When you have children is more difficult to compete on an equal footing in all areas. In short, having children still penalized in the workplace.

For their part, women are an autonomous group with many measures to protect minors.

In short, lower labour force participation of women, and also its worst situation in terms of stability, underemployment, wage conditions and social rights determines that women are in a position economically and socially weaker.

Because of this imbalance the work life balance states a change strategy and considers that it implies to all the social agents in the construction of a society where it prioritizes a balanced distribution of responsibilities, the equality of opportunities and the quality of life among people.

The work life balance is defined as the creation of a system of social and enterprise organization that facilitates people the familiar, working and personal performance of their rights and responsibilities.

The work life balance is a tool that promotes the equality of opportunities between women and men and it is, also, an instrument in favour of the employment since it contributes to increase the rates of employment, fundamentally feminine employment, and a strategy that facilitates growth of the population as a fight from against the aging of this one.

All this shows the necessity to look for politics and to develop actions, not only at a public level but at a private one, to make effective and real the harmonization of the working life balance of the citizens, without only women having the weight of the familiar charge on their own.

The unions are developing performances of information and sensitization directed to the workers and to the employers on the normative and the work life measures. In addition, they carry out a promotion of practices of reorganization of the work in their own unions about the work life balance and incorporate strategies that allow it in the collective negotiation.

In the case of our country, Spain, the work life balance is being developed so much through a normative and legal frame, as through different measures on the part of the public admini-



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stration, the enterprises and other social agents; all of them are implied in the working life balance, so that this one is effective and real.

From the political scope, Statutory law 3/2007, of March 22, for the effective equality of women and men, is the normative frame of reference that at the moment regulates the working life balance of the working people in our country.

For the first time in Spain, in a legal text is recognized it to the work life balance and a bigger co responsibility between women and men in the assumption of family obligations is fo- mented.

The main work-life-balancing measures contemplated in the law and that there are being implemented in the companies in Spain are:

### 2.4.1 Maternity leave:

- Duration of the leave: in case of birth, adoption or welcome of children and daughters, will have right to enjoy a permission repaid by the Social Security, of 16 weeks un- interrupted, expandable in two weeks more by each son or daughter, from 2º, in case of childbirth, adoption or multiple welcome. Also it is extended in 2 weeks more in case of birth, adoption or welcome of children or daughters with disabled. In cases of pre- mature births in which the newborn one is born with lack of weight or needs to remain hospitalized by a period superior to 7 days, the permission is extended until a maxi- mum of 13 weeks. In this last case the mother will be able to initiate the permission of maternity from the hospitable discharge, excluding the 6 later weeks the childbirth.
- Quantity of the economic benefit: the quantity of the benefit will be equivalent to the 100% of the corresponding regulating base, of the worker
- Access to the benefit: in order to accede to the benefit by maternity, for the mothers workers smaller of 21 years previous quotation is not demanded. To the mothers be- tween 21 and 26 years it is demanded to have quoted 90 days to them in the 7 years previous to the childbirth, adoption or welcome, or 180 days in all the labour life. To the older mothers of 26 years it is demanded to have quoted 180 days in the 7 years previous to the childbirth, adoption or welcome, or 360 days to them in all the labour life.
- Special subsidy: only in the cases of childbirth. When the mother worker does not have the period of quotation sufficient to accede to the benefit, she will have right to an subsidy of 42 days (6 weeks) with a quantity equivalent to the 100% of the IPREM, anticipated at every moment.
- Benefit by the father or the other ancestor: it will be able to make use of this permis- sion in the following cases:
  - By cession of the mother worker of everything or it leaves from the permission except for the 6 later weeks for the childbirth.
  - By death of the mother independently of its labour situation.
  - In the cases in that the mother did not have right to suspend her professional activity with right to benefits in agreement with the norms that regulate this ac- tivity.
  - In the cases of international adoption the permission will be able to be distrib- uted in its totality between both ancestors and will be able to begin to enjoy it- self up to 4 weeks before the resolution by which the adoption is constituted.



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- Special permissions: the necessary permissions for prenatal and technical examinations of preparation to the childbirth stay like time repaid by the company.
- Risk by pregnancy: when the pregnant worker makes an activity that supposes some risk for the health of the foetus and it is not possible the adaptation of the job, this one will be able to suspend to its activity by risk during the pregnancy receiving a benefit equivalent to the 100% of the regulating base by common contingencies.
- Periods of quotation assimilated by childbirth: the mothers workers applicants of a pension of retirement or permanent incapacity will see more increased their periods of quotation in 112 days by each childbirth of a single thread or daughter and in 14 days from 2º in case of multiple childbirth, unless during that time they had been paying to the Social Security.
- Improvement conditions of work: the women workers will benefit from any improvement in the conditions of work to which she could straight have had during the loss of maternity or paternity.

### **2.4.2 Paternity Leave:**

- Duration of the leave: in the cases of birth, adoption or welcome of children and daughters will have right to enjoy a permission repaid by the Social Security, of 13 days uninterrupted, expandable in 2 days more by each son or daughter from 2º, in case of birth, adoption or multiple welcome. This permission is independent which the working father could enjoy by cession the mother worker from the permission maternity. It is an exclusive permission of the working father and it cannot be yielded to the mother in any case.
- Form of benefit: the permission will be able to be enjoyed from the day in which the permission by birth of children and daughters recognized in the collective agreement finalizes and until the maternity permission finalizes. It will be able to be enjoyed to total or partial day and will have to communicate to the company with the due advance.
- Quantity of the economic benefit: during the benefit of the permission, the worker will receive an economic benefit repaid by the Social Security equivalent to the 100% of his corresponding regulating base.
- Access to the economic benefit: it is demanded to have quoted 180 days in the 7 years previous to the date of the birth, adoption or welcome, or 360 days in all the labour life.

### **2.4.3 Breastfeeding:**

- Form of benefit: the mothers workers by breastfeeding of a son or smaller daughter of 9 months will have right to 1 hour of absence of the work that will be able to be divided in 2 fractions. The duration of the permission will be increased in the cases of multiple childbirth. The woman by her will be able to replace this right by a reduction of her day in half an hour with the same purpose or of accumulating it in complete days. This permission will be able indifferently to enjoy by the father or the mother in case that both work.
- Risk by the natural breastfeeding: a new benefit of risk by natural breastfeeding settles down, for the cases in which the mother worker runs some risk her health or the



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one of the newborn one. The quantity of this benefit is equivalent to the benefit by maternity (100% of Regulating Base by Common Contingencies).

### 2.4.4 Work-life-balancing:

- Adaptation of working day: the workers will be able to adapt the duration and distribution of the work day to make cash the right to the working-life-balancing in the terms that the collective negotiation or in the agreement with the company establishes, respecting the anticipated thing in the same one.
- Repaid permissions: children birth of or daughter, death, accident, serious disease, hospitalization and operation without hospitalization that needs domiciliary rest, of relatives in the cases of until 2<sup>o</sup> degree of consanguinity or affinity settle down themselves 2 days of permission repaid by the company. When displacement to the effect is needed the term will be of 4 days.
- Vacations: when the period of vacations fixed to the calendar of vacations of the company agrees in the time with a temporary incapacity derived from the pregnancy, childbirth or natural lactancia or with the period of suspension of the contract of work by maternity will have right to enjoy the vacations in different date although the natural year has finished that corresponds
- Reduction of the day by legal guard: for the care of minors of 8 years or person with disabled that does not carry out activity repaying, as well as for the care of relatives until 2<sup>o</sup> degree of consanguinity or affinity that cannot be worth by themselves and does not carry out activity repaying, it will be possible to be reduced the day with diminution of the wage between 1/8 and half of the same one. The quotations conducted during the 2 first years of the period of day reduction are computed increased to the 100%. Also during the first year of the taken care of reduction of day by of relatives.
- Unpaid leave by taken care of children and daughters: it will have right to a period of unpaid leave not more than 3 years to take care of the care of each son or smaller daughter of 8 years. It will be able to be enjoyed divided form. Considering both first years like time of effective quotation to the Social Security. The cases of welcome of provisional form are contemplated. The right to reserve of the same job stays during the first year and both remaining similar or equivalent category will have themselves right to a professional group position of.
- Unpaid leave to taken care of relatives: it will be had right to a period of unpaid leave not more than 2 years, for the care of relatives until 2<sup>o</sup> degree of consanguinity or affinity, that cannot be worth by itself and they do not carry out activity repaying, considering the first year like time quoted to the Social Security. It will be had right to reserve of the same job during the first year and the following year similar or equivalent category will have themselves right to a professional group position of. It will be able to be enjoyed divided form.
- Increase in the quotations: when these unpaid leaves come preceded from a working day reduction the quotations made during the same one will be computed increased until the 100% of the quantity that had corresponded if it had stayed without this reduction.



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- Voluntary unpaid leave: whenever at least 1 year is had of antiquity in the company will be had right to a period of voluntary unpaid leave not less than 4 months and not more than 5 years

### **2.4.5 Improvements in the labour conditions**

- Invalidity of the dismissal: it will be null the dismissal of the workers during the suspension of the contract of work by maternity leave, paternity leave, risk by pregnancy, risk by natural breastfeeding, diseases caused by pregnancy, childbirth or natural breastfeeding, women victims of sort violence during the exercise of his rights of protection and the one of the workers after to have refunded to the work when finalizing the suspension of the contract by maternity leave, paternity leave, adoption or welcome during the nine following months to that in that the suspension took place
- Invalidity of the extinction of the contract by objective causes: the extinction of contracts of work by objective causes will be null that agree in the time with some of the circumstances mentioned in the previous paragraph.
- Indemnities: in the assumptions of working day reduced by lactancia or it keeps legal, as well as the contracts on time partial that they have like origin of same the working-life-balancing, the wage to consider for the indemnities will be the one that had corresponded without considering this reduction of working day.
- Compatibility of indemnities: in the cases of damage of some of the rights related to the maternity or the paternity leaves recognized by judicial sentence, it will be had right to an indemnity on whose quantity the judge or will have to pronounce themselves and who will be compatible, in its case, with which the modification or extinction of the contract that could correspond to the worker.

### **2.4.6 Unemployment**

- Effective quotation: it is considered like period of effective quotation, to accede to benefits of retirement, permanent incapacity, death, survival, maternity and paternity leaves, the period of maternity or paternity leaves that is being enjoyed when the contract is extinguished, or that begins during the benefit by unemployment.
- Quantity of benefits: when calculating the quantities of benefits by unemployment, in the premature cases that have enjoyed a reduction of day by taken care of children or other relatives, children and victims of sort violence, for the calculation of the regulating base, the quotation bases will be computed increased until the one hundred percent of the quantity who had corresponded without reduction, the complete or on time partial work.
- Welfare subsidy: he will be identical for the workers partial and on time complete.

### **2.4.7 Collective Negotiation:**



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- Positive actions: the possibility is recognized of establishing positive actions in the collective negotiation in the matter of access to the use, professional classification, promotion and formation for the people of represented sex less, also settles down the beginning of Plans of Equality in the companies (art. 17,4 and 17,5 ET)
- To have to negotiate: without damage of the freedom of the parts, to determine the content of the collective agreements, in the negotiation of such it will exist to have to negotiate directed measures to promote the equality of treatment and opportunities between women and men and in companies of more than 250 working Plans of Equality (art. 85,1 ET)

### 2.4.8 Representatives of the workers:

- Straight of Information: the company committees will have right to receive information, at least annually, relative to the application in the company of the right of equality of treatment and opportunities between women and men, between whom data will be included on the proportion of women and men, adopted measures of equality, plans of equality and application of the same ones.
- To have of prevention: the representatives of the workers will have to contribute to prevent the harassment sexual and the harassment because of sex in the work by means of the sensibiliser with the workers as opposed to same and the information to the direction of the company of the conducts or behaviours of which they had knowledge and that could to favour it.

These law measures are implemented in all the Spain's companies, and also, the labour companies and other organizations are developing performances of incorporation of new forms of organization of the work through flexible measures. Moreover, the promotion of a company culture that includes the working life balance because of this is being carried out. It the knowledge is extended on the work life balance and workers are informed on the norm, measures of the organization, which make it possible that people who interrupt their work for the care of dependent people keep in touch with the company, by means of formation, information, participation in precise meetings, etc. It also exist an approach of services for the attention of dependent people, by creating our own day-care centers, or signing agreements with day-care centers or centers by day next to the work center, or contracting services of au pair, for example, for meetings outside the work schedule or by means of economic help. It also improves the minimum legal conditions in the matter of maternity permissions, paternity, adoption or welcome, nursing, etc.

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## The situation in Romania



provided by Cartel Alfa

### 2.4.9 Legal Framework

#### 2.4.9.1 Family friendly policy

##### a) Introduction

Art. 26 of the Romanian Constitution called „Personal, Family and Private Life” states in its § 1 that “public authorities respect and protect personal, family and private life, and § 2 of the same article states that „the natural person is entitled to dispose of him/herself, if he/she does not infringe other people’s rights and freedoms, public order or good manners”.

The Constitution imposes on public authorities the obligation to respect the intimate, family and private life, thus admitting de facto, that any natural person, any human being is entitled to their own intimate, family and private life.

The Labor Code of Romania includes numerous texts which refer to family life. Among these we mention: the maternity leave, leave for temporary incapacity to work, paternal leave, leave to raise the child aged up to 2 years or, in case of the disabled child, up their reaching the age of 3, leave to nurse the sick child aged up to 7 years or, in case of disabled children, for intercurrent illnesses, up to the age of 18, the free days for family events, etc. This proves the existence of a family life recognized by specific texts in social law within the public life.

The protection of the private life of the employed even by the employer goes further than these legal texts, the lawmaker „obliging” the employers to also exert their social role, not just the purely commercial one. Thus, the employer cannot ignore the family life of the employee, since the lawmaker himself didn’t do it. The employee is not, during their work time cut from any family relationship, a production mean at the disposal of the employer.

##### b) Leave and Allowance for Child Raising

The legislative basis is represented by the Emergency Ordinance no. 148/2005 on the support for the family in order to raise the child, which has come in force as of the 1<sup>st</sup> of January, 2006. According to art. 1 para (1) of the OUG, the persons (mother or father) which, during the last year before the birth of the child, have received during 12 months professional incomes subject to income taxation<sup>36</sup> are entitled to a leave in order to raise the child aged up

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<sup>36</sup> According to art. 41 of Law no. 571/2003 on the Taxation Code, the categories of incomes subject to income tax are as follows: incomes from independent activities, incomes from salaries, incomes from cession of use of goods, incomes from investments, from pensions, agricultural activities, prizes and gambling, transfer of real estate properties and from other sources, according to the law.



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to 2 years or, in case of disabled children, up to their becoming 7<sup>37</sup> (art. 12 § 1 let. a of Law no. 448/2006 on the protection and promotion of the rights of disabled persons) as well as a monthly allowance of 600 Lei (163 Euros). The child raising allowance is not subject to income tax.

Art. 1 § (2) of the above named OUG, states that the 12 months provided under art. 1 § (1) may be totally formed also by the periods during which the persons were in one or more of the following situations: benefiting from unemployment allowance, benefiting from leaves and social security health allowances, benefiting from invalidity pensions, if they were accompanying their spouses sent in a permanent mission abroad, have benefited from a monthly allowance in order to raise the child up to 2 years of age, respectively 7 years, benefited from unpaid leaves in order to participate to training courses and professional training from the initiative of the employer or to which the latter had consented, etc.

The period of the leave to raise the child aged up to 2 years or up to 7 years in case of a disabled child constitutes length of service in labor and at the workplace, which is taken into account when establishing the rights granted in relation the these.

### c) Monthly Incentive

Persons entitled to benefit from the allowance in order to raise the child and which receive professional incomes subject to income taxation are granted an incentive amounting to 100 Lei (27 Euros). In case of persons enjoying the child raising allowance and requesting the right to the incentive, the payment of this allowance is suspended.

The monthly allowance and incentive are also, optionally, granted to any of the natural parents of the child. To the same rights is entitled one of the persons which has adopted the child, to whom the child has been entrusted with view to the adoption or which has the child under emergency regime foster care, with the exception of the professional maternal assistant, as well as the person appointed as the legal guardian. In this case, the granting of the monthly allowance and incentive is done taking into account the period of 12 months previous to the date on which, as the case may be, adoption was approved, the entrusting of the child took place, or the foster placement or guardianship were instituted.

### d) Conditions in order to grant the leave and the allowance

The monthly leave and allowance, as well as the incentive are due for each of the first 3 births<sup>38</sup> or, as the case may be, for the first 3 children of persons in one of the situations described in the previous paragraph.

The period during which a person is entitled to a monthly leave and allowance in order to raise the child constitute the period assimilated to the contribution period in order to establish the rights provided under Law no. 19/2000 on the system of public pensions and other rights to social security.

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<sup>37</sup> Art. 12 para (1) let. a). of the Law no. 448/2006 on the protection and promotion of the rights of disabled persons also grant the right to a work timetable reduced to 4 hours to the parent which nurses the disabled child requiring treatment for intercurrent illnesses, up to the child's becoming 18 years old.

<sup>38</sup> According to the Unique Collective Labor Contract at national level for the years 2007-2010, the employed will also enjoy an average salary per economic unit, paid to the mother this time, for the birth of each child; if the mother is not salaried, her husband enjoys the payment of an average salary per economic unit.



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### **e) Paternal Leave**

Law no. 210/1999 on the paternal leave states that the father of the newborn child is entitled to a paternal leave of 5 working days, and if the former has obtained a certificate of graduation of a child care course, the duration of the paternal leave is prolonged by 10 working days.

The allowance for the paternal leave is paid from the salary fund of the economic unit and is equal to the salary corresponding to the respective period.

### **f) Protection of Maternity at the Workplace**

According to the Emergency Ordinance no. 96/2003 on the protection of maternity at workplaces, the pregnant women employed, the women which have given birth recently and the lactating ones are subject to the duty to report to the family physician in order to be released a medical document to certify their status.

In case the employed women do not observe the obligation provided above, and do not inform in writing their employer on their status, the latter is exonerated from its duties as provided in the ordinance.

Employers have the duty to take necessary measures, in order to:

- ⇒ Prevent the exposure of pregnant employed women, of the ones which have given birth recently and the lactating ones, to risks which may affect their health and security;
- ⇒ Prevent the previously mentioned employed women from being forced to perform works damaging to their health or their pregnancy status or the newborn child, as the case may be.

The employer is subject to the obligation to maintain confidentiality on the status of pregnancy of the employed woman and will not inform other employed persons unless by written approval of the former and only in the interest of the good unfolding of the work process, while the pregnancy status is still not visible.

In case a salaried woman (the pregnant woman, the one which has given birth recently or the lactating one) carries out at the workplace and activity which supposes risks for their the health or security or with repercussions on pregnancy or lactation, the employer is obliged to modify for her accordingly the work conditions and/or timetable or, if this is not possible, to detach her to another workplace without risks for her health or security, according to the recommendation of the labor medicine physician or of the family physician, thereby maintaining the salary incomes.

### **g) Maternal Risk Leaves**

In case the employer, for objective justified reasons, cannot fulfill the duty as provided by law, the pregnant salaried women, the ones which have given birth recently or the lactating ones, are entitled to a leave of maternal risk, as follows:



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- ⇒ Before the date of the application for the maternity leave, as established according to the legal regulations on the public pensions system and other social security rights, pregnant salaried women;
- ⇒ After the date of returning from the obligatory postnatal leave, the salaried women which care have given birth recently and the lactating ones, in case they do not apply for the leave and allowance for child raising and care up to the age of 2 or, in case of a disabled child, of up to 3 years.

### h) Terms to Grant the Maternal Risk Leave

The maternal risk leave can be granted, in full or in fractions, on a period which cannot exceed 120 days, by the family physician or the specialist physician, who shall release a medical certificate in this sense, but cannot be granted simultaneously with other leaves as provided by the legislation on the public pensions system and other social security rights.

The release of the medical certificate is done if the salaried women showed up for the prenatal and postnatal medical examinations, according to the norms of the Ministry of Health.

### i) State Allowance for Children

The State Allowance for children is granted according to provisions of Law no. 61/1993 on the state allowances for children and of the Government Decision no. 591-1993 on measures concerning the management of funds, establishing and payment of the state allowance.

The state allowance fore children is an universal right. All children aged up to 18 years enjoy the state allowance.

Starting January 2008, the amount of the state allowance for children, as provided under art. 3 § (1) of Law no. 61/1993, republished, is established at 32 Lei (8.65 Euros) and is increased on an annual basis, by Government decision, on proposal of the Ministry of Labor, Family and Equality of Chances.

### j) Complimentary Family Allowance

Are entitled to complimentary family allowance the families consisting of husband, wife and children aged up to 18 years being maintained by the former, which live together and have monthly incomes of up to 168 lei per family member.

Starting January 2008, the income limit provided in Emergency Ordinance of the Government no. 105/2003 on the complimentary family allowance and the duty to support lone-parent families, approved with additions by Law no. 41/2004, is of 184 Lei (49.37 Euros).

The amount of the complimentary family allowance is:

- a) 38 lei for the family with one child;
- b) 44 lei for the family with 2 children;
- c) 49 lei for the family with 3 children;
- d) 54 lei for the family with 4 or more children.



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### k) Support Allowance for the Lone-Parent Family

Are entitled to a support allowance for the lone-parent family the families consisting in one person and children aged up to 18 years under their care and which live together with the former, the incomes of which amount up to 184 (RON) lei per family member.

Starting January 2008, the limit of incomes provided under art. 2 and 7 of the OUG no. 105/2003 is of 184 lei. The amount of the support allowance for the lone-parent family is of:

- 54 lei for the family with one child;
- 65 lei for the family with 2 children;
- 73 lei for the family with 3 children;
- 83 lei for the family with 4 or more children.

### l. Allowance for Newborn Children

The allowance for newborn children is granted on request according to art. 25 of Law 416/2001 on the minimal guaranteed income and with art. 44 of the Government Decision no. 1099 for the approval of methodological Norms for the enforcement of this law.

Conditions:

- Mothers are entitled to an allowance for each of the first 4 live born children.
- The allowance for newborn children is granted to the legal representative of the child when the mother is not in the position to enjoy this right.

Amount:

The amount is 186 Lei (RON), a sum which is granted once for each live born child.

### m. Trousseau for newborn children

This is granted according to the Law no. 482/2006 on the granting of trousseaus to the newborn.

The trousseau is granted free of charge, for each newborn child, and consists in clothing, lingerie and care products, amounting to 150 Lei.

The trousseau for newborn children is granted once by the authorities of the local public administration, when the child leaves the maternity or on release of the birth certificate. The value in lei of the trousseau is updated and indexed on an annual basis, by Government decision, depending on the inflation rate.

## **2.4.9.2 Work Schedule**

### a. Work with Flexible Schedule

It is regulated in the Labor Code (Law no. 53/2003).



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The employer may establish individualized work schedules, by agreement or on request of the concerned employee, if this possibility is provided for in the collective labor contracts applicable at the employer level or, in default, in the internal regulations.

Individualized work schedules suppose a flexible organization style of the work program.

The daily duration of the work time is divided into two periods: a fixed period in which the personnel is simultaneously at the workplace and a variable mobile, period during which the employee selects their arrival and departure times, thereby observing the daily work time.

### b. Part time Work

The Emergency Ordinance 96/2003 on the protection of maternity at workplaces contains the following provisions:

⇒ For pregnant salaried women

Based on the recommendation of the family physician, the pregnant salaried who cannot cover the normal duration of work due to health reasons, hers, or of the unborn child's, is entitled to the reduction by one fourth of the normal work duration, while maintaining salary incomes, entirely supported from the salary fund of the employer.

Employers are subject to the obligation to grant pregnant salaried an exemption for prenatal medical examinations within a limit of maximum 16 hours monthly, in case when investigations can be performed only during the work program, without diminishing the salary rights.

For employed salaried which have given birth recently

For the protection of their health and of that of their child, after the birth the employees must take a minimum of 42 days of postnatal leave, as provided by law and within the post partum leave as established by Law no. 19/2000 on the system of public pensions and other social security rights, with subsequent changes and additions. \

⇒ For lactating employees

Employers must grant their lactating employees, during the work program, two lactation breaks of one hour each, until the child reaches one year of age. These breaks include also the time necessary for the displacements to and from the place where the child is situated.

On request of the mother, the lactation breaks will be replaced by a reduction of the normal duration of her work program by two hours daily.

The pauses and the diminishing of the normal duration of the work time, granted for lactation, are included in the work time, do not diminish salary incomes and are totally supported from the employer's salary fund.

In case the employer provides within the economic unit special rooms for lactating, these are to fulfill the hygiene conditions according to the sanitary norms in force.



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### **c. Work at Home**

This is also regulated in the Labor Code.

Are considered as employees working at home those employees which fulfill, at their home, the duties specific for the position they hold. Salaried people working at home establish themselves their work schedule, but the employer is entitled to verify the activity of the employee, under the terms established in the individual labor contract.

The employee working at home enjoys all the rights acknowledged by law and the collective labor contract applicable to salaried persons which have their workplace in the premises of their employer.

#### **2.4.10 Social Dialogue –General Framework Influencing the Implementation of Balancing Measures between the Family and Professional Lives**

Social dialogue, seen as a continuous process of participation of social partners, is the main regulatory mechanism of social issues intervening in the balancing between family and professional life.

Used adequately, it leads to the creation of new consensus and cooperation possibilities with view to reaching the essential objectives of the social partners, economic and social development.

Social dialogue is the process which means any exchange of information, consulting or negotiation, between representatives of employers, workers, government or other relevant parties in problems of common interest related to economic and social politics. In this sense, social dialogue can be tripartite or bipartite.

Collective negotiation is the most common form of social dialogue for the balancing between family and professional life, and the results of this negotiation are regulated by the signing by parties to the negotiation of labor contracts, collective or individual, signed at local or company, regional or national levels.

#### **2.4.11 Situation of Implementation of the Balance between Family and Professional Lives in Romanian Companies**

Romanian society is confronted with changes which have a negative impact on adult family and professional lives. One of the questions frequently asked by adults is: „How can I have a successful career and at the same time a fulfilled personal life?”. Because traditional roles in the family and at the workplace have changed, both women and men willing to build a career and, at the same time, reach personal, family goals. The rising of the expectations level and of the living costs determine many persons to work harder, despite the personal needs and responsibilities acknowledged and affirmed by them.

Many traditional companies perceive labor and personal life as two areas in competition. Gain in one of the domains results in losses in the other domain. Managers with contemporary manner of thinking show however an attitude of collaboration between employee and manager in reaching professional and personal objectives with benefits both for the business and for the personal life of employees and managers.



## 2.5 The situation in Hungary



Provided by MSZOSZ

By the late 20<sup>th</sup> century and early 21<sup>st</sup> century, women's employment has become one of the most important labour market issues across Europe. As regards Hungary, the statistical data show that women's employment is – unfortunately – far below the desired extent, adding that men's employment rate also differs from European indicators.

The examination of the economic activity of the population aged 15-74 shows that in 2007 in Hungary only 44.3% of women were employed compared to 58% of men, the total employment rate being 50.9%.

According to the (aggregated) statistical data available on women and men's combined employment rate in the period January–April 2008, 54.1% of the population aged 15-74 was present in the labour market. In February–April 2008, on the average 3,850,000 persons aged 15-74 were employed, 52,000 fewer than in the same period of the previous year. The number of unemployed persons aged 15-74 was 323,000 in the period in question, which means an unemployment rate of 7.7%, exceeding the unemployment rate a year earlier by 0.2%.

The trend has not just started: the most radical change in women's economic activity took place following the change of political regime and not entirely as a consequence of transition to market economy. The conservative and right-wing views surfacing in the Hungarian society have obviously and appreciably had their effects, too, and today a great many people consider women's presence in the labour market as not acceptable, sometimes even not normal. Conservative opinions on female roles latent in the society in socialist times were already perceivable in the 1980s, but then, due to the ruling socialist ideology, for economic and ideological reasons men and women were equally active in the labour market.

### 2.5.1 Women's role in the Hungarian society

Looking back on history, we can say that women have made the same way in Hungary as everywhere else in the world: from obtaining the right to education and to vote through joining the labour market to birth control, that „invention” of modern age, to freedom related to personal rights. The latter has brought a fundamental change in women's position and role in society, which, however, has been insufficient to reach the family where practice has preserved the traditional approaches to male and female roles and division of work.

The strengthening of conservative views is shown by the fact that while a 1986 survey<sup>39</sup> found that 81% of women agreed that women should have gainful employment, by 1995 this proportion dropped by one third, so a turnabout in values had started.

<sup>39</sup> The survey was carried out by KSH (Central Statistical Office)



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Male and female roles in the labour market have undergone a definite change, and at the same time the different nature of women's employment from that of men has become clearly visible, along with the typical features of women's disadvantageous position. Women – in spite of their higher level of education – are not as successful as men in their careers; horizontal segregation is getting increasingly obvious, and few women can be found in posts of economic and political decision-making. It is a mass phenomenon in the labour market that female dominance in certain low-paid and low prestige industries continues to increase; it is particularly perceptible in the service sector.

Since the change of political regime more and more women have become entrepreneurs starting businesses, yet the family burden on them has not lessened. General experience also shows that while men play the part of owner in a family business, women are mostly only employees; accordingly, managers are also men. The double responsibility taken by women (work and family) determines their whole lives, has an influence on their careers and affects their physical and mental conditions. That situation has not altered with the change of regime or with our accession to the EU<sup>40</sup>, nor with the intensive public attention the issue of gender equality has been given in recent years despite a strengthening of conservative views.

The approach to women's role and corresponding practices show that the social stereotypes related to the subject have survived the processes rocking the society, withstanding government policies aimed at altering them.

The situation is well illustrated by the fact that though from 2003 men are also eligible for child care benefits, only a few per cent of them enjoy the pleasures of being a “full-time” father and their number is on the decrease (from 47,000 in 1995 to 40,000 in 2006). Naturally, among the reasons there is the gap between men and women's earnings, but conservatism whose spread is confirmed by various social studies is also to blame.

### 2.5.2 Women in the Hungarian labour market

Women spend 30% less time engaged in activities resulting in remuneration, and in 70% they do work for which no money is owed to them. At the same time we can see that men on the whole work less (2369 hours a year) than women (2759 hours a year), yet a greater proportion of them (55%) can pursue a gainful activity, that is, engage in work that yields income.

<i>Number of hours spent pursuing gainful work activity</i>		<i>Number of hours spent doing housework</i>	
<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>
<b>847</b>	<b>1302</b>	<b>1912</b>	<b>1067</b>

In Hungary there are also typically “female” sectors and branches where the number and proportion of women employees exceed those of men, like in services and in the public

<sup>40</sup> Studies both immediately after the change of regime and before the accession to the European Union show that these crucial events have left women's social position essentially unchanged



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sector. The trend is especially conspicuous in the branch of financial services as well as in the area of health care and social work.

It would be, many people believe, an important step towards increased employment if the number of part-time workers reached at least the European average because, as the data in the tables attached show, the proportion of those employed part-time does not even come near European levels. Examination of causes shows that women are reluctant to take up part-time employment mainly for economic reasons, and naturally so are men. Behind the extremely low figures for the latter group there are the stereotypes so widely accepted in Hungary: “The husband is responsible for earning a livelihood for his family, the wife is responsible for performing the tasks at home,” or “It is not good when the husband stays at home to look after the children and the wife is the breadwinner”.

An essential aspect of women's employment is whether female employees can have their children looked after while they are at work, and from what age and in what type of facilities that is possible. In this respect, before the change of regime Hungary used to be a “model country” in the eyes of European women, but following the change of regime the situation has radically changed: a great majority of child care facilities maintained by companies have ceased to exist, and local governments have less and less resources to maintain such institutions. Children may be taken to crèches (infant nurseries) up to the age of three, then they go to kindergartens officially up to the age of five, as the third year serves as preschool (mandatory school age is six years, or in the case of children born after September 1<sup>st</sup>, seven years).

There is still another negative feature to be mentioned which highlights why it is so important to increase, especially at beginning of the 21<sup>st</sup> century, women's employment rate. Namely, research shows that there is a close link between women's economic activity and maternity. While the employment rate of childless women aged 20-49<sup>41</sup> in Hungary is higher than the EU average, that of women having one child under the age of 12 is 5% lower, and that of women having three or more children under the age of 12 is nearly 30% lower.

### 2.5.3 Hungarian regulations on child care support

In Hungary the system of child care support has remained basically unchanged after the change of political regime, as parents continue to receive financial support for child care until the child reached the age of three without termination of their employment relationship. Before the change of regime, it mostly was mothers who claimed the child care allowance, though regulations entitling fathers to go on child care leave were introduced as early as in the 1970s (naturally they could not be made eligible for maternity leave). Then it was accounted a great wonder when a man used this opportunity, and it still not common practice – for economic and ideological reasons. (Men earn more, their earnings are more needed by the families, and anyway, the prevailing opinion has that “it is not good when the husband stays at home to look after the children and the wife is the breadwinne.)

The regulation process as a result of which the three years absence from work is now divided into three parts started in the years immediately preceding the change of regime.

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<sup>41</sup> The comparison was made in 2005, and to facilitate comparing figures, European statistics examined economic activity of the 20-49 instead of the 15-74-year olds. Source: EUROSTAT (2005)



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Hungary ratified the ILO<sup>42</sup> Convention on maternity leave within a short time following its adoption, but already before that maternity leave had been the longest in Hungary compared to the other countries of the region. Maternity leave is regulated by the Labour Code, which provides that it is twenty-four weeks, is to be scheduled so as to commence four weeks prior to the expected time of birth if possible, and may not be less than six weeks from the date of birth. For the period of maternity leave an employed woman is entitled to insurance-related pregnancy confinement assistance, which constitutes 70% of the daily average salary. Following the expiry of maternity leave, an employee is entitled to take leave of absence without pay for caring for the child until the child reaches the age of three (unpaid leave is also to be granted for nursing a child under the age of 12). Due mainly to social security rules, this period is divided in two parts.

The insured parent is entitled to a childcare fee (known as “GYED”). Entitlement to the childcare fee continues until the child reaches the age of two. It amounts to 70% of the average salary per calendar day, but not more than 70% of double the prevailing minimum wage per month. Child care allowance (known as “GYES”) may be claimed until the child reaches the age of three, or in the case of caring for a child in need of nursing until the child reaches the age of ten. The monthly amount of GYES – irrespective of the number of children – is equal to that of the prevailing minimum old age pension.

This system of child care support, generous in respect of the length of entitlement though not in respect of its amount, in which the beneficiaries are considered inactive from the angle of the labour market, loosens women's ties to the labour market and weakens their chances of returning to work. It makes their return particularly difficult when they receive support after several children on a continuous basis. This latter phenomenon is especially “dangerous” to female employment; it is not rare that the employer sees an employee on child care leave after six years; during such a long time the company may have changed to an extent – restructured, maybe wound up – that makes it impossible to find work for her.

To facilitate reconciliation of child rearing and working, continuous efforts have been made in Hungary. Recently an important measure was introduced which allows recipients of child care allowance to take up work after the child reaches the age of one year without time limit (even in eight hours a day, not only in part time). Formal education or labour market training during childcare leave is subsidised by the government. Grandparents have been entitled to claim childcare allowance to make it easier for parents to enter into employment. There are incentives for employers as well; they are exempted from payment of a certain employer contribution<sup>43</sup> considered rather substantial in Hungary if they hire employees on child care leave (meaning that a person on child care leave is allowed to work for another company, too, when the child has reached the age of one year).

### 2.5.4 Leaves of absence for child care provided by the Labour Code

In Hungary, depending on their age employees are entitled to a paid annual leave of at least 20 and not more than 30 (over 46 years of age) working days, one fourth of which must be scheduled as requested by the employees. In addition to the annual leave, employees may be entitled to other work time allowances, such as the so-called extra vacation time for nursing or caring for a child, or the paternity leave, still a novelty.

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<sup>42</sup> International Labour Organisation

<sup>43</sup> Health care contribution (EHO), currently 11% of wages or salaries paid, or HUF1950 per head and per month

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According to the Labour Code, the employee assuming the greater role in raising a child according to the parents' decision, and single parents are entitled to extra vacation time amounting to two days a year for one child; four days a year for two children; and a total of seven days a year for more than two children under sixteen years of age.

Paternity leave is a paid leave of absence of five working days for a father in the year when his child was born.

A mother breastfeeding her child is entitled to work time allowance, which counts as time worked. During the first six months of nursing, it is two hours each day, and one hour daily thereafter up to the end of the ninth month. In respect of multiple births, the work time allowance for nursing is commensurate with the number of children. Absentee pay<sup>44</sup> is provided for the duration of such work time allowance.

### 2.5.5 Practice of allocating annual leaves

According to the Labour Code, employees may dispose of one fourth of the annual leave they are entitled to, the rest is scheduled by the employer. This practice does not really favour families, as it limits the time they can spend together, making it difficult to coordinate the timing of holidays. What is more, the employer may postpone, by reference to economic interests of particular importance, allocation of annual leaves until March 31<sup>st</sup> of the next year, further limiting the length of holidays that can be spent together.

### 2.5.6 Flexible working hours, Hungarian regulations on atypical forms of employment and their prevalence

Though in Hungarian labour law the provisions on the allocation of the time employees are required to work, or the use of flexible working time and atypical forms of employment were not generated by the needs of employees, there are several forms of employment that may help reconciliation of work and family. In Hungary the spread of flexible working hours has increased neither employment rates nor the number of family friendly workplaces. The same applies to the acceptance and prevalence of atypical forms of employment, though we should add that in certain cases there are also technical obstacles in the way of their implementation (e.g., telework).

According to the survey of the Office of Employment and Social Affairs in early 2007<sup>45</sup> in Hungary the proportion of persons employed for a definite period of time was 6.87%, that of part-timers was 6.45%, that of employees hired out was 2.42%, that of casual workers was 0.98%, that of the self-employed was 0.54%, and that of those having a civil law contract with an employer was 0.92%.

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<sup>44</sup> Hungarian legislation stipulates that absentee pay is the sum of money provided for the employee in the cases specified by the law and the amount of which is calculated according the rules specified by the same law. It is virtually the amount that the employee would earn if he/she were actually working. It is not the same as average wage, as it is calculated on the basis of total wages paid for the last four calendar quarters.

<sup>45</sup> The figures have not changed significantly since then



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### 2.5.7 Making working hours more flexible

By 2001, transposition of European labour law, such as the Directive on the organisation of working time, into national law had been completed by and large. The rules contained in the Labour Code<sup>46</sup> were aimed at making work time more flexible, motivated mainly by employers' interests. In most branches, the advantages of flexitime were not recognised but experienced as an unpleasant must by employees. In sectors, where due to sector-specific characteristics work schedules were already flexible, i. e. adjusted to fluctuating work load, like in commerce, new, different forms of flexibility were needed.

Hungarian labour law has adopted the notion of time preference (working time is defined in specific cycles instead of on a daily basis; in certain sectors and under certain conditions such a cycle can be even a year long); however, daily and weekly working time of employees together with any duration of special work duty (overtime) may not exceed twelve and forty-eight hours, respectively; the daily working time in a working time cycle may be determined irregularly, but the rule relating to the maximum weekly working time allowed must be observed.

Labour legislation facilitated the adjustment of work schedules to the rhythm of changing workload as requested either by the employer or the employee. The use of working time cycles has become a common practice mostly in services, elsewhere employees do not seem to be interested in it probably because of its being different from the ordinary arrangements they are accustomed to.

What was widely used already before the change of political regime is the "lengthening" of the weekend, i.e., distributing Friday afternoon working hours among the rest of weekdays, but that is possible only where employees work from Monday to Friday, Saturday and Sunday being their weekly resting days.

### 2.5.8 Flexible working time with a core period

In the framework of this arrangement there is typically a core period of the day when employees are expected to be at work, whilst the rest of the working day is "flexitime", in which employees can choose when they work, and they are requested to keep records of the time worked. They are required to work the number of hours fixed in their employment contracts (8 hours a day, 40 hours a week) within the period specified by the employer (usually one month).

### 2.5.9 Staggered working hours

Under this arrangement, employees start work at different times so that work can be concentrated for the period when the workload is the greatest, but it also leaves time for employees to get their private affairs done before or after work (taking children to or fetching them from day nursery or school, etc.).

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<sup>46</sup> Articles 117-120 on working time, work schedule and working time cycles



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### 2.5.10 Three or four working days a week – condensed working week

This working arrangement is not supported by trade unions because working 12 hours a day for three or four days is extremely exhausting both physically and mentally, and causes stress. Yet there are employers, even areas in the country where this arrangement is favoured for various reasons (e.g., going to work daily takes up a lot of time), and often the employees themselves request it on grounds of transportation difficulties.

### 2.5.11 Part-time work

The Labour Code regulates part-time work, stipulating that in the case of part-time employment, all payment made to the employee in exchange for work must be provided in accordance with the length of time of work performed. When an employee asks to be employed part-time, the employer, at its own discretion, determines whether to meet the request after due consideration of aspects of work organisation, economical operation, the job description and its other legitimate interests. Consequently, not all employees may switch to part-time work that wish to. Though the Labour Code requires employers to inform their employees about the jobs in which it is possible to switch to part-time employment, they often fail to do so.

The opportunities for part-time work are exploited to a very low extent by the actors of the Hungarian, and unlike European economies, other forms of atypical employment are also little used. While in the old member states of the European Union 18% of the employed are part-timers, in Hungary their proportion is a mere 2.7% according to an OECD survey in early 2008<sup>47</sup>. The survey also revealed that part-time employment is increasingly popular in the EU, which cannot be said about the new member states.

Between the Eastern European countries joining the EU in 2004, only Slovakia has a smaller proportion (2.5%) of part-timers than Hungary. In the Czech Republic 3.3%, in Poland 10.8% of the employed work part-time – while in the Netherlands one third of all the employed and three quarters of women.

### 2.5.12 Telework and working from home (outwork)

The basic common feature of these two types of work is that work itself is done not in a workplace established by the employer but in the home of the employee, and can be performed independently, without the employer's supervision and guidance.

In fact, they have nothing more in common. Namely, telework is a new form of employment based on modern technology, while working from home or outwork existed also before the change of regime as an accepted and fairly common form of employment. Outwork is paid at piece-rate (meaning mostly preparing, assembling or finishing a fixed number of workpieces), whilst telework performance cannot be measured in the same way. Another difference is that outworkers use their own work equipment with material provided by the employer, whilst teleworkers use the employer's equipment<sup>48</sup> in their homes. Outworkers can involve their

<sup>47</sup> Világgazdaság (Hungarian economic daily) – May 22 2008

<sup>48</sup> Which is of high value – as it was pointed out by a Hungarian firm in the BILANCIA survey: they claimed that setting up a “telework station” might cost half a million forints, and Internet subscription can cost €80-100 a month in Hungary



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families in their work, which cannot be done by teleworkers considering the sophisticated information technology used, the special competence required and the confidential data to be handled as business secrets.

A Government Decree of 1994 regulates employment of outworkers; the regulations relating to telework were included in the Labour Code as a separate chapter in 2004 on the basis of the agreement between European social partners<sup>49</sup> concluded in 2002. There are far more people interested in taking up telework than jobs offered by employers as most of them have a false picture of telework: they think the employer will provide them with a computer, Internet connection and send the data which they will “process” at a leisurely pace in the comfort of their homes. Most of the applicants for telework are unemployed, and think it would be the best solution for them. However, not only a shortage in the necessary competence, but also the limited quantity of work that can be performed in this way is a hindrance to the spread of telework.

### 2.5.13 Conclusions

The Hungarian labour market is in need of development, which is particularly true regarding women's employment as well as the forms of employment. The legal conditions are in place, Hungarian laws facilitate solutions not only within enterprises (part-time work, flexible working hours, telework, etc.), women are also encouraged by the government to join or return to work through subsidies, programmes, employment and social security policies, etc.

Nevertheless, first of all the actors of the labour market need to change their attitudes so that the steps, ways and means of creating a work-life balance can be determined jointly by employers and employees through collective negotiations.

There is also need for an agreement between the social partners at national and sectoral level because in Hungary collective agreements are concluded at company level, so an employer where family friendly measures are stipulated in collective agreement is placed at a competitive disadvantage upon their introduction (though this disadvantage will eventually turn into an advantage). Regular sectoral social dialogue has been carried on for only a couple of years, and so far no family friendly policies have been raised in the discussions or included in the few sectoral collective agreements concluded. Naturally, in the first place the social partners ought to include the issue of family friendly measures on the agenda of national interest conciliation understanding the advantages resulting from the introduction of family friendly measures at the workplace.

At the level of the individual employer the collective agreement is the most suitable instrument for the employer and trade union representing the employees to agree on family friendly measures, though a collective agreement is not always needed to have family friendly policies implemented by the employer. There are family friendly workplaces where the internal regulations cover all family friendly measures; only the benefits are subject to agreement with the trade union.

Resulting from the modest size of the Hungarian national economy, the majority of enterprises are small or medium-sized; there are only few large-scale companies. (In April 2008, there were 4493 enterprises employing 50-249 persons, the number of enterprises employ-

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<sup>49</sup> The framework agreement of ETUC, UNICE (Business Europe by its later name), UEAPME and CEEP on telework



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ing more than 250 persons was 952.) However, our experience shows that whether a company is a family friendly workplace does not depend on its size, as there are large, medium-sized and very small firms among them. In the case of SMEs, introduction of family friendly measures may be rendered difficult by the lack of workers' representation at the workplace: when there is no trade union or works council functioning there is nobody to call the employer's attention to what family measures are needed. Anyway, the same problem may arise in large companies, too, especially when the employer is if not hampering but resenting the operation of workers' representatives.

For the time being, from employers we hear more arguments against than for family friendly policies. It is a frequent excuse on their part that family friendly measures are expensive (e.g. part-time work doubles the costs of such benefits as meal vouchers or reimbursement of travel costs) and increase the management's work load (they must be organised, somebody may have to be placed in charge of them, at any rate they require extra attention of the management). Those in opposition claim that the expenditure is not worthwhile, gains are minimal, no clear improvement of effectiveness can be demonstrated. It is also often raised as an argument that the line of activity of the firm does not allow the lack of managers' personal "inducement", that introduction of part-time work is not possible because it would impair effectiveness.

On the part of employees and trade unions, in the first place of objections is the fact that a substantial part of family friendly measures is introduced – for lack of a trade union or works council – without prior consultations with the employees, almost by force. That is why the employees do not welcome these measures at all, particularly when they are not rooted in a transparent family friendly company policy and the employer's family friendly attitude but in their background there are often intentions to evade taxes or cut back labour costs.

Drawing from their experience, trade unions add that the introduction of more flexible working arrangements is often combined with unlawful solutions (resulting in informal work, e.g., the employee as an employment contract requiring him/her to work six hours a day, but he/she works actually eight hours; or employees are hired for a limited period of time repeatedly for years, which also a violation of law, etc.).

Opinions voiced by employees reflect the great influence of the still prevailing stereotypes about men's and women's roles on the one hand and on the other hand that they are not aware of their opportunities and rights, that they do not know what they can demand of the employer when they want to have a balance of their responsibilities arising from work and family.

Both employees and their trade unions would like as many family friendly workplaces to be established within the framework of a well-thought-out company policy as possible and to see measures quickly proving their advantages and benefits. To this end, more information should be provided for the actors of the labour market as well as for the general public, best practices should be given wide-ranging publicity, the government should use more effective labour market instruments to encourage company policies aimed at the reconciliation of family and work, and family friendly friendly measures and arrangements should be normally included in collective agreements.



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**ANNEXES**

**ANNEX 1**

In the following you will find the extent of agreement with certain statements, showing the Hungarian society's opinion on women's role and position. The tabular summary shows the prevalence of conservative attitudes in Hungary in comparison to other countries with considerable achievements in some aspects of gender equality and some new EU member former socialist countries.<sup>50</sup>

“Though work is important, to most women the home and children more important.” (%)	
Hungary	79
Romania	65
Lithuania	65
Poland	58
Austria	43
Western part of Germany	41
Eastern part of Germany	34
Netherlands	33

“The husband is responsible for earning a livelihood for his family, the wife is responsible for performing the tasks at home.”	
Hungary	71
Poland	61
Lithuania	60
Romania	56
Austria	46
Western part of Germany	39
Easter part of Germany	31

“It is not good when the husband stays at home to look afer the children and the wife is the breadwinner”	
Romania	79
Hungary	68
Poland	58
Lithuania	55
Eastern part of Germany	47
Austria	46
Western part of Germany	45
Italy	43
Netherlands	29

It is conspicuous that Hungary takes the second place only in one of the statements.

<sup>50</sup> 0 = complete disagreement, 100 = complete agreement



ANNEX 2

The statistical data<sup>51</sup> on the main processes, showing the problems of employment in Hungary, provide an insight into Hungarian women's participation in the labour market,

Economic activity of the population aged 15-64<sup>52</sup> by sex (1992 – 2006)

Economic activity	1992	1995	2001	2006
Women, thousands				
Economically actives	2015.3	1769.7	1838.9	1936.0
Of which:				
employed	1838.3	1615.5	1747.7	1783.9
unemployed	177.0	153.9	91.5	152.1
Economically inactive	1499.6	1747.8	1672.6	1551.7
Of which:				
on childcare leave	237.2	269.5	273.7	255.5
Rate %				
Participation rate	57.3	50.3	52.04	55.5
Employment rate	52.3	45.3	43.8	51.1
Unemployment rate	8.8	8.7	5.0	7.9
Men, thousands				
Economically actives	2392.4	2235.1	2244.8	2286.5
Of which:				
employed	2127.6	1974.7	2102.4	2122.1
unemployed	264.8	260.4	142.4	164.4
Economically inactive	934.0	1083.1	1095.1	1041.6
Of which:				
on childcare leave	3.1	4.7	4.2	4.0
Rate, %				
Participation rate	71.9	67.4	67.2	68.7
Employment rate	64.0	59.5	62.9	63.8
Unemployment rate	11.1	11.7	6.3	7.2

The figures speak for themselves; it is to be noted that over the period examined, women's economic activity was always lower and their economic inactivity higher, but they were out of work nearly in the same measure as men.

<sup>51</sup> The tables are taken from a joint publication of the Ministry of Social Affairs and Labour and the Central Statistical Office published in 2007 (Women and Men in Hungary 2006)

<sup>52</sup> Generally this age group is regarded as relevant from the point of view of employment.

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## ANNEX 3

Distribution of the employed <sup>53</sup> aged 15-74 by sectors of national economy <sup>54</sup>						
Sectors of national economy	1992			2006		
	women	men	total, thousands	women	men	total, thousands
Agriculture	7.7	14.7	460.1	2.7	6.6	190.8
Mining, quarrying	0.4	2.1	52.7	0.1	0.6	15.0
Manufacturing	24.8	27.3	1053.5	18.7	248	865.2
Electricity	1.7	3.5	108.0	1.1	2.3	67.6
Construction	1.7	8.5	216.8	1.2	14.0	321.6
Wholesale, retail trade	15.0	9.3	480.4	17.4	12.6	582.0
Hotels	3.6	2.3	115.6	4.9	3.2	157.2
Transport, storage	5.5	11.2	346.4	4.6	10.2	301.3
Financial intermediat.	2.8	0.8	68.7	2.9	1.3	80.3
Real estates, renting	3.9	3.2	140.3	7.0	7.4	282.8
Public administration social security	5.5	6.2	236.7	8.3	7.1	299.2
Education	12.7	3.5	311.8	14.0	3.4	322.9
Health, social work	9.5	2.7	236.3	11.6	2.8	269.5
Other service activities	5.2	4.7	198.4	5.5	3.6	174.7
Total	100.0	100.0	4025.7	100.0	100.0	3930.1

<sup>53</sup> Since 1998 with new weights

<sup>54</sup> Source: Labour Force Surveys (HCSO)



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### ANNEX 4

Share of part-time <sup>55</sup> workers within the employed by highest educational qualification and sex <sup>56</sup>						
Educational qualification	Part-time workers			Full-time workers		
	women	men	total	women	men	total
<b>2005</b>						
8 grades of primary school or less	8.9	5.3	7.1	91.1	94.7	92.9
Vocational and apprentice school	6.8	1.7	3.2	93.2	98.3	96.8
G.C.E.	5.0	2.7	4.0	95.0	97.3	96.0
University, college	4.4	2.8	3.6	95.6	97.2	96.4
Total	5.8	2.7	4.1	94.2	97.3	95.9
<b>2006</b>						
8 grades of primary school or less	9.6	5.2	7.4	90.4	94.8	92.6
Vocational and apprentice school	6.5	2.0	3.4	93.5	98.0	96.6
G.C.E.	5.0	2.6	3.9	95.0	97.4	97.1
University, college	3.5	2.2	2.9	96.5	97.8	97.1
Total	5.6	2.6	4.0	94.4	97.4	96.0

<sup>55</sup> According to self-declaration

<sup>56</sup> Source: Labour Force Surveys (HCSO)



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### ANNEX 5

Two sets of data on the differences between women's and men's earnings are worth mentioning: one shows the differences between women's and men's gross and net earnings (1998 – 2005); the other the differences in various categories of occupations between 1995 and 2005.

Gross and net earnings of women as a percentage of men's earnings<sup>57</sup>

Year	gross earnings			Net earnings		
	women	men	total	women	men	total
1998	72.8	62.7	82.3	78.7	67.8	85.7
1999	72.2	60.9	80.8	77.3	65.6	84.2
2000	73.3	60.1	80.5	78.2	64.6	83.8
2001	74.2	60.8	81.4	79.4	65.1	84.5
2002	76.9	64.0	85.0	82.6	67.2	87.1
2003	77.6	66.2	87.7	83.9	70.7	89.5
2004	76.8	65.4	86.3	83.5	71.3	89.4
2005	77.7	67.0	88.6	84.3	72.6	91.2

Women's earnings as a proportion of men's											
Denomination	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Managers	85.1	76.6	78.2	75.7	76.2	78.8	78.4	80.6	80.5	82.7	79.3
Persons with university education	80.0	73.1	70.5	69.2	69.5	66.4	64.3	70.5	75.4	76.4	73.6
Persons with other higher qualification	80.7	75.5	76.2	75.1	72.7	74.3	75.5	77.4	82.0	81.0	78.9
Service workers	75.5	73.4	75.3	77.1	75.9	79.2	79.4	81.7	84.6	74.8	75.0
Elementary occupations	79.7	76.4	81.3	81.0	81.5	84.4	85.0	90.2	95.3	93.7	93.4

The figures on employment and earnings support the facts stated in the introduction: women are indeed disadvantaged in comparison to men in the labour market; consequently, they lack opportunities equal to those of men as regards quality of life and social prestige as well.

<sup>57</sup> Employment and earnings 1998-2005, HCSO

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## ANNEX 6

Child-care institutions – Infant nurseries <sup>58</sup>					
Year	Institutions	Places	Places per children under three years of	Infants enrolled <sup>59</sup>	Occupancy rate <sup>60</sup> %
	Places per 100 children under three years				
1987	1191	63 672	16.8	51 860	62.0
1990	1003	50 250	13.7	40 825	61.8
1995	628	31 220	9.1	37 696	70.4
2000	532	24 965	8.7	29 561	76.4
2001	532	24 394	8.6	28 981	76.9
2002	523	24 078	8.4	28 847	81.0
2003	515	23 771	8.3	29 422	82.9
2004	527	23 911	8.4	30 333	86.5
2005	530	23 766	8.4	30 230	86.7
2006	543	24 255	8.5	31 153	89.4

Child-care institutions – kindergartens			
Year	Number of places	Places per 100 children aged 3–5 years	Number of teachers per hundred places
1987	407 524	92.4	97.7
1990	385 020	85.9	101.6
1995	373 158	85.0	107.0
2000	366 245	92.2	99.9
2001	353 801	113.4	96.7
2002	357 057	124.2	92.9
2003	350 935	122.1	93.3
2004	350 206	121.6	93.1
2005	349 679	120.3	93.4
2006	351 825	122.3	93.1

## ANNEX 7

Country	Proportion of economically active women aged 20–49 (%)		
	No children	1 children below the age of 12 years	3 or more children
Austria	83.4	77.8	57.4
Czech Republic	85.7	61.4	22.0
Denmark	77.1	80.3	67.2
Greece	56.5	54.2	39.6
Hungary	78.2	59.4	12.6
EU25	75.1	64.8	41.2

<sup>58</sup> Source: Social statistical yearbooks, HCSO

<sup>59</sup> Post-1993 data refer to 31 December instead of 31 May

<sup>60</sup> Daily average number of children in care as a percentage of places



## 2.6 The situation in Poland



Provided by Solidarnosc

### 2.6.1 Introduction

In order to see the gravity of the problem of lack of possibility of combining working careers and private life in Poland, one needs to look no further than the poll conducted by the CBOS two years ago. According to the poll, women sorely lack support primarily in combining their careers with e.g. taking care of children (67%)<sup>61</sup>. The same poll has shown that the employers' attitude towards women, particularly concerning the protection of maternal rights, is also a problem. Paradoxically, the protection – which should allow women to combine their careers with maternity and family duties – often, in reality, impacts women badly, since employers consider them less flexible<sup>62</sup>.

Of particular importance in fighting discrimination and equalizing the position of women and men is the role of institutions set up to enforce labour law in Poland, such as the Work Inspection or poll gatherers, monitoring society's situation through their research<sup>63</sup>. Those, however, will be of no use unless the society learns and understands the basic postulates of the policy of equality. These changes might be observed in Poland.

An important element supporting the process of achieving equality between women and men is the creation of solutions which make it easier for the employees to combine their careers and their family lives. Here, the chief aspect would be to promote flexible forms of employment and organization of working time not only in terms of legal solutions, but primarily by the means of an information campaign targeting employees and, particularly, employers. Adept work organizing by the employers should also prevent the parents' professional skills from becoming outdated due to the gaps caused by their maternal leaves.

A chance to improve the situation could also be caused by the cultural change of society in Poland; more and more men in the country have been taking an active part in their family lives. Certain actions of the employers, regional government and the state are also of considerable importance, as they allow for easier access to child-care institutions (nursery schools and kindergartens), which in turn make it easier for the parents to devote to their careers.<sup>64</sup>

### 2.6.2 Polish legislation

Polish law has been taking into consideration the problem of fighting discrimination and equal treatment of employees. Changes in labour law force employees as well as employers to pay attention to taking actions to ensure equality in employment.<sup>65</sup>

<sup>61</sup> CBOS, *Polityka państwa wobec rodziny...*

<sup>62</sup> I. Reszke, *Sytuacja kobiet...*, p. 24.

<sup>63</sup> With a huge role of the Commissioner for Civil Rights Protection.

<sup>64</sup> A. Gliksman, *Równe traktowanie w zatrudnieniu*, Kraków 2006, p. 118.

<sup>65</sup> E. Zielińska, *Przeciwdziałanie barierom awansu kobiet w prawie Unii Europejskiej*, [w:] *Szklany sufit...*, p. 333-358; *Program Monitoringu Akcesji do Unii Europejskiej (UE). Równość szans kobiet i mężczyzn. Doświadczenia krajów kandydujących i*



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For years, the problem of discrimination had been treated marginally, largely because of the communism era, during which genders were ideologically treated as equal.<sup>66</sup> The bad situation of women is also caused by the poor condition of economy in Poland. The fall of communism and large state-owned companies, and the rise of free and competitive market caused social and cultural matters of work organisation to be considered of lesser importance. At the same time, the awareness regarding lack of equality has been increasing.

### 2.6.3 Flexible forms of work

Polish law has adapted to flexible forms of work due to the EU's requirements. The most popular forms of employment in Poland include: self-employment, contracts for a specified period of time, part-time work, job-sharing, replacement work, temp work, telecommuting and teleworking, and working at home. Other than the first two, these forms are rarely used.

In 2005, the PBS ran a research on teleworking in Poland; 1000 companies were researched in order to find out and inform employers and employees in this form of employment. The Consortium, headed by DGA S.A., found out that teleworkers constitute 1% of Polish workers, while 16% of companies use this form of employment in various forms; it is most often found in small companies – 13% of companies employing up to 9 people used teleworking. Telework was most often found in: publishing, printing and reproduction (22%), assembling office machines and computers, communication and RTV devices (20%), financial services (19%) and conducting researches (16%). 19% of all researched companies considered utilising this form of employment in the nearest future; according to the research, the most likely candidates to do so would be companies offering marketing services, legal advice, translations, data analysis, phone services, running correspondence, public relations, bookkeeping, IT services, sales, planning, logistics and training.

A teleworker's most popular place of work is his/her city of residence. Companies often expect teleworkers to work in a client's company. The headquarters is a popular place of work for teleworkers in Western Europe<sup>67</sup>.

The Polish Labour Law recognises (Section VI, Chapter VI):

- task-oriented work time (art. 140),
- balanced work time (art. 135),
- periodical work time (art. 139),
- individual schedule of work time (art. 142),
- the system of shortened work week (art. 143),
- weekend work (art. 144).
- Telework (art. 67)<sup>68</sup>.

Their common factor is adjusting the work time to assigned tasks, in order to utilise time effectively, e.g. by adjusting shifts depending on an employee's situation or evaluating an employee based on performed tasks. The employer can decrease the work time for employees allowed to take parental leaves, who nevertheless do not want to leave the professional life

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wyzwania związane z akcesją do Unii Europejskiej, Warszawa 2002: A. Wilkowska-Landowska, *Women at work. Equality or Discrimination?*, Gdańsk 2002.

<sup>66</sup> B. Budrowska, D. Duch-Krzystoszek, A. Titkow, *Kobiety i mężczyźni w pracy*, [w:] *Szklany sufit...*, p. 268.

<sup>67</sup> [www.egospodarka.pl](http://www.egospodarka.pl); [www.telepraca-efs.pl](http://www.telepraca-efs.pl).

<sup>68</sup> Change has been introduced on 24<sup>th</sup> of August 2007



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completely (Labour Law, art. 186<sup>7)</sup><sup>69</sup>, after an employee files a written request. This cannot be shorter than half-time.

### 2.6.4 The Child Care System

The child care system in Poland in last 20 years brought a lot of changes. During the communist period in Poland authorities set up a special service for young parents. There were companies responsible for developing and financing a network of nurseries and kindergartens. The need for such institutions was high, especially since at the time many women were working, yet the number of available kindergartens was inadequate.

Nurseries were used by an even smaller number of parents (mothers took maternity leaves for the periods between the third month of pregnancy and the day when their children reached the age of 3.) In 1989, only 34% of children attended kindergartens and only 4.4% were in nurseries.

After the changes of 1989, many companies limited their social activities (inter alia by closing or selling these centres). Throughout Europe, 75–100% of children in Europe stay in kindergartens, whereas in Poland only 40% out of 380 thousand do. During the last 10 years, nearly 30% of kindergartens in Poland were shut down. There is a connection between the decrease of the number of kindergartens and the fact that local governments began to finance them.

Today, 800 communities in Poland have no local kindergartens. The gravity of the change can be observed if one is to compare the number of kindergartens 15 years ago (12.3 thousand) with their current number (less than 8 thousand.)

Currently, attending kindergartens is only compulsory for 6-year olds, but there are proposals that this should be extended to 5-year olds as well; however, many from the institution are worried that there would not be enough places available for such a change to be made<sup>70</sup>. Recent proposals of the state have included allowing employers to create child-care facilities within the companies, as well as financing those via the companies' own social funds.

### 2.6.5 Maternity leave

In the Polish system only employees are allowed to take maternal leaves. Every female employee may, or even must, make use of the right to take the leave. Its length is not always the same; it depends on the number of children. Last change was introduced on 20<sup>th</sup> of December 2006. With the first child, it is the shortest – 18 weeks; with an additional child, it is extended by two weeks. A birth of twins or more means the right to take a leave of 28 weeks. Fathers are also allowed to take maternal leaves; however, both parents are not allowed to take leaves simultaneously – if a father decides to replace a mother on leave, she must resume her work. A woman must, however, use the first 14 weeks of her leave; only the remaining part may be used by the father. A father's leave must begin immediately after the

<sup>69</sup> A change has been introduced on 1st of January 2004.

<sup>70</sup> *Kobiety i mężczyźni w reformach systemu zabezpieczenia społecznego w Polsce*, Instytut Badań nad Gospodarką Rynkową, Warszawa 2003; *Skutki likwidacji i ograniczenia działalności socjalnej i kulturowej zakładów pracy*, red. Z. Morecka, Warszawa 1999, p. 9.



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mother's leave is over. Realistically, a father of the first child will be allowed four weeks of leave, six when another child is born, and fourteen when twins or more children are born. The Parliament has been working on a new bill which would extend the length of maternity leave to 26 weeks.

An employee on maternal leave collects a social benefit equaling 100% of average monthly wage for the last six months.

### 2.6.6 Parental leaves

If motioned by a person employed for at least six months, the employer is obliged to allow him/her to take a paternal leave for up to three years (the leave can be divided into 4 parts), no longer than the moment when the child in question is 4.

Both men and women are allowed to take paternal leaves. Since 1 January 2002, both parents may take parental leaves at the same time for 3 chosen months. After the motion for a paternal leave is filed, the employer must not terminate the contract until the period of leave is over.

Since 29 November 2002, an employee with the right to a paternal leave may file a motion to have her working time decreased to a level no shorter than half of full working time in a period in which she had the right to such a leave. The employer must take the motion in consideration.

If a family's income is no greater than 548 PLN (162,61 euro) a month per one person, the employee is allowed to collect social benefits whose level is set and valorized in June every year according to prices and services as defined in the budget.

Since 1 June 2002, monthly social benefits are defined as:

- 1) 318,10 PLN (94,39 euro) for a married woman,
- 2) 505,80 PLN (150,09 euro) for an unmarried mother or a mother of three or more<sup>71</sup>.

Women are more likely to make use of parental rights than men. Every fourth woman and every seventh man made use of the right to a two-day break in order to take care of a child aged up to 14. Among the managerial staff, there is a decrease in the use of the right, both among men and women. The decreasing population growth rate influences work environment, too; in 2003 women took maternity leaves with an average length of 118 days. One in twenty-five women took the leave. The number of women who took paternal leaves was even lower; the average length of those was 217 days. Women employed as managerial staff rarely take paternal leaves, which is more likely caused by career planning: women first take the time to raise the children and then devote themselves to their careers. Men – probably due to social issues – make use of this right extremely rarely<sup>72</sup>.

Another form of flexible employment is the replacement contract (an employee is hired to temporarily replace another employee on leave of absence – e.g. on a maternity leave)

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<sup>71</sup> A. Abramowska, *Urlop wychowawczy*, [www.maluchy.pl](http://www.maluchy.pl) (10.03.2006).

<sup>72</sup> Państwowa Inspekcja Pracy. Główny Inspektorat Pracy, *Równe traktowanie kobiet i mężczyzn w stosunkach pracy. Mobbing w środowisku pracy*, Warszawa 2005, za [www.pip.gov.pl](http://www.pip.gov.pl) (17.02.2006).



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### 2.6.7 Concerns and expectations of employees and employers

An important element supporting the process of establishing gender equality is the creation of solutions allowing workers to combine work and family matters. Here, flexible work time and organisation are of key importance, and legal regulations are not the only means of achieving this; educating the employers and employees is of considerable importance, too. Organising work properly should also eliminate the problem of parents' losing their professional qualifications while taking maternity leaves. A cultural change in Polish society, in which men are more and more often involved in family matters, offers a great chance, too. Of notable importance are also the actions taken by employers, local government and the state, to maximise the availability of child-care institutions to parents.

As such, educating employers and employees in the subject of equality seems necessary, as does teaching them in matters such as the difference between discrimination and mobbing or providing possible solutions upon encountering either.

Female employees are most interested in young mothers' being assisted in returning to work after leaves. The aforementioned CBOS poll shows that Polish women attach particular importance to mothers' being given proper working conditions in hours of their choice or in part-time occupation (56%), the expansion of easily available child-care places (41%), introducing tax rebates for employers re-employing mothers returning after maternity leaves (39%), modifying law to allow easier combating of discrimination against women (24%) and running free training courses<sup>73</sup>. The expectations may differ from one workplace to another, and so it is important to work on new methods of finding, fighting and eliminating incidents of mobbing and discrimination, e.g. conducting polls in work places or educating management in such matters.<sup>74</sup>

Previous experience in Poland has made it clear that the chief problem concerning women's ability to function within the job market is the ability to combine careers and family lives. Research conducted by the CBOS has shown that 62% of Polish women have expressed fear of pregnancy, due to the possibility of losing employment consequently; 22% of responders have declared that, because of their fears of inability to combine careers and family lives, they have given up on having a child.

The problems of maintaining balance between work and home affect women particularly. Their maternal duties will usually lead to decreased efficiency at work, and leaving work e.g. to raise small children will often cause loss of education timeliness and, as a result, exclusion from the job market.<sup>75</sup>

Much depends on non-governmental organisations – including trade unions – which should be involved in activities promoting equality and combating discrimination, from their lowest level. They can inform of their opinions on current issues or influence legislative bodies, and should also be involved in providing legal consultations, intervening and educating society through trainings.<sup>76</sup>. Non-governmental women's organisations – of which there are a few hundred in Poland – managed to make the problem of women's situation be a better known

<sup>73</sup> *Polityka państwa wobec rodziny...*, CBOS.

<sup>74</sup> *Państwowa Inspekcja Pracy, Równe traktowanie kobiet i mężczyzn w stosunkach pracy. Mobbing w środowisku pracy*, Warszawa 2005.

<sup>75</sup> B. Budrykowska, D. Duch-Krzyszczak, A. Titkow, *Między pracą zawodową i domem*, [w:] *Szklany sufit. Bariery i ograniczenia karier kobiet. Monografia zjawiska*, red. A. Titkow, Warszawa 2003, p. 258n.

<sup>76</sup> A. Czarnecka, *Przeciwdziałanie dyskryminacji ze względu na płeć...*, p. 29.

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issue throughout the country. Women's organisations provide female employees with legal assistance and promote equality and activity of women in the job market.

To meet those expectations, the NSZZ „Solidarność” has planned a training course “Negotiating Better Living Conditions – The Problem of Equality of Women and Men in Group Negotiations”. It is based on the workbook compiled by the International Work Organisation and the government of Belgium<sup>77</sup>. It involves the problems of including family-friendly rules and regulations promoting the equality of men and women in group negotiations, as well as finding information on the female employees' expectations<sup>78</sup>. It is worth mentioning that in 2005 the women of the SGiE NSZZ „Solidarność” founded that institution's Women's Council, whose chief tasks include: protecting women's rights, particularly when work and salary is concerned, eliminating lack of equality in recruitment and promotions, and combating unemployment among women<sup>79</sup>.

The National Commission's bill on creating problem structures should create the opportunity of informing the NSZZ „Solidarność” about problems of equality and discrimination faced by women, since it may empower the National Women's Section of the NSZZ „Solidarność”<sup>80</sup>.

### 2.6.8 Factors contributing to difficulties in balancing careers and private lives

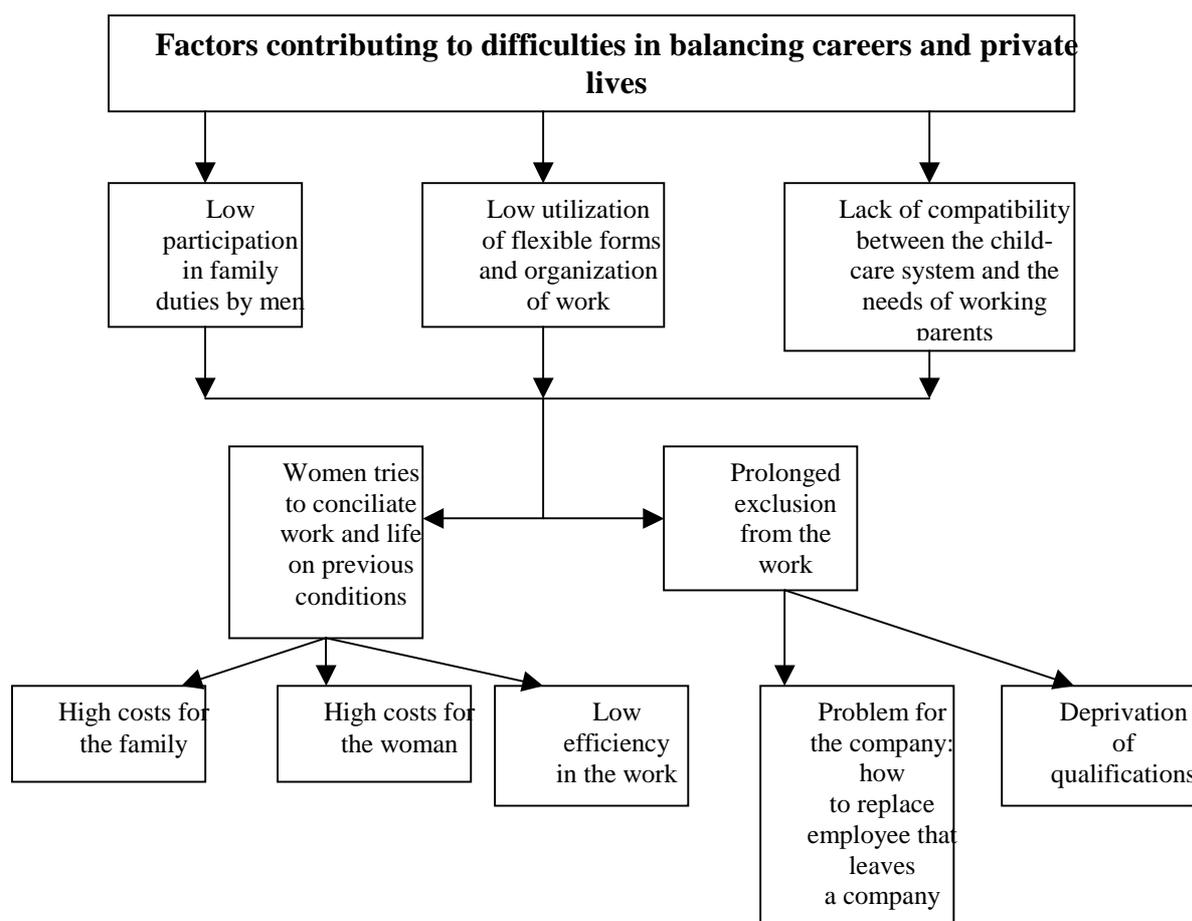
Because of the traditional view of the role of women and man in a family, women are expected to carry the majority of home duties; as a result, they find themselves in disadvantage in the job market compared to men. Home duties become a handicap for women's careers, while concentrating on developing a career will clash with their private lives and family duties. A woman will be considered a less desirable employee, since the employer will be unable to count on the continuity of her work and her devotion to the career; due to this, women will often receive lower wages and occupy lower positions in companies. Celina Sadowska-Snarska, the leader of the “Flexible Employee – Partner Family” project, points out that the activities devoted to help out women in the job market have not given enough attention to the issue of balancing careers and family lives.

<sup>77</sup> *Negotiating Better Working and Living Conditions. Gender Mainstreaming in Collective Bargaining. Company Level. Booklet 1.*

<sup>78</sup> AD, *Równość szans. Szersze spojrzenie na proces negocjowania*, Biuletyn Informacyjny KK NSZZ „Solidarność”, issue 161, Gdańsk, luty 2006, p. 25-26.

<sup>79</sup> B. Gajdziszewska, *Przekonują do przynależności w Radzie*, Tygodnik Solidarność, 2006, issue 9, p. 26; B. Gajdziszewska, *Ich sposób na życie*, Tygodnik Solidarność, 2006, issue 11, p. 26.

<sup>80</sup> Uchwała KK issue 17/06 z dn. 22 marca 2006; information from Danuta Wojdat, Plenipotentiary of National Commission of „Solidarność” for Women and from Bogumiła Krawczyk, President of National Women Section of “Solidarność”.



**Fig. 1. Root causes of discrimination of women with small children in the job market. Source: Work – Life Balance in the Perspective of Job Market in Poland, Ed. C. Sadowska-Snarska, Białystok 2005, p. 27.**

The authors of the report “Work - Life Balance in View of Job Market in Poland” have pointed out three factors causing difficulties in balancing careers and family lives for women:

- low participation in family duties by men,
- low utilization of flexible forms and organization of work,
- lack of compatibility between the child-care system and the needs of working parents

Only by modifying these factors can situation be changed. According to the authors, this can be achieved through:

A. Promotion of flexible forms of employment and organization of working time.



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- B. Increased access to child-care facilities (nursery schools, kindergartens.)
- C. Promotion of greater involvement of men in family duties.
- D. Prevention of the outdated of parents' professional skills (mother's as well as father's) during leaves taken due to family duties<sup>81</sup>.

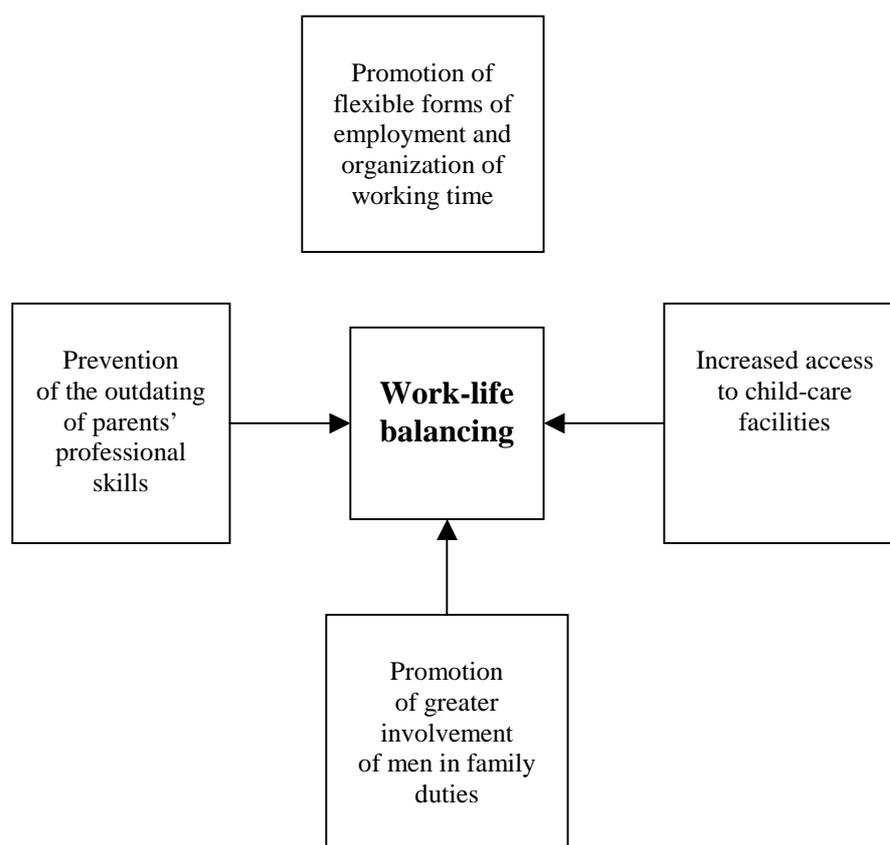


Fig. 2. Chief areas of activity in balancing work and family life. Source: *Work – Life Balance in the Perspective of Job Market in Poland*, Ed. C. Sadowska-Snarska, Białystok 2005, p. 27.

### 2.6.9 Dissemination of the concept of balancing work and family life.

In recent years, wider and wider campaigns and actions to promote the possibility of combining careers and private life have been conducted and initiated by numerous groups. Chief participants in those have been women's organizations, the media, research companies, scientific institutions, employers' organizations and trade unions.

#### 2.6.9.1 Positive examples

In 2005, the magazines "Dziecko" and "Poradnik Domowy" ran a competition "A Mom-Friendly Company", in order to find and promote companies helping young mothers combine motherhood with their careers<sup>82</sup>. The competition, a part of a larger undertaking, was intended to bring attention to the fact that there are less and less children being born in Po-

<sup>81</sup> *Work – Life Balance in the Perspective of Job Market in Poland*, Ed. C. Sadowska-Snarska, Białystok 2005, p. 27-28.

<sup>82</sup> J. Dąbrowska, J. Lamcha, *Poznajcie firmy przyjazne mamie*, [www.kobieta.gazeta.pl](http://www.kobieta.gazeta.pl).



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land, as well as support legislative and economic solutions designed to help mothers. Research shows that young women in Poland hesitate to give birth or have a second child mostly due to fear of loss of employment and the difficulty of combining professional life and maternity, as well as low social status of child-raising mothers.

Since its inception three years ago, the competition has allowed to find examples of companies which have successfully helped out parents in balancing their careers and private lives. Those positive examples include flexible forms of work and help for pregnant women.

In 2006, the European Advisors' Association PLinEU organized a competition as part of the "Compromise in the Job Market – An Innovative Model of Women's Elicitation" project, in order to create the "Parent-Friendly Company" seal and find, support and promote companies which would actively seek out and introduce satisfactory, effective and legally valid methods to balance work and family life. The project included support through consulting and training, expansion of companies willing to work on the introduction of solutions allowing for balancing careers and private life, as well as promoting the companies recognized in the competition as creators of such positive practices<sup>83</sup>.

In 2007, as part of the United Nations Development Programme, a guide describing, for the first time, the most effective solutions to create conditions allowing for equality in the work place was published<sup>84</sup>. The guide was a component of the "Gender Index" project, whose objective was to create and promote an effective model of company management, which would take in account the policy of equality for women. The project's chief tagline, "Equal at Work – That's Rewarding", stressed the benefits resulting from actively eliminating discrimination and sexism: greater access to human resources, increased creativity and innovativeness, positive image and new marketing chances, decreased cost of recruitment and absence<sup>85</sup>.

### 2.6.10 Summary

In recent years, there has been a discussion on issues dealing with the problem of balancing work and private lives in Poland. This is largely thanks to non-governmental organizations, which have been campaigning to change the situation.

Currently, the greatest hopes to improve the situation are the proposals of changing the law, which would encourage employers to assist parents in seeking employment. On the one hand, many possibilities regarding flexible forms of work organization have been introduced, there is a concept of eliminating some of the fees for employers who choose to re-hire employees returning from parental leaves, and plans to create a network of internal nurseries and kindergartens within companies exist, thanks to the possibility of financing those out of the companies' social funds. Employees will also likely be able to receive refunds for their children's stays in kindergartens or nurseries out of those funds. There are also plans to introduce protection from being terminated for employees who choose to work part-time rather than take paternal leaves.

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<sup>83</sup> [www.pracujacyrodzice.pl](http://www.pracujacyrodzice.pl)

<sup>84</sup> Przewodnik dobrych praktyk „Firma równych szans” Gender Index, UNDP, EQUAL, Warszawa 2007.

<sup>85</sup> P. Kaczmarek, Introduction, [in:] *Przewodnik dobrych praktyk „Firma równych szans”* Gender Index, UNDP, EQUAL, Warszawa 2007, p. 6.

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There is a change of attitude towards the parental problem, too. Social campaigns to promote parent-friendly companies, in particular those helpful for mothers, have been effective. Employers are less and less often wary of parents.

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### **3 The social and economic impact of work-life-balancing measures: cost-benefit-analysis in the partner countries**

Available documentation and surveys about the social and economic impact of work-life-balancing measures

At the beginning of the project a small survey on available documentation and surveys about the social and economic impact of work-life-balancing measures has been carried out by the partners in order to find an existing method on which to base to be able to make a cost-benefit-analysis. The conclusions of the partners are the following:

#### **Bulgaria**

The available documentations/surveys about the social and economic impact of work-life-balancing measures in Bulgaria are very few. No specific cost-calculations could be found. There exists one short recent research done by the 'Institute for Trade Union and Social Research' at CITUB within the framework of a bigger survey (29 June 2007): "Quality in work and employment". CITUB carried out a survey on the 'Collective Labour Agreements' on enterprise levels based upon a questionnaire in 2300 enterprises. Some questions of the questionnaire were partially linked with the subject 'work-life balancing' (e.g. flexible working hours, part-time work, special conditions for mothers with 2 children, etc.) but the results did not give detailed and specific information about the work-life balancing mechanisms or cost calculations.

#### **Romania**

There is an increasing awareness concerning the topic of work-life-balancing obviously reached through the organisation of seminars and congresses on this topic and some political ordinances. Yet there is no survey or study about cost-benefit issues on work-life-balancing in Romania.

#### **Italy**

The result of a desk research and a small company survey showed that in Italy no cost-benefit analysis of work-life-balancing measures has been carried out and that therefore there is no existing method on which one can base. In terms of impact assessment with a more general approach (economic and social) there could no public and ready accessible material be found. However the research has also shown that it may be difficult to obtain the necessary data for a real cost-benefit-analysis from enterprises.

This can be due to the sensitivity of such data on the one hand and on the other hand due to the fact that the necessary data is not tracked and therefore simply not available. The additional focus on qualitative aspects will also deliver usable results for the project.

#### **Poland**

No examples of documentation about social and economic impact of work-life-balancing in Poland could be found. During the last year there were a lot of publications about this problem in Poland but they were mainly dedicated to the social aspects of this problem.

There are a lot of papers and books about law solutions and the possibilities of organising work to help people to combine work and family matters. An example of cost calculation in Poland could not be found either.

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### Hungary

A new website concerning the topic 'work-life-balancing' – run by the 'Ministry of Social Affairs and Labour' – as well as a beginning increase of awareness on this topic can be found in Hungary. Many studies, researches, tips for employers etc. on this issue are available but there is no specific cost-benefit analysis to be found.

### Spain

There are no examples or experiences concerning the amount of economic costs of the work-life-balance measures in Spain but there are studies about the socioeconomic impact, the benefits and the advantages that support these measures. In Spain there are initiatives to undertake analyses which use methods (e. g. the method 'Gender Equality in Management System') to implement work-life-balancing measures in companies but without taking the economic impact into account.

### Germany

In Germany there is a lot of literature and research on the topic 'work-life-balancing' to be found. In particular economic calculations have been done since 2003. The 'German Federal Ministry of Families' financed a survey done by PROGNOS. PROGNOS was to find out the economic results of cost-benefit-analyses in ten German medium-sized companies. This survey became a high public recognition (not only on the political and scientific basis but also in the companies themselves!!). It was the starting point for more surveys concerning this matter: on the one hand there are surveys which concentrate on some aspects of work-life-balancing (e. g. cost-benefit-analyses which concentrate only on the childcare-opportunities in companies also done by PROGNOS in order to encourage companies to be more involved in this area), surveys which concentrate on a specific branch (e. g. there is a specific survey in handicraft companies which has been supported by the chamber of handicrafts) and surveys on a single-company-level (e. g. the calculation of a hospital in Murnau). In order to find a method to base on the conclusion that all surveys are based on this first approach of PROGNOS can be drawn. Insofar the survey of PROGNOS can be seen as a good methodology to use for other surveys.

### **3.1 Description of the analytic framework and remarks on the own survey**

The results of the desk research about available cost-benefit analyses show that the approach of PROGNOS can be seen as a good methodology to use for own examples of cost calculation.

The data of the case-studies has been collected with the help of company-based interviews with the responsible persons like personnel managers or owners of the companies.

The figures are based on the answers and explanations of the interview partners. The interlocutors tried to collect the data from their controlling. In cases where no figures were available the interview partners estimated the situation in their company. In cases where some of the cost items were not relevant for the company there was made an estimation for typical costs of the country (e.g. teleworking-costs).

With regard to the survey which has been undertaken during the project some general aspects and results should be specifically mentioned:



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1. The objective of the survey was to get examples for model calculations which allow a better and profound argumentation for the target group of the project. It was not the aim to undertake a scientific research with representative validated data and figures. This has to be taken into account when looking at the results of the different partner countries.
2. In this specific context the question of cost and benefits of work-life-balancing measures is concentrated on a micro-economic (company-based) level and not on a macro-economic level. This is important when focussing on how costs and benefits are defined.
3. It was very difficult for the partners to find companies to undertake the cost-benefit-analysis: Either they were not willing to explain their cost situation or they had no detailed information about specific costs or – as it was especially in the eastern European partner countries the case – very low work-life-balancing arrangements in the companies were implemented. In these cases fictive costs (e. g. average costs as a result of estimations or based on secondary analysis) were used in order to come to a conclusion.
4. At this point it should be specifically mentioned that it was a very high effort for the partners – and as well for the participating companies – to gain these information which will be explained in detail below.

That is why we want to thank our interview partners of the companies for taking part in the survey and for their willingness to give us detailed answers concerning their work-life-balancing activities including information on their cost-benefit-situation. In order to keep the data anonymous the figures in the following section will not be mentioned in connection with the name of the companies.

The questionnaire focussed on basic quantitative and qualitative data of the companies (e.g. gender- and income-differentiated data with regard to the total number of staff, part-time quota, people who take the parental leave, etc.), it included questions about the attitudes towards work-life-balancing arrangements (e. g. the kind of work-life-balancing arrangements, reasons for the implementation, etc.) and comprised inquiries to find out the cost-benefit-relation in the specific company. These last inquiries need some deeper explanation which will be done in the following section. For more information the full questionnaire is included in the annex.

### Types of costs and benefits gained through family-friendly measures

According to the PROGNOSES-survey there are different types of costs and “benefits” which come into being because of the implementation of family-friendly arrangements within a company.<sup>25</sup>

On the one hand costs for the companies arise out of fluctuation, periods of absence and re-integration of employees. This is for example the case when a mother or father takes the full duration of parental leave and needs to be re-integrated after the leave or when an employee is absent to take care of a sick family member and there is no possibility for flexible working hours arrangements. These situations cause various costs for the companies and these costs can be lowered through the implementation of family-friendly measures. In this sense there are saving potentials from family-friendly measures which are the “benefits” within the cost-benefit-analysis.

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<sup>25</sup> [www.prognos.com/cgi-bin/cms/start/news/D/show/news/1062506215](http://www.prognos.com/cgi-bin/cms/start/news/D/show/news/1062506215)



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On the other hand the implementation of family-friendly measures (like the implementation of flexible working hours arrangements etc.) cause costs for the company which have to be taken into account concerning the cost-benefit-analysis.

The following table shows the type of costs which arise when no measures are implemented (left column). If the company decides to establish family-friendly measures these costs can be saved and will thus be the benefit from the arrangements. The right column includes the costs of work-life balancing measures:

Benefits from the implementation of work-life-balancing measures in companies	Costs of work-life-balancing measures
<p>Results of benefit from saving the following costs:</p> <ol style="list-style-type: none"> <li>1. Re-hiring and recruiting costs</li> <li>2. Costs of re-integration</li> <li>3. Tideover allowances</li> <li>4. Costs of absence</li> </ol>	<ol style="list-style-type: none"> <li>5. Offers of consultation and information for parents, continuing contact support and re-integration programmes for staff in parental leave</li> <li>6. Part-time offers and flexibility of working hours for parents</li> <li>7. Teleworking for employees in parental leaves</li> <li>8. Childcare supported internally or by the enterprise</li> </ol>



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### 3.1.1 Re-hiring and recruiting costs:

Parental leaves because of family reasons or temporary breaks cause costs for the enterprise.

In detail the following types of costs arise when a mother or a father is taking parental leave and the company has to replace this person with a new employee who takes over the tasks from the leaving person:

Types of costs	explanation
1. Costs of vacant job places per month	Costs like productivity loss because of missing marketing and client contacts
2. Recruitment costs	Costs for advertising, headhunting, recruiting events, job fairs etc.
3. Selection procedure	Costs for job interviews (staff management, personnel department, superiors and other involved staff management, workers representatives etc.), assessment centre, communication and other costs
4. Contracting costs	administrative costs, moving costs, job place equipment
5. Further education costs	Costs of internal or external further education, seminars, etc.
6. Cost to acquaint someone with the new job	Additional information/control costs of staff which introduces the new colleague, costs of training on the job
7. Cost of less productivity	Costs of less productivity and increasing error rates and accident rates, costs for missing know-how, lost business contacts, etc. This is over when the new staff has reached the same level of productivity as the former staff.
8. Other/different costs ...	Costs like e.g. medical checks etc. (or some other country-specific costs)

Re-hiring and recruiting costs Prognos (2003), p. 15.

These kinds of costs have been calculated in the PROGNOS-survey for three different income-classes as the costs vary according to the income. It was also made the assumption that the qualification level of the staff correlates with the income.

The costs of vacant job places (see row 1) depend on the average duration that is needed to replace a vacant job place in a company. The persons of the companies of the PROGNOS-survey mentioned for example the following durations (in months) for different income-classes:

- staff with low income: 1 month to replace the vacant job place
- staff with average income: 2 months to replace the vacant job place
- staff with high income: 4 months to replace the vacant job place



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### 3.1.2 Costs of re-integration

If staff leaves the enterprise for a prolonged period of time additional costs to re-integrate him/her into the company come into being (further education, costs for getting into the job, costs of reduced work output at the beginning etc.). These costs can be reduced through flexible working hours, teleworking, substitution or further education during the parental leave.

If the employee leaves the company only for a few months these costs are relatively low compared to a longer absence of the person. Persons of the companies of the PROGNOSES survey mentioned that the costs of re-integration (that means: further education costs, costs to acquaint someone with the new job and costs of less productivity; see rows 5-7 under number 1) could have the following percentage relation compared to the recruitment of a completely new employee<sup>26</sup>:

after 6 months: 15%  
after 12 months: 30%  
after 18 months: 50%  
after 36 months: 75%

### 3.1.3 Tideover allowances

If a mother or father takes parental leave the enterprises have to find a solution to replace this person. Enterprises can bridge parental leaves with their own staff or through hiring new staff.

In the case of hiring new staff they can use permanent contracts (see a) or fix-term contracts (see b). In the case of bridging with own staff they can use other measures like extra work and overtime (see c):

a) The costs of bridging with staff with unlimited contracts causes the same costs of search, selection and qualification as hiring new external staff in a normal situation. This means that the same costs as described under section 1 in the table (re-hiring and recruiting costs) arise.

b) The experiences of the companies of the PROGNOSES-survey concerning the costs of bridging with staff with limited contracts show: The shorter the time is which has to be bridged the lower are the expenses of the companies compared to hiring a completely new employee. The reason for this is that the enterprise does not have to undertake so much effort to recruit the replacement staff which would only stay in the company for a relatively short period of time. This means in particular saving costs of vacant job places, recruitment costs, selection procedures, employment costs or further education costs (= rows 1-5 in the table under No. 1 (re-hiring and recruitment costs)).

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<sup>26</sup> Basis of the percentage are: further education costs, costs to acquaint someone with the new job and costs of less productivity (row 5-7 in the table of No. 1).



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On the other hand: The less these costs are the higher are the costs of getting someone who has to be acquainted with the new job and the costs created from less productivity (= rows 6-7 in the table under No. 1). That means: If a company does not invest so much in the hiring and the recruitment of the interim-staff the risk for less productivity is higher and there are high costs of introducing this person into the job.

The following percentages of costs of interim staff solutions compared to hire a completely new employee resulted from the German survey:

Type of costs/expenditures	3 months <sup>27</sup> 7	6 months	12 months	18 months	36 months
Costs of vacant job places	20%	40%	60%	80%	100%
Recruitment costs	20%	40%	60%	80%	100%
Selection procedure	20%	40%	60%	80%	100%
Contracting costs	20%	40%	60%	80%	100%
Further education costs	0%	0%	25%	50%	100%
Costs to acquaint someone with the new job	140%	130%	120%	110%	100%
Costs of reduction of productivity	140%	130%	120%	110%	100%

c) The costs of "several measures" (overtime, different work organisation) which arise when staff from the same company is overtaking the tasks of the leaving mother or father are different. The costs depend on the level of qualification and the level of income. In the German study these costs varied from 500,- € to 1.500,- € per month whereas only the costs which exceeded the saved staff costs of the person in parental leave were considered.

### 3.1.4 Costs of absence

The costs of parents with children who are absent from work are very difficult to calculate. These parents have twice as much stress as other employees which sometimes leads to a higher rate of sickness, health-problems and job place organisation. This can thus reduce the productivity and outcomes. The PROGNOSE study shows that it is difficult to evaluate valid quantitative data because of the complexity of this issue. This is why that aspect will not be taken into account concerning the cost-benefit-analyses.

### 3.1.5 Offers of consultation and information for parents, continuing contact support and re-integration programmes for staff in parental leave

Parents need a fundamental re-organisation of their daily private life. Enterprises can support their staff by keeping in mind their professional development during and after the parental leave. The offer of information, consultation and communication for parents with the help of internal or external staff causes costs. These costs can be calculated on the basis of the person/days which are involved in the internal or external consultants.

<sup>27</sup> This is our own estimation for countries with low durations of parental leave.



### **3.1.6 Part-time offers and flexible working hours for parents**

The development, tuning and contractual agreement of individual part-time models cause high expenditures for the personnel department. These expenditures can be calculated on the basis of person/days of the involved internal or external staff.

### **3.1.7 Teleworking for employees who take the parental leave**

The costs of administration and staff for one teleworking place are researched in most European countries. They vary depending on the equipment of the working place, the distance to the enterprise and the organisation of service and maintenance. As an example the German study assessed an amount of between 5.000,- € and 7.000,- € per year during the time of three years. The saved costs of the working places can be eventually deducted from these costs.

### **3.1.8 Childcare that is supported internally or by the enterprise**

Enterprises themselves can offer childcare or they can organise the care with support of private or public organisations. The costs of childcare depend on the opening times and the age of the children (the younger the children the higher the costs). These costs can be calculated on the basis of real costs.

The PROGNOSE survey calculated the cost-benefit-results of a fictive company with 1.500 employees ("Familien GmbH") on the basis of these costs and benefits of different scenarios.

The objective of the project BILANCIA is to deliver a simplified possibility for a cost-benefit-calculation which can also be used in small and medium sized companies. There is often only a small number of persons who take the parental leave. Therefore the calculations in all partner countries are mainly based on the annual costs for one employee which are differentiated in three case-scenarios (see below).



### **3.2 Results of the surveys**

There is one aspect which has to be specially valued when analysing the results: The presented examples and calculation take only those numbers into account, which can be calculated concretely. In the analysis it was not possible to integrate the loss of knowledge which arises when people leave the company. The assessments were not based on a scientific analyses, it was an example of practical calculation in real figures. A lot of researches try to estimate the loss of knowledge when people leave the company. But there doesn't exist any concrete figures or formula which could be transferred into our model. With this in mind, the results of case 1 and 2 need to be analysed differently: The loss of knowledge of an employee who leaves for ever the enterprise is much bigger than the loss of knowledge for a short time (6 or 12 months). Taking this into account, it is, of course, always more expensive to hire completely new employees than to re-integrate employees – even after a longer leave - because they carry specific know-how which external employees will not have. As a consequence of this, case 1 will be always the most expensive one if ALL costs are taken into account. But the examples show that case “3” is the most effective one: to reintegrate employees very quickly again, even if the company has to invest some money in cost-benefit-arrangements.



### 3.2.1 Results of the survey of CITUB (Bulgaria)

Within the frames of the Bulgarian part of the survey were interviewed 6 SME's from the following sectors: services, handicraft sector and manufacturing sector. When forming the sample we adhered to the previously agreed with the international partners methodological frame in respect to the branch sectors of the observed companies. In view of the objectives of the survey - to find out the economic impact of implementing family-friendly measures in companies, when selecting our targets we focused on the different gender differentiation of the staff. This approach excluded the possibility to have only enterprises with prevailing female staff in the sample, because due to the nature of the staff in such enterprises, it is expected that they would have mechanisms and programmes for prevention. We have tried to cover enterprises with different socio-demographic profile of the staff, namely: age, family status, education, place of residence. The idea was to collect qualitative empiric information about work-balance issues and to examine the lost economic benefits due to staff fluctuation. While investigating the issue, we focused our attention on parents with small children and single mothers, as well as on employees with family dependants.

Two companies were included from the service sector. They are from the following branches: 1) hotel services and 2) collection, purification and distribution of water services. The total number of the staff in the first company is 53 workers, 60.4% of them women. In the collection, purification and distribution of water company the total staff number is 580, 25.9% of them women.

In the handicraft sector we examined a company for production of leather and leather products. Its staff number is 18 people, 83.3% women.

In the manufacturing sector we studied 3 companies from different branches. The first one manufactures food products. Total number of staff is 309, with 32.7% women quota. The second enterprise manufactures chemical substances. The number of the staff is 51, with 56.9% women quota. The third company is from the information and communication technologies branch. Total number of staff – 26, women constituting 30.8% of it.

The total number of the staff in all the enterprises participating in the survey is 1037, from which the female quota is 32.3%. Of all women employees the part-time women quota is 2.7%. We did not observe cases when after parental leave the employee starts part time work. In Bulgaria we still don't have well developed and varied flexible work schemes, which would allow good work-life balance. According to official statistics the index characterizing the labour market flexibility is expressed by part time work. The part time employees in the country for 2007 are barely 1,4% (men - 1,0% and women - 1.9% ).

The data of the present survey proves that part-time work is not very widely spread in the observed companies. In Bulgaria the reduced working time is mostly a forced decision imposed from the outside – by the employer or by the economic situation and much less – a personal choice of the employee. This is valid to a big extend for women employees, who cannot give up full time work due to the financial condition of their family. As a consequence,



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the work time duration has an extremely negative effect on the achievement of work-life balance.

We can observe an exception in the “ACSIOR - Networking Systems” – a company from the information and communication technologies branch, where 62.5% of the women and 44.4% of the men work part-time. The character of the production activities there allows employment of part-time workers. The prevailing part of the employees is students, who prefer this type of employment in order to combine studying with working.

The situation is different in the biggest interviewed company (580 workers) from the service sector. About 10.4% of all men work part-time, but this is due to the management’s decision and not to personal choice. According to this decision there are a certain number of part-time work places. There are no women working part time in the company.

In respect to the leave duration we can say that in the interviewed companies that employ staff with higher qualification the parental leavers don’t use the maximum time of parental leave as in the companies that employ lower qualified staff. There is a definite dependence between the average wage and the duration of the leave. For instance the average wage in the food industry company is about 515 € and respectively the average return time of the leavers is 18.6 months. For comparison, the average wage for the country in 2007 is 227€. This proves the thesis that companies which pay higher wages have a significantly shorter time of return of parental leavers in comparison to the remaining companies in the survey.

Two of the companies have cases of annual remaining in parental leave. The motives for remaining have not been discussed, but we can suppose that the employees were not satisfied with the proposed work-life balance possibilities.

The following table reflects in detail some of the results:

**Table 1: Characteristics of the employees in the interviewed enterprises**

Total number of staff	Number of female staff	Percentage rate of part-time women	Percentage rate of part-time men	Average number of parental leavers per year	Average duration of the parental leaves
18	83,3 %	6,7 %	3,3 %	2	36 months
26	30,8 %	19,2 %	30,7 %	0	0
51	56,9%	0%	0 %	5	35 months
53	60,4%	3,1%	0%	1	12 months
309	68,0 %	2,9 %	0 %	8	18,6 months
580	25,9 %	0 %	10,4 %	5	36 months

For the purposes of the thorough analysis of the cost-benefit relation with regard to work-life balancing measures, we will present the detailed results from one interviewed company:

### Summary of the basic data:



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### 3.2.1.1 Recruiting and re-hiring costs:

When a person leaves the company for family reasons, the company needs to replace this person. In order to compare the costs for recruiting and hiring of staff, the company presented three categories of employees – with lower, average and higher income. As a basis for defining the interval groups we used the average wage in the company, which identifies the average income category. To determine the lower and higher income group we used respectively coefficients 0.75 and 1.5, which refer to the average company wage. In our analysis we shall examine two of the categories – with lower and higher income:

**Table 2: Recruitment and re-hiring costs in one of the interviewed companies in Euro**

Type of costs	Staff with lower income (€)	Staff with higher income (€)
1. Costs of vacant job places per month	90 €	250 €
2. Recruitment costs	10 €	10 €
3. Selection procedure	10 €	50 €
4. Contracting costs	50 €	50 €
5. Further education costs	10 €	150 €
6. Cost to acquaint someone with the new job	50 €	35 €
7. Cost of less productivity	100 €	250 €
8. Other costs (for e.g. medical check)	0	0
Total sum	230 €	545 €
Average Duration of the selection and hiring procedures (in months)*	1,5	1
Total:	365 €	795 €

\* The average time necessary to recruit and hire a substitute of an employee that has left the company or is on leave was set to be 1.5 months for the lower income group and 1 month for the higher income one. Therefore in order to get the final result, the cost for replacement of vacant job places was multiplied by 1.5 months for the lower income group and by 1 month for the higher income group.

### 3.2.1.2 Re-integration costs

When the person in parental leave comes back to the company after some time, additional costs appear to re-integrate him into the company (e. g. further education costs, etc.). Under the assumption that the parental leaver is coming back after 12 months, the company estimated that its costs will be 30 % of the further education costs, costs for getting into the job and costs of lower productivity (see rows 6-8. of table 2), in comparison to acquainting a completely new employee with the job.



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### **3.2.1.3 Tideover allowances**

When enterprises bridge the time of parental leave with new (permanent- or limit- contracted) employees a variation of the costs of table 2 arise, depending on the time for the interim solution. The survey presents percentage changes of the cost in Table. 2, according to the bridged period. Under the assumption that the mother returns after 12 months into the company, the survey estimates each 60 % of the costs of vacant job places, recruitment costs, selection procedure and contracting costs in comparison of hiring a completely new employee (rows 1 to 4 of Table 2), 25 % of the further education costs and 120 % of the costs to acquaint someone with the new job and costs of reeducation of productivity in comparison to hiring completely new staff for the leaving person.

### **3.2.1.4 Costs for consultation and information of parents and parental leavers:**

The company estimated 54 € per person per year in order to deliver these services to a person.

### **3.2.1.5 Part-time offers, working time flexibility for parents**

The company estimated 18 € per person and per year for the development, tuning and contractual agreement of individual work schedules.

### **3.2.1.6 Teleworking for employees in parental leave**

The company estimated that the average costs for a telework job place are 400-500 € per person per year.

### **3.2.1.7 Internal or enterprise supported child care**

In Bulgaria, companies don't have the practice to give support for child care in child institutions or to finance the building of company owned social homes (kindergartens or old people's homes).

Child care is done by public or private kindergartens. The costs for public kindergartens are subsidized mainly by local municipalities and the fee for the parents is between 10-25 € per month. The amount of the fee for parents depends on the number of children attending the child care; the fee for the second child attending the same kindergarten is reduced by 50%.

For the purposes of our analysis we hypothetically assume that the company supports parents by subsidizing child care in public kindergartens. We provisionally assume that the average amount given by the company is around 17 € per month and 204 € per year.



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### 3.2.1.8 Calculation of the cost-benefit-relation in different case-situations:

#### **1. Case:** The person leaves the company completely

The mother or father leaves the company for ever because there are no conditions for her/him to have a good work-life balance. In this case the person has to be replaced by a completely new employee. There will arise costs, indicated in Table 2:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Re-hiring and recruiting costs	365 €	795 €
Total sum:	365 €	795 €

#### **2. Case:** The person takes a parental leave for 12 months and will be replaced by new staff for this period

Under the assumption that the mother or father leaves the company for 12 months and new interim staff has to be hired for this time the following costs arise, which are based on the percentages of the survey and the data of

Table 2:

Tideover allowance:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Total sum:	278 €	595 €

In addition, there will be costs for reintegration of the employee, coming back to work after 12 months of parental leave.

Reintegration costs:

According to the survey, after 12 months 30 % of the further education costs, costs for getting into the job and costs of less productivity (see rows 6.-8. of table 2) arise, in comparison to the costs which would be needed to acquaint a completely new employee with the job. In our case this means:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Total sum:	48,00 €	130,50 €

The results in this case for both income classes are the following:



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Type of costs/ expenditure	Staff with lower income	Staff with higher income
Tideover allowance	278,50 €	595,50 €
Costs for re-integration	48,00 €	130,50 €
Total sum:	326,00 €	726,00 €

**3. Case:** The mother or father decides to leave the company for only 2 months because of family-friendly arrangements in the company.

The mother or father decides to leave the company only for 2 months because the company offered her/him support, advice and other family-friendly measures. During the time of parental leave other company employee overtakes the tasks of the mother/father. The additional costs for the different work-organisation and over-working hours can be estimated as follows:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Tideover allowance (through "several measures"):	0 €	0 €
Costs for consultation and information of parental leavers	54 €	54 €
Costs for development of individual work schemes (part-time offers, working time flexibility etc.)	18 €	18 €
Payment of public child care for 12 months	204 €	204 €
Total sum:	276 €	276 €

The costs in this case are much less than in the case-situations No. 1 or 2 where no family-friendly measures are implemented. Even if the company offers teleworking schedules for the higher income groups, which incurs additional costs of 400-500€, the company's balance-sheet will still be positive. In this case the child care costs will be less, as it is not necessary to use and pay full-time children's care service.

### 3.2.1.9 Qualitative aspects of the survey

The collected empiric qualitative information on the offered work-life balancing measures shows that the employers strictly follow the labour legislation rules for special protection of pregnant women and mothers. The measures implemented in the companies could be systematized according to their character as follows:

- Implementation of flexible forms of employment during parental leave like: reduced working day for pregnant women and mothers with children up to 3 years of age; working time with changing limits, free transport, etc.



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- Two days additional paid annual leave for women with two or more children up to 18 years of age; one day additional paid leave per month for single mothers.
- Social benefits and payments during pregnancy leave, birth, child care; benefits during sickness and sick leave, at national and religious holidays, annual leaves, as well as a possibility for both parents to take their leave at the same time.

At the time of the survey some of the companies were considering the introduction of a social programme, which would include undertaking of the costs for prophylactic medical checks, qualification courses, etc.

The participants in the survey share the opinion that it is necessary to introduce mechanisms for work-life balance. According to them such measures would cover the lost economic benefits due to staff fluctuation. They also share the opinion that in the majority of cases women take care of children and family dependents and the efforts to balance work and family life lead to overloading and high levels of stress. The parents' periodic absence for family reasons and their incapacity to fulfill their job duties lead to reduced productivity of labour and reduced production balance of the company. The introduction of family-friendly measures will bring along bigger social advantages to the company, like better motivation and higher concentration at the work place; higher productivity and a better corporative climate.



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### 3.2.2 Results of the survey of bfiw (Germany)

The following five SME`s from different branches took part in the German part of the survey:

- AESKU.Diagnostics (biotechnology, manufacturing branch)
- WDR Media Group (broadcasting company, service sector)
- Bäcker-Innung für die Stadt Köln und den Rhein-Erft-Kreis (Chamber of Bakeries of the city of Cologne and Rhein-Erft-Region; service sector)
- Mike Engels (hairdresser, handicraft branch)
- Bäckerei Heinz-Josef Probst (bakery, handicraft branch)

The structure of the participating enterprises can be described as following:

The size of the companies varies between 11 and 251 employees. In all of the five companies the quota of female staff is above 60 %. The part-time quota of women in all companies is over 10 %, in most of the companies around 40-45 %.

In opposite to this in four of the five companies none of the male staff is working part-time. Only in the biggest interviewed company (with 251 employees) the part time quota of the male staff is around 15 %.

The number of persons who take the parental leave grows with the size of the company. With regard to the average time of persons who take the parental leave and return to the company it can be said that especially in the interviewed companies which employ high qualified staff these persons do not use the maximum duration of parental leave compared to companies which employ low qualified staff. In addition in the companies which employ low qualified staff the amount of persons who take the parental leave and work in part-time jobs after that is very high. The following table shows some results in detail:

Table 1: Staff structure of the interviewed companies

Number of staff	Quota of female staff	Part time quota of women	Part time quota of men	Average number of parental leavers per year	Average time of return from parental leave
16	68 %	45 %	0 %	1	36 months
18	77 %	28 %	0 %	0,18	36 months
49	61 %	10 %	0 %	2,5	12 months
251	65 %	40 %	15 %	6	17 months
11	90 %	50 %	0 %	1	After 6 months (part-time) After 36 months (full-time)

For a deeper look into the cost-benefit-situation of work-life-balancing arrangements the data of one of the interviewed companies shall be presented exemplarily:



**Calculation of the basic data:**

**3.2.2.1 Re-hiring and recruiting costs:**

When a person leaves the company for family reasons the company needs to replace this person. In order to ascertain the costs the company differentiated between two income levels: staff with low income and staff with high income. For this situation the company presented the following data which is mainly estimated according to their experiences:

**Table 2: Re-hiring and recruiting costs of new staff in one of the interviewed companies**

Types of costs/ expenditures	Staff with low income	Staff with high income
1. Costs of vacant job places (per month)	500,00 €	1.500,00 €
2. Recruitment Costs	800,00 €	800,00 €
3. Selection Procedure	800,00 €	1.600,00 €
4. Contracting Costs	150,00 €	150,00 €
5. Further Education Costs	2.000,00 €	2.000,00 €
6. Cost to acquaint s.o. with the new job*	5.000,00 €	5.000,00 €
7. Costs of reduction of productivity	2.000,00 €	4.000,00 €
8. Other/different costs: medical check etc.	100,00 €	100,00 €
Sum of recruiting costs	10.850,00 €	13.650,00 €
Average duration of re-hiring and recruiting (months)**	2	2
Total sum:	11.750,00 €	16.550,00 €

\* The costs to acquaint s.o. with the new job are relatively high in this example as there is a specialised know-how needed for all employees who work in that specific company.

\*\* The average duration of replacing the leaving person with a new employee has been estimated in both income classes within 2 months. Therefore the first row in the table needs to be multiplied by 2 months in order to get the total sum.

**3.2.2.2 Costs of re-integration**

When a person in parental leave re-enters into the company after some time additional costs arise through re-integrating him or her back into the company (e. g. further education costs, etc.). To go on the assumption that the person who takes the parental leave is coming back after 12 months the company estimated that 30 % of further education costs, costs for getting into the job and costs of less productivity (see rows 5.-7. of table 2) arise in comparison to acquaint a completely new employee with the job.



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### 3.2.2.3 Tideover allowances

When enterprises bridge the time of parental leave with new (permanent- or limit- contracted) employees a variation of the costs of table 2 arises depending on the time of the interim solution.

The PROGNOS-survey delivers the percentage changes of the costs of table 2 depending on the time which has to be bridged. For the calculation of this example the percentages of PROGNOS will be used. To go on the assumption that the mother returns to the company after 12 months the PROGNOS survey estimates that 60 % of the costs of the vacant job place<sup>28</sup>, recruitment costs, selection procedure and contracting costs arise compared to hiring a completely new employee (rows 1 to 4 of Table 2). 25 % more costs arise of further education costs and 120 % of the costs to acquaint someone with the new job as well as costs of reduction of productivity in comparison to hiring completely new staff.

In the case of the company taking “several measures” like different work organisation for example or overtime of other staff in order to bridge the time that arises because of the parental leave the company estimated the costs per months and per person in average at about 800,00 €.

### 3.2.2.4 *Costs of consultation and information for parents and those who take the parental leave*

The company estimated an amount of 1.000,-- € per person per year which is needed in order to deliver this offers to the person concerned.

### 3.2.2.5 *Part-time offers and flexible working hours for parents*

For the development, tuning and contractual agreement of individual work schedules the company estimated an amount of 800,-- € per person per year.

### 3.2.2.6 *Teleworking for employees in parental leave*

In the selected company there is no teleworking offer. Instead they have a mobile work place. In order to get an idea about the costs of work place flexibility the German study assessed an amount of between 5.000,-- and 7.000,-- € per person per year. The saved costs for working places can be eventually deducted from these costs.

### 3.2.2.7 *Childcare that is supported internally or by the enterprise*

The costs for the kindergarten in Germany vary according to the regulations of the federal states and municipal differentiations. In most federal states the law lays down that the costs depend on social aspects as for example the income class of the parents and the number of

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<sup>28</sup> The experiences in practice often show that in a lot of companies there does not exist an anticipative human recourse planning which allows a direct re-placement of the vacant job place; even not in the case of maternity and parental leave where there would be enough time to manage the new situation. Very often the companies do not start to look for a new employee before the woman already went to leave the company. This allows the assumption that it would take 2 months to replace the mother (see example above).



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children that is in public childcare. The municipalities then develop a regional differentiation. The costs for the parents also differ according to the duration of childcare.

In a high-income class the costs for a full-time care for a child are – depending on the age of the child and the region - around 230,00 € - 330,00 € per month. In a low-income class it varies between 70,00 € - 140,00 € per month.

The costs of childcare which is provided by the company depend on the organisation: in the case of a full-time employment of a skilled employee the company has costs of about 30.000,-- € per year (staff costs). Additional room costs etc. have also to be taken into account. Thus the costs per child per year depend on the number of children who use the opportunity of childcare in the company.

Especially for SMEs it is possible to organise part-time or flexible in-house childcare as there are often only a few children in small companies. In this case there would arise less costs of own childcare opportunities.

For our example of the cost-benefit-analysis the assumption was made that the company supports the parents by financing the public childcare. In order to simplify the calculations in our case it was estimated that the costs of public childcare for parents with a high-income class is 300,00 € and the costs of childcare for parents with a low-income class is 120,00 €.

### 3.2.2.8 Further assumptions

In all different cases which are described below the employer has to finance the salary of the mother for the duration of the maternity leave (14 weeks: 6 weeks before and 8 weeks after the child's birth) in addition to the costs named above. The salary is reduced by a special maternity allowance (Mutterschaftsgeld) which is paid by the health insurance (13,--€/ day). To simplify the calculations this will be not taken into account as it will not change the end result of the three different cases.

### 3.2.2.9 Calculation of the cost-benefit-relation in different case-situations:

**1. Case:** The person leaves the company completely

There are cases in which mothers and fathers have to leave the company for good because the company does not provide good conditions for the possibility to combine job and family. The person then has to be replaced completely by new staff. Thus costs of re-hiring and re-recruiting will arise (these costs were calculated in table 2 above):

Types of costs/ expenditures	Staff with low income	Staff with high income
Re-hiring and Recruiting costs	11.750,00 €	16.550,00 €
Total sum:	11.750,00 €	16.550,00 €



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**2. Case:** The person leaves the company for 12 months and has to be replaced for this time by new staff

To go on the assumption that the mother or father leaves the company for 12 months after the child's birth and new interim staff has to be hired for this time the following costs arise. They are based on the percentages of the PRGOGNOS-survey and the data of table 2:

Tideover allowance:

Types of costs/ expenditures	Staff with low income	Staff with high income
Total sum:	10.250,00 €	13.730,00 €

For the re-integration of the person who takes the parental leave after 12 months additional costs arise.

Costs of re-integration:

According to the PROGNOS-survey 30 % of further education costs, costs of getting into the job and costs of less productivity (see rows 5.-7. of table 2) arise after 12 months compared to acquainting a completely new employee with the job. In our case this means:

Types of costs/ expenditure	Staff with low income	Staff with high income
Total sum:	3.525,00 €	4.965,00 €

The results for both income classes in this case are the following:

Types of costs/ expenditures	Staff with low income	Staff with high income
Tideover allowance	10.250,00 €	13.730,00 €
Costs of re-integration	3.525,00 €	4.965,00 €
Total sum:	13.775,00 €	18.695,00 €

**3. Case:** The mother or father decides to leave the company only for 2 months after the child's birth because of family-friendly arrangements in the company.

The mother or father decides to leave the company only for 2 months after the child's birth (duration of maternity leave) because the company offers support, advice and other family-friendly measures. During the time of maternity leave other staff of the company overtakes the tasks from the mother or father. The additional costs of the different work-organisation and overtime can be estimated (based on the costs that arise after the child's birth):

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Types of costs/ expenditures	Staff with low income	Staff with high income
Tideover allowance (through "several measures"): 800,00 € x 2 months	1.600,00 €	1.600,00 €
Costs of consultation and information etc. for 12 months	1.000,00 €	1.000,00 €
Part-time offers, working hours flexibility for parents etc. for 10 months (after re-entering the company)	670,00 €	670,00 €
Payment of public childcare for 10 months (after re-entering the company)	1.200,00 €	3.000,00 €
Total sum:	4.470,00 €	6.270,00 €

The costs in this case are much less than in the case-situations of No. 1 and 2 where no family-friendly measures are implemented.

Even if the company offers teleworking where additional costs of about 5.000,-- to 7.000,-- € have to be integrated the balance sheet will be positive: In this case the childcare costs would be less as it is not necessary to use and pay a full-time children's care service.

With regard to the analysis of the results it should be specially emphasized that the presented examples and calculation take only those numbers into account, which can be calculated concretely. In the analysis it was not possible to integrate the loss of knowledge which arises when people leave the company. The assessments were not based on a scientific analysis, it was an example of practical calculation in real figures. A lot of researches try to estimate the loss of knowledge when people leave the company. But there doesn't exist any concrete figures or formula which could be transferred into our model. With this in mind, the results of case 1 and 2 need to be analysed differently: The loss of knowledge of an employee who leaves for ever the enterprise is much bigger than the loss of knowledge for a short time (6 or 12 months). Taking this into account, it is, of course, always more expensive to hire completely new employees than to re-integrate employees – even after a longer leave - because they carry specific know-how which external employees will not have. As a consequence of this, case 1 will be always the most expensive one if ALL costs are taken into account. But the examples show that case "3" is the most effective one: to reintegrate employees very quickly again, even if the company has to invest some money in cost-benefit-arrangements.

It has to be emphasized that the implementation of work-life-balancing arrangements has a lot of other advantages in addition to the reduction of costs: high motivation and productivity of the staff, better communication and corporate climate, improvement of the external company image, etc. This will also lead to middle and long-term economic benefits that are difficult to express in figures and difficult to be integrated into the balance sheet.



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These “social advantages” which will also have economic benefits have been specially emphasized by the German interview partners.

In detail the interviews delivered the following qualitative aspects and attitudes towards work-life-balancing issues:

The interlocutor of the “Bäcker-Innung” mentioned that their employees use the following offers:

- Full flexibility of working hours schedules (individual schedules, full flexibility concerning the amount and allocation of working hours)
- Liberal dealing of private duties during the working hours (e. g. medical consultations possible, organising family affairs during the working hours etc.)
- Family members can be brought along to the workplace especially in the case of care bottlenecks.

In general it seems that this company has a very open communication and individual need-oriented approach to organise the work and private life of the staff. The interview partner summarizes that the costs of the company arise from the permanent necessity of individual communication and staff planning schedules as well as the necessity to find interim staff.

The benefits for the company are a very open corporate culture, an excellent corporate climate and a high motivation and identification of the staff with the company. This becomes visible because of the fact that there is practically no fluctuation of staff.

A good corporate climate with direct communication is also the basis for all other work-life-balancing measures of the company “Bäckerei Probst”. Apart from the flexibility concerning the allocation of working hours and the open communication the bakery offers their staff free fares. All employees use this possibility of getting free drinks and food during working hours. The interview partner mentions the direct costs of the free fares but the benefit overlaps these costs as they can register:

- a very low rate of absence due to illness
- no fluctuation
- very high staff motivation
- very high productivity, very low failure rate and an autonomous way of working of the staff.

It can be noticed that some of the interview partners have a very broad view concerning work-life-balancing arrangements. Their attitude shows that it is important that the involvement in work-life-balancing issues “doesn’t stop at the companies’ door”. They see their involvement in improving the conditions for better work-life-balancing in the society as part of their tasks in public affairs and concerning the social responsibility.

The hairdresser “Engels” for example is involved in sponsoring and in the honorary organisation of schools as well as children and family activities (e. g. street festivals). His own paternity led him to give an example for a family-friendly corporate culture. For him this means a long-term economic benefit as the “children of today are the customers of tomorrow...”

The mentioned possibilities above like direct and open communication, full flexibility of working hours and social benefits like free fares are more difficult to implement in big companies.



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Nevertheless the small survey shows that arrangements in big companies are also possible to help to combine private and working life in a better way.

The “WDR mediagroup” for example offers flexible working hours through the choice between different part-time models. Apart from that they implemented a family-friendly salary system for example with the help of paying a child allowance for employed parents. In addition they offer support in finding childcare-opportunities (family service) and they established a special parents-child-room within the company. The work-life-balancing-culture is also aware of the soft facts of the company: it is considered in the leadership behaviour and part of the communication programme (consulting before and during the parental leave and regular communication with the persons who take the parental leave with the help of intranet). The interlocutor mentioned very low costs of these measures as they mainly consist of structural changes within the company. “Real” expenses due to the implementation of the measures are only concentrated on keeping the family service and the parents-children-room. The company took part in an audit of family-friendly organisations (audit “berufundfamilie”) in 2005 and has won a price for their family-friendly involvement (Company competition “Erfolgsfaktor Familie”).

The benefits especially mentioned by the interview partner are the following:

- reduction of the times of parental leaves
- keeping high qualified workforces (especially women in leadership positions) in the company
- high work satisfaction of the staff
- high motivation
- opening of the employment market for the company through high attractiveness, better image and incentives for high qualified staff
- improvement of the profile and image of the company which also leads to better marketing and sales of their products and services

The full flexibility concerning working hours schedules and working places which can be offered by some enterprises are sometimes limited: The company “AESKU.DIAGNOSTICS” for example will offer their employees time and local flexibility, if the kind of job makes this possible. This is not always the case. A part of their staff for example is working as researchers in laboratories who have to undertake their tests in-house. In these jobs the time flexibility also has its limitations. It would be problematic to break off an important test if somebody needed to leave the company to pick up the child from the kindergarten.

Thus the company registered a high need for flexible childcare-opportunities especially for their high-qualified staff. That is why the company at first started a cooperation with a public kindergarten. This possibility did not solve the problems of the need for children`s care during the school-vacation.

Finally the company decided to install a kindergarten within the company which makes it possible to bring own children at all time to the job-place, also during the vacation. The interlocutor emphasizes that the own kindergarten in terms of figures and controlling-data does not lead to a positive balance sheet at the moment but it offers a lot of economic advantages which are only difficult to show in figures:

- Through the in-house childcare the company can bind or retract high potentials and high professionals to their company which they would loose otherwise or who would like to work less in order to combine job and family in a better way.



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- They win flexibility for their company: in the case of extra shift work the staff can overtake these extra hours.
- The need-oriented flexible work-life-balancing arrangement has an enormous influence on the motivation and flexibility of the staff and in general on the corporate climate which will bring a positive economic development for the company.

All interview partners named a lot of social benefits of their work-life-balancing arrangements. They are aware of the costs concerning the short term but they think that in the end these costs will be overlapped by the benefits named above.

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### 3.2.3 Results of the survey of IAI Cisl Piemonte (Italy)

The Italian survey was carried out with the participation of six companies and organisations of small and medium size:

- A company in the sector of manufacture of locks and hinges, belonging to an Italian-Spanish industrial group;
- A company in the sector of manufacture of wearing apparel;
- A professional association in the artisan sector;
- ARCOBALENO Scarl, a social cooperative in the sector collection and treatment of other waste;
- GrafArt Srl in the printing sector and service activities related to printing, and
- ORSO Scarl, a social cooperative in the sectors Business and management consultancy activities and adult and other education services.

The structure of the participating enterprises can be described as follows: The size of the companies varies between 46 and 326 employees.

In four out of six companies staff is composed of more than 70% women. The part time quota is very variable in the sample, ranging from 0 to 78% for female staff. Two companies also have male staff working part-time. It should be pointed out that both companies with male part-time staff are social cooperatives, one of which offer jobs to disadvantaged groups on the labour market. No other of the interviewed companies has male staff working part-time.

With respect to the length of parental leave, only mothers working in the two larger manufacturing companies use the maternity and parental leave to the full extent possible. In the other cases, the extent is lower down to 6 months only.



The following table show some results in detail:

**Table 1: Staff structure of the interviewed companies**

	Number of staff	Quota of female staff	Part time quota of women	Part time quota of men	Average number of parental leavers per year	Average time of return from parental leave
GrafArt (printing company)	46	19,57%	0%	0%	only one case so far	- -
manufacture of locks and hinges	309	50%	6.5%	0%	10	10 months
manufacture of wearing apparel	326	74,23%	20%	0%	6	10 months
ORSO (social cooperative)	160	75,00%	61%	53%	12	8 - 9 months
Arcobaleno (social cooperative)	326	74,23%	60%	40%	4	6 months
professional association in the artisan sector	50	78,00%	0%	0%	4	8 months

**Methodological note for Italy:**

All interviewed companies are located in the Piedmont region and were chosen on the basis of size and the mix of sector so as to guarantee comparability with the other countries. In addition, a criterion was that the company had demonstrated sensibility to equal opportunities and ideally had implemented measures for work life balancing. Finally the readiness to participate in the survey at relatively short notice became a criterion.

An additional interview was carried out with Ferrero Spa group, a multinational company in the sector of manufacture of food products. Information about their work life balancing measures applied in the Italian companies was obtained but no precise figures related to the costs and benefits of these measures and personnel costs could be given. In addition the Ferrero companies in Italia have above 6000 employees, and therefore are clearly outside the structure of the sample and data concerning costs and benefits will not be considered here, while reference to good practice will be made.

The interviews in the Italian field study did not lead to a full collection of the data as foreseen in the common transnational questionnaire. This was due to a series of factors:



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First of all, not all of the costs that were requested with the questionnaire are usually being monitored by the companies. This is for example the case with respect to the cost of measures which bridge maternity leave without using external staff, i.e. with work re-organisation and overtime. The scope of this study did not allow to calculate such costs ad hoc because this would have been time-consuming for the interviewees if at all possible.

Secondly, the context of the Italian companies is different to the German one with the result that not always the same type of costs related to human resource management are generated or being monitored.

One of the differences is the career development applied by the interviewed firms. Italian firms tend to hire staff on fixed term contracts with a perspective to transform those into indeterminate contracts. It is not usual practice to grant indeterminate contracts up-front. Consequently, there is no detectable difference in cost between the hiring of fixed term and indeterminate contracts.

It must also be noted that the recruitment technique for all of the interviewed firms was primarily through spontaneous candidates or personal knowledge. Only one uses the public employment service, while few use contacts with vocational schools. This means that there is no external recruitment cost due to advertising and complex selection procedures.

Another type of cost which was not clearly detectable in the Italian sample of companies was the cost of a vacant post or the loss of productivity, which was not monitored and could not be found out in a number of cases in particular for higher level positions, i.e. when not directly linked to a loss in production. Calculating these costs would need a more in-depth approach. Also the cost for training measures, which are not always systematically offered, was difficult to detect or not existent.

With respect to the cost of the four types of family-friendly measures considered in the survey, it must be pointed out that the interviewed sample enterprises apply part-time and flexibility arrangements. The survey also considered telework arrangements and the financing of child care facilities, which were not applied in the interviewed enterprises. The organisation ORSO does have a "remotisation" model which is akin to telework but was not in a position to detail the cost. The companies applied different measures which are described below.

Considering these factors, the Italian team chose to remedy the scarcity of data from the interviews by choosing the most complete interview with ORSO and introducing average calculated costs where there were no data available. This means that the given case is not a real case but a hypothetical case of a non-profit organisation which applies such family friendly measures as are contemplated in the German study.

In addition, it must be noted that in Italy the salaries are reimbursed by the state welfare system during maternity and parental leave. This fact must be taken into account and therefore the Italian case must be calculated differently than the other country examples. In the cases where it is supposed that the mother is substituted, the calculation includes the fact that her salary is reimbursed and at the same time the company hires a substitute for exactly the same period. In the case that nobody is hired, the company receives the reimbursement from the state welfare but does not spend it on an additional salary, which results in a real benefit.

### **Calculation of the basic data:**



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### 3.2.3.1 Re-hiring and recruiting costs:

**Table 2: Re-hiring and recruiting costs of new staff in one of the interviewed companies**

Type of costs/expenditures	Staff with lower income	Staff with average income	Staff with high income
1. Costs of vacant job places per month	2.044 €	2.689 €	3.294 €
2. Recruitment costs	150 €	850 €	Cannot be identified because staff at this level is not being hired from outside but reaches higher positions through career development
3. Selection procedure	280 €	500 €	
4. Contracting costs	50 €	50 €	
5. Further education costs	700 €	1.400 €	
6. Cost to acquaint someone with the new job	1.100 €	2.300 €	
7. Cost of reduction of productivity	1.022 €	1.344 €	
8. Other/different costs .....	0 €	0,00 €	
Sum of recruiting costs (rows 2. – 8.)	3.302 €	6.444 €	
Average duration of re-hiring and recruiting in months (row 1)*	1	1,5	
<b>Total sum:</b>	<b>5.345 €</b>	<b>10.477 €</b>	

\* The average duration to replace the leaving person with a new employee has been estimated with 1 and with 1,5 months respectively. Therefore the first row in the table needs to be added to the hiring costs in order to obtain the total sum.

### 3.2.3.2 Costs of re-integration

When the person in parental leave re-enters into the company after some time, costs arise from the measures to re-integrate him into the company (e. g. further education costs, etc.). Under the assumption that the parental leaver is coming back after 6 months it is estimated here that 10 % of the further education costs, costs for getting into the job and costs of reduced productivity (see rows 5.-8. of table 2) arise, as compared to the costs of acquainting a completely new employee with the job.

### 3.2.3.3 Tideover allowances

When enterprises bridge the time of parental leave with new employees (permanent or fixed-term) a variation of the costs of table 2 results, which depends on the duration for the interim

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solution. The PROGNOs-survey applies percent changes of the costs of table 2, depending on the time which has to be bridged. For the calculation of this example the percentages of PROGNOs will be used in order to give comparability with the other country studies. Under the assumption that the mother returns after 6 months into the company the PROGNOs survey estimates each 40 % of the costs of recruitment costs, selection procedure and contracting costs in comparison of hiring completely a new employee (rows 2 to 4 of Table 2), 0 % of the further education costs and 130 % of the costs to acquaint someone with the new job and costs of reduction of productivity in comparison to hiring completely new staff for the leaving person.

In the case that the company takes “several measures”, such as different work organisation or overtime of other staff in order to bridge the absence of the parental leaver, the estimated cost per months and per person is 1384 € for staff with low income and 2013 € for staff with average income.

### 3.2.3.4 *Costs of consultation and information for parents and parental leavers:*

A figure of 1.000 € are estimated per person and per year in order to deliver these offers to an employee.

### 3.2.3.5 *Part-time offers, working time flexibility of parents*

In the case of a company with a high share of part-time work already there are no additional costs due to such measures applied to maternity/parental leavers specifically.<sup>86</sup>

In case the company has a lower share of part-timers the average cost are calculated with 490 €.

### 3.2.3.6 *Teleworking for employees in parental leave*

No firm in the Italian sample applied tele-work models. The manufacturing firms and the co-operative in the waste collecting business are not in a position to do so. Only the cooperative ORSO has introduced so called remote work but was not in a position to indicate the precise cost.

It was not possible to find statistical average cost for installing tele-work places in Italy. For the sake of demonstration, one can calculate a hypothetical figure including an internet connection, work place with maintenance, support secretariat, and organisation of the tele-work. Such costs would amount to ca 4.300 €.

### 3.2.3.7 *Internal or enterprise supported child care*

None of the interviewed companies had any such experience. In three cases the companies had started negotiations with the public child care centres but abandoned the idea due to the

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<sup>86</sup> In Italian companies there is a maximum number of part-time staff permissible based on the size of the company.



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cost. One company declared their openness to the idea for the future in case the need became important, while another company still is seeking agreements with local child care providers. It is interesting to note therefore that in most cases child care was an issue but is often abandoned or not even started due to the cost. For simplicity's sake this was not calculated in this study.

For the sake of demonstration, we assume here that the example company supports the family by paying half of the price of a private child care facility for a child up to the age of 6. In Piedmont the cost for such facilities varies between 500 and 600 €.

### 3.2.3.8 *Payment of the salary during maternity and parental leave*

The salary during the leave is covered by Inps (national welfare institute). During the maternity leave it amounts to 80% of the average day salary or to the "usual" fee in the case of collaborators. In general the national social partner agreements foresee that the remainder towards 100% is paid by the employer.

Following the maternity leave, the parental leave foresees up to 6 months of paid leave with 30% of the salary, covered again by Inps. It can be taken by mother and father. If the leave goes above this period only if the salary of the parent is below a certain parameter (for 2008 this amounts to 14.401,40 euro/year).

These amounts are not directly paid by Inps to the beneficiary but are reimbursed to the company at the end of the fiscal year. This means that the company has a real benefit of the leave of the employee though the saving of at least 80% of the salary during maternity and up to 100% during parental leave.

### 3.2.3.9 *Calculation of the cost-benefit-relation in different case-situations:*

**1. Case:** The person leaves the company completely

The mother leaves for ever because there is no possibility for her to meet good conditions to combine job and family. The person has to be replaced completely by new staff. The cost which are calculated in Table 2 will arise:

Type of costs/ expenditure	Staff with lower income	Staff with average income
Re-hiring and Recruiting costs	3.301 €	6.444 €
Total sum:	3.301 €	6.444 €

In case the company starts the recruitment process just as the employee leaves and not before and consequently does not avoid the cost of a vacancy, the re-hiring and recruiting cost will be more expensive. If we suppose that the company takes one month to replace staff with low salaries and one and a half months for staff with average salaries and that the job is vacant for this period, then the total cost will increase by the cost of the vacancy (c.f. row 1 in table 2). It will then be 5345 € and 10477 € respectively.



**2. Case:** The person takes a parental leave for 6 months and will be replaced for this time by new staff

Under the assumption that the mother leaves the company for 6 months and new interim staff has to be hired for this time the following costs arise, which are based on the percentages of the PRGOGNOS-survey and the data of table 2<sup>87</sup>:

Tideover allowance:

Type of costs/ expenditure	Staff with lower income	Staff with average income
Total sum:	2.950 €	5.298 €

Costs of re-integration:

Additional costs arise for the re-integration of the parental leaver following the 6 months of absence. According to the PROGOS-survey the cost of further education, costs for getting into the job and costs of reduced productivity arise (see rows 5.-8. of table 2), and they can be calculated in comparison to acquainting a completely new employee with the job.

These can be calculated for the Italian example with 10%, which means:

Type of costs/ expenditure	Staff with lower income	Staff with average income
Total sum:	282 €	504 €

The result in this case for both income categories are the following:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Tideover allowance	2.950 €	5.298 €
Costs of re-integration	282 €	504 €
Total sum:	3.232 €	5.802€

In case the company starts the recruitment process just as the employee leaves and not before and consequently does not avoid the cost of a vacancy, the re-hiring and recruiting cost will be more expensive. If we suppose that the company takes one month to replace staff with low salaries and one and a half months for staff with average salaries, the cost will amount to 5.276,10 € and 9.834,88 € respectively.

**3. Case:** The mother decided to leave the company only for 5 months because of family-friendly arrangements in the company.<sup>88</sup>

<sup>87</sup> Please note that in the calculation of this case, it is assumed that the company hires a substitute who can start immediately as the maternity leaver starts her absence, there is consequently no cost of a vacant post.

<sup>88</sup> In Italy statutory maternity leave is of a minimum of 5 months. It is not possible to take a shorter period than this.



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The mother decided to leave the company only for 5 months because the company offered her support, advice and other family-friendly measures. During the time of parental leave other staff of the company overtakes the tasks of the mother. For the different work-organisation and over-working hours the additional costs can be estimated:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Tideover allowance (through "several measures"): € 276,73 and € 402,52 respectively x 5 months	1.384 €	2.013 €
Costs of consultation and information, etc. for 5 months	415 €	415 €
Part-time offers, working time flexibility of parents etc. (this is a one-off cost)	490 €	490 €
Payment of private child care for the following 5 months <sup>89</sup>	1.500 €	1.500 €
<b>Total sum:</b>	<b>3.789 €</b>	<b>4.418€</b>

In this case tele-work has not been calculated because it would substitute child-care facilities since the mother would be at home and could at least take partly care of the child. It is clear however that the tele work offer would need to be taken for a long term period in order to be competitive with the child care offer. Indeed, 4.300 € a one-off cost would need to be set against the financing or partial financing of child care with 600 € per month maximum.

In this case the reimbursement of the company saves the maternity leaver's salary because the state welfare covers the maternity leave benefit. This covers all of the "various measures" as well as partly the work life balancing measures. The company has a net gain.

Case c	The mother decided to leave the company only for 5 months because of family-friendly arrangements in the company	
Various measures to replace employee		1.384,- €    2.013,- €
WLB (except telework)		3.905,- €    3.905,- €
Saved salary (income)	5 m maternity	6.500,- €    7.500,- €
<b>Total sum:</b>		<b>- 1.211,- €    - 1.582,- €</b>

<sup>89</sup> In Italy public child care is less accessible than private child care. The figure here is based on the average cost for full-time nurseries in Piedmont. The hypothesis is a half sponsoring by the company.



3.2.3.10 Conclusion

Case 1	Staff with lower income	Staff with average income
The person leaves the company completely (in case of vacancy of the post for 1 m and 1.5 m respectively)	3.301,- € (5.345,- €)	6.444,- € (10.477,- €)
Case 2	Staff with lower income	Staff with higher income
The person takes a parental leave for 6 months and will be replaced for this time by new staff (in case of vacancy of the post for 1 m and 1.5 m respectively)	3.233,- € (5.276,- €)	5.802,- € (9.835,- €)
Case 3	Staff with lower income	Staff with higher income
The company hires no bridging staff and the mother decides to leave the company only for 5 months because of family-friendly arrangements in the company	- 1.211,- €	- 1.582,- €

The calculation that has been undertaken for a hypothetical case of an enterprise in the non-profit sector in Italy shows that cases a and b are very similar. The substitution of a maternity leaver with a new staff member, in case she leaves, and the substitution with a fixed term staff for 6 months bear similar costs. The hypothesis is that the company replaces the person immediately and incurs no losses because of a vacancy. If that happens the costs rise considerably.

In the third case, which we calculated, the company chooses not to hire interim staff but redistributes work among existing staff members and in addition carries out measures to facilitate work life balancing for the new mother, thereby motivating her to return to the firm. In this case the company can have a net benefit. The gain is obtained because the welfare system pays the salary of the mother during the maternity leave (80%) and parental leave (30%). The calculation changes slightly but without an effect on the whole scenario if the enterprise pays the additional 20% during the maternity leave when the social partner agreement stipulates it or the enterprise chooses to do so. The third hypothesis remains in any case the cheapest because the welfare system shoulders the biggest part of the maternity leaver's salary. The amount of this benefit depends on the amount invested in work life balancing measures. If the company invests more the net gain will be less, if it invests less the gain will be higher.

It must be pointed out that the net benefit will be higher even if the company chooses not to hire any replacement staff but to continue with overtime and other measures and does not



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implement any family friendly measures. Many women would return after 5 months maternity leave because their household income is too low to allow for a loss in income. The savings through a maternity leave of 5 months, would still result in 5116 € and 5487 € for lower and average salaries. The Italian system seems to result clearly in favour for the enterprise and little advantage for the maternity leaver because the company is not forced to replace the maternity leaver.

At the same time however, the company adopts a risky behaviour in this way because it may lose the maternity leaver. In Italy almost 20% of the maternity leavers do not come back after the birth of the first child. The calculation of this cost benefit analysis shows clearly that this hypothesis results in a heavy net loss of up to 10477 € for an average staff who leaves the company. This figure must be seen in comparison to the margin that is generated by the salary reimbursement in case c): This margin would easily allow to implement family friendly measures in order to avoid losses of staff.

It must clearly be pointed out that this survey did not investigated in depth the motivations of companies to carry out or not work life balancing measures. The interviews concentrated on eliciting cost structures and entities. The interviewed enterprises all showed interest towards work life balancing measures and appreciated positive effects on productivity, atmosphere, motivation, absenteeism. Clearly there is little appreciation of the cost patterns that arise when putting into relation human resource management, maternity and family friendly measures. There seems to be the need for further awareness raising and gaining.

To conclude, we will list some examples of good practice that were encountered.

Very often these measures included high flexibility in working schedules. In some cases working time flexibility was combined with flexibility of the work place itself, i.e. the mothers could change to a different office which was closer to their home, or even more sophisticated solutions of remote working were adopted. The social cooperative ORSO, which won a national prize for equal opportunities and work life balancing in 2008 adopted a remote work model, in which work is handled flexibly between the home and the different offices that the company has in Piedmont. However tele-work is still on the whole apparently the most difficult issue and was not encountered much.

In Ferrero and in ORSO time bank model was practiced.

Transport from and to work is another important measure which the interviewed companies adopted and reported as positive. This can be a shuttle from the and to the train station, it can be funded transport, or in one case shifts were arranged so that three workers could always come in one car together from their home village thereby avoiding lengthy public transport.

Indeed, all the companies which were interviewed did stress the benefits that they derive from these measures. They comprise.

- Higher productivity
- Noticeable reduction in absenteeism
- Good atmosphere between in the company

All companies pointed out that work life balancing has a positive impact on the company climate and that this is one of the reasons to implement such measures. In human resource



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terms this was also perceived to have a direct impact on the retention of personnel and lowering the turn-over. For some of the interviewed companies (ORSO and GrafArt) this was of essential importance given the high professionalism that they seek in their staff.

Finally, it should be once more stressed that this field research cannot have the ambition of being scientific or in any way conclusive. If anything it can show that work life balancing measures and family friendly measure in particular are part of an interesting cost pattern which a company should keep in mind in its personnel policy. The fact that in many cases the question of cost-benefit was a new way of looking at things and that many types of costs had never been considered before means that there is a wide field to be covered and a lot of work to be done by the social partners.



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### 3.2.4 Results of the survey of UGT (Spain)

In the Spanish part of the survey three companies, that want to stay anonymously, took part.

The structure of the participating enterprises can be described as follows: The size of the companies varies between 129, 297 and 413 employees.

The quota of female staff varies between 10,8 - 24,6 and 74,8 %.

The part-time quota of women in all companies varies between 0-10 %. In others companies in Spain the part-time quota of women is higher.

The number of parental leavers grows with the size of the company.

With regard to the average time of return of parental leavers depends on the measures that the law establishes: 4 months mother and 15 days father. Also the mother can to compart her parental leave with the father and in that case both of them have 2 months, but it is not frequent.

The following table shows some results in detail:

**Table 1: Staff structure of the interviewed companies**

Number of staff	Quota of female staff	Part time quota of women	Part time quota of men	Average number of parental leavers per year	Average time of return from parental leave
129	10,8 %	0 %	5,22 %	2	4 months mother/15 days father
297	24,6 %	10 %	15 %	3	4 months mother/15 days father
413	74,8 %	10 %	0 %	5	4 months mother/15 days father

For the deeper look into the cost-benefit-situation on work-life-balancing arrangements the data of one of the interviewed companies shall be presented exemplarily:



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### Calculation of the basic data:

#### 3.2.4.1 Re-hiring and recruiting costs:

When one person leaves the company for family reasons the company needs to replace this person. In order to ascertain the costs the company differentiated in two income levels: staff with lower income and staff with higher income. For this situation the company presented the following data:

**Table 2: Re-hiring and recruiting costs of new staff in one of the interviewed companies**

Type of costs/expenditures	Staff with lower income	Staff with high income
Costs of vacant workplaces per month	743,00 €	1.752,00 €
Recruitment costs	156,00 €	308,00 €
Selection procedure	628,00 €	1.200,00 €
Contracting costs	189,00 €	541,00 €
Further education costs	167,00 €	1.500,00 €
Cost to acquaint someone with the new job	1.137,00 €	1.955,00 €
Cost of reduction of productivity	2.145,00 €	2.823,00 €
Other/different costs .....	0,00 €	0,00 €
Sum of recruiting costs	4.422,00 €	8.327,00 €
average duration of rehiring and re-cruiting (months)	1 month	1 month
Total sum:	5.164,00 €	10.079,00 €

\* The average duration of replace the leaving person with a new employee has been estimated with 20 days/1 month. Therefore the first row in the table needs to be added by the factor 1 in order to get the total sum.

#### 3.2.4.2 Costs of re-integration

When the person in parental leave re-enters into the company after some time, additional costs appear to re-integrate him/her later again into the company (e. g. further education costs, etc.). Under the assumption that the parental leaver is coming back after 4 months the company estimated, that 15 % of the further education costs, costs for getting into the job and costs of less productivity (see rows 6.-8. of table 2) arise, in comparison of acquainting a completely new employee with the job.

#### 3.2.4.3 Tideover allowances

Enterprises can bridge parental leaves with permanent or fix-term contracts of new staff or other measures (extra work, overtime, etc.)

- a) The costs of bridging with unlimited staff causes the same costs of search, selection and qualification and the same costs as the employment of a new external person
- b) The costs of bridging with limited contracts. Here the following estimation is relevant: The shorter the time to be bridged, the lower the expenses for recruiting replacement staff (costs



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of vacant job places, recruitment costs, selection procedure, employment costs, and further education costs.

On the other hand: The less these costs are, the higher are the costs of getting s.o. acquainted with the new job and the reduction of productivity.

The following table shows the results of the bridging cost for limited replacement staff till the time of parental leave is over in detail:

Type of costs/expenditures for lower income jobs	1 - 3 months	4 - 6 months	7 - 12 months	13 - 18 months	19 - 36 months
Costs of vacant workplaces	148,60 €	297,20 €	445,80 €	594,40 €	743,00 €
Recruitment costs	31,20 €	62,40 €	93,60 €	124,80 €	156,00 €
Selection procedure	125,60 €	251,20 €	376,80 €	502,40 €	628,00 €
Contracting costs	37,80 €	75,60 €	113,40 €	151,20 €	189,00 €
Further education costs	0,00 €	0,00 €	41,75 €	83,50 €	167,00 €
Cost to acquaint someone with the new job	1.591,80 €	1.478,10 €	1.364,40 €	1.250,70 €	1.137,00 €
Cost of reduction of productivity	3.003,00 €	2.788,50 €	2.574,00 €	2.359,50 €	2.145,00 €

Type of costs/expenditures for average income jobs	1 - 3 months	4 - 6 months	7 - 12 months	13 - 18 months	19 - 36 months
Costs of vacant workplaces	350,40 €	700,80 €	1.051,20 €	1.401,60 €	1.752,00 €
Recruitment costs	61,60 €	123,20 €	184,80 €	246,40 €	308,00 €
Selection procedure	240,00 €	480,00 €	720,00 €	960,00 €	1.200,00 €
Contracting costs	108,20 €	216,40 €	324,60 €	432,80 €	541,00 €
Further education costs	0,00 €	0,00 €	375,00 €	750,00 €	1.500,00 €
Cost to acquaint someone with the new job	2.737,00 €	2.541,50 €	2.346,00 €	2.150,50 €	1.955,00 €
Cost of reduction of productivity	3.952,20 €	3.669,90 €	3.387,60 €	3.105,30 €	2.823,00 €

In the case that the company takes “several measures”, like e. g. different work organisation or overtime of other staff in order to bridge the time out of the parental leaver the company estimated costs per month and per person vary from 400 € to 1150 €.

### 3.2.4.4 Costs of consultation and information for parents and parental leavers:

The company estimated 3 person-days in order to deliver this offers to a person.

### 3.2.4.5 Part-time offers, working time flexibility of parents

The company estimated for the development, tuning and contractual agreement of individual work schedules 450, -- € per person and per year.



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### 3.2.4.6 Teleworking for employees in parental leave

In the selected company there is no teleworking offer. In order to get an idea about costs of work place flexibility a Spanish study asses for this between 3.000,-- and 6.000,-- € per person and year.

### 3.2.4.7 Internal or enterprise supported child care

In Spain, enterprises themselves can offer child care or organize the care with support of private or public organizations. The costs of child care depend on opening times and the age of the children (the younger the children the higher the costs).

For our cost-benefit-analysis example, the child care costs per month and per child vary from 300-500 € with children under 3 years.

Calculation of the cost-benefit-relation in different case-situations:

#### **1. Case:** The person leaves the company completely

The mother or father leaves for ever because there is no possibility for her/him to meet good conditions to combine job and family. The person has to be replaced completely by new staff. The costs which are calculated in Table 2 will arise:

Type of costs/expenditures	Staff with lower income	Staff with high income
Re-hiring and Recruiting costs	5.164,00 €	10.079,00 €
Total sum:		

#### **2. Case:** The person takes a parental leave for 4 months and will be replaced for this time by new staff

Under the assumption that the mother leaves the company for 4 months and new interim staff has to be hired for this time the following costs arise

Tideover allowance:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Total sum:	4.952,60 €	7.031,00 €

In addition, for the re-integration of the parental leaver after 4 months costs of re-integration arise.

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Costs of re-integration:

According to the PROGNOS-survey after 4 months 15 % of the further education costs, costs for getting into the job and costs of less productivity (see rows 6.-8. of table 2) arise, in comparison of acquainting a completely new employee with the job. In our case this means:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Total sum:	517,35 €	941,70 €

The result in this case for both income classes are the following:

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Tideover allowance	4.952,60 €	7.031,00 €
Costs of re-integration	517,35 €	941,70 €
Total sum:	5.469,95 €	7.972,70 €

**3. Case:** The mother decided to leave the company only for 2 months because of family-friendly arrangements in the company.

The mother decided to leave the company only for 2 months because the company offered her/him support, advice and other family-friendly measures. During the time of parental leave other staff of the company overtakes the tasks of the mother/father. For the different work-organisation and over-working hours the additional costs can be estimated

Type of costs/ expenditure	Staff with lower income	Staff with higher income
Tideover allowance (through "several measures"): 400,-/1.150 € x 2 months	800,00 €	2.300,00 €
Costs of consultation and information, etc. for 2 months	600,00 €	600,00 €
Part-time offers, working time flexibility of parents etc. for 2 months	500,00 €	1.000,00 €
Payment of public child care for 2 months	508,00 €	508,00 €
Total sum:	2.405,00 €	4.408,00 €



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At the end the conclusion is very clear in this example: Family-friendly measures have no alternative.

The three interviewed companies coincided to say that it is necessary to promote the work-life-balancing from a new organization of the work that it is suppose benefits for the company and the workers. In general, the companies describe a very open communication and individual need-oriented approach to organise the work and private life.

The interviews delivered important qualitative aspect and attitudes towards work-life-balancing.

Between the socioeconomic benefits to integrate the work life balance, the interviewed companies agreed that could be the following ones:

For the enterprises:

- The work life balance improves the labour climate, by creating a good atmosphere of work, which causes that communication among the direction of the organization and the working personnel improves and the motivation in the work is reinforced. This motivation is translated in the personnel's bigger effectiveness improving the yield and the productivity as well as the quality of the product that is offered.
- The costs derived from the employee absenteeism are reduced. If the absences, delays, etc. by familiar and personal reasons that they are not predicted are to be regularized, enterprises avoid losses derived from these situations and the workers stress, etc.
- It is favourable the incorporation and permanence of women and men in the work market and takes advantage of the potential all the human capital with experience, qualification and attitudes.
- The loyalty of the groups is increased since they are satisfied with the management of the human resources of their organization. This makes that the investment made in personnel is optimized, making profitable the previous cost in the selection processes and formation.
- The corporative image of the organizations is reinforced, with a positive projection abroad that serves to attract new customers, potential workers men and women and other organizations that value not one the quality of the product or service but also other aspects like the corporative social responsibility.

For the workers:

- The stress is reduced and also the labour diseases, therefore, theirs quality of life improves influencing in their greater implication in their work.
- The labour promotion is possible in the same work organization.
- It is possible to reduce the costs derived from the attention to the dependent people of their family environment.
- The time for the development in other scopes of the life like social, political, of leisure, etc. is increased



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The companies says that the implementation of work-life-balancing arrangements will have a lot of advantages that will deliver also in the middle and long-term economic benefits, but which are difficult to express in figures and integrate into the balance sheet.

Some of the offers that the employees of the interviewed companies use are the following ones:

- The measures that the law established like parental leaves
- Flexibility of working time schedules (individually schedules adapted to the personal necessities)
- Distribution of weekly hours so that Fridays in the evening it is frees.
- Liberally dealing of private duties during the working time (e. g. medical consultations possible, organising family affairs during the working hours etc.)

Finally, the interviewed companies agreed that it is very important to continue working in order to get a better work-life-balancing in the society.

As regards the economic valuation of the study, all data presented are based on estimates made by the company interviewed.

In addition, on the other hand, it must be borne in mind that when conducting the study have not considered the costs or expenses that are incurred by the Social Security during periods of sick leave and maternity and paternity to be considered at the time to make the calculations overall cost-benefit of conciliatory measures.

However, the economic valuation of the study has proved innovative and attractive, on the one hand, by a shortage of examples or extensive experience on the quantitative aspects of conciliation and, secondly, by the results, which show significant findings, such as that further prolong the process of incorporating a person to a job increase over the total costs.



### **3.2.5 Results of the survey of Cartel Alfa (Romania)**

In the Romanian part of the survey, six companies from different branches took part (they wanted to stay anonymously):

- Furniture Company (Manufacturing Branch)
- Water Service Company (Service Sector)
- Silicon Steel producing Company (Manufacturing Branch)
- Beer producing Company (Manufacturing Branch)
- Dry-cleaning Company (Service Sector)
- Public Servantes (Service Sector).

The last company has only 10 employees and we did not take it into account as not being relevant.

The structure of the participating enterprises can be described as follows: The size of the companies varies between 180 and 1271 employees.

As regards the female staff situation, this differs by the type of activity of the company. It is interesting to notice that in three of the all five companies (furniture company, water service company and silicon steel company), activities which are more open to men, the quota of female staff is around 23%, smaller than in the other 2 companies (beer producing company and cleaning company), activities which are more opened to women, where the quota of female staff is 56% and 69%.

The part-time quota of women in all companies is around 2 %. The situation of the part-time quota of men is similar, only in the beer producing company, the part time quota of the male staff is 5%.

The number of parental leavers grows with the size of the company. With regard to the average time of return of parental leavers, this is around 2 years.



The following table show some results in detail:

**Table 1: Staff structure of the interviewed companies**

Number of staff	Quota of female staff	Part time quota of women	Part time quota of men	Average number of parental leavers per year	Average time of return from parental leave
1271	22%	3%	3%	14	2 years
815	24%	1%	1%	4	3 years and 9 months
340	20%	1%	0%	1	No data
272	56%	2%	5%	3	1 year
180	69 %	0 %	0 %	2	2 years

For the deeper look into the cost-benefit-situation on work-life-balancing arrangements the data of one of the interviewed companies shall be presented exemplarily:

**Calculation of the basic data:**

**3.2.5.1 Re-hiring and recruiting costs:**

When one person leaves the company for family reasons the company needs to replace this person. In order to ascertain the costs the company differentiated in two income levels: staff with lower income and staff with higher income. For this situation the company presented the following data:

**Table 2: Re-hiring and recruiting costs of new staff in one of the interviewed companies**

Type of costs/ expenditure	Staff with lower income	Staff with average income	Staff with higher income
1. Cost of vacant job places (per month)	100,00 €	50,00 €	400,00 €
2. Recruitment Costs	100,00 €	110,00 €	200,00 €
3. Selection Procedure	100,00 €	100,00 €	400,00 €
4. Contracting Costs	100,00 €	100,00 €	100,00 €
5. Further Education Costs	200,00 €	50,00 €	200,00 €
6. Cost to acquaint s.o. with the new job	0,00 €	0,00 €	0,00 €
7. Costs of reduction of productivity	100,00 €	200,00 €	200,00 €
8. Other/ different costs: Medical check etc.	0,00 €	0,00 €	0,00 €
Sum of recruiting costs	700,00 €	610,00 €	1.500,00 €
Average duration of rehiring and recruiting (months)*	1 month	1 month	2 month
Total sum:	900,00 €	1.010,00 €	2.650,00 €

\* The average duration of replace the leaving person with a new employee has been estimated with 1 and 2 months. Therefore the first row in the table needs to be added by the factor 1 / 1 / 2 in order to get the total sum.



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### **3.2.5.2 Costs of re-integration**

When the person in parental leave re-enters into the company after some time, additional costs appear to re-integrate him into the company (e. g. further education costs, etc.). Under the assumption that the parental leaver is coming back after 18 months the company estimated, that 25% of the further education costs, costs for getting into the job and costs of less productivity (see rows 6.-8. of table 2) arise, in comparison of acquainting a completely new employee with the job.

### **3.2.5.3 Tide over allowances**

The company takes “several measures”, like e. g. different work organisation or overtime of other staff in order to bridge the time out of the parental leaver; the company estimated costs per months and per person is average: 500,00 € (when the person leaves for parental leave for a long period of time – maximum 2 years).

There is a common situation in Romanian companies, when an employee leaves for parental leave for a short period of time (several months) his/her daily tasks are distributed to other employees, without additional costs.

### **3.2.5.4 Costs of consultation and information for parents and parental leavers:**

The company doesn't have this offer to a person.

### **3.2.5.5 Part-time offers, working time flexibility of parents**

The company estimated for the development, tuning and contractual agreement of individual work schedules 200 € per person and per year.

### **3.2.5.6 Teleworking for employees in parental leave**

In the selected company there is 500 € costs for teleworking per person and year, with the comment that this sum is for higher qualified staff.

### **3.2.5.7 Internal or enterprise supported child care**

The company doesn't offer care child support.

The legal basis is the Governmental Ordinance no. 148/2005 regarding the supporting of the family for childcare. Conforming to art. 1, the mother or father who during the last 12 months previous to the birth of the child had income and paid the taxes has the right for leave until the age of 2 years of the child or - if the child is handicapped - until the age of 7 years. The allowance is 163 Euro and is not submitted to taxation. Nevertheless, this leave is taken into account as tax contribution period.



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If the mother or father comes back earlier from the leave the allowance is cancelled but the person receive a monthly stimulant of 28 Euro until the end of the period of 2 years.

### Calculation of the cost-benefit-relation in different case-situations:

#### **1. Case:** The person leaves the company completely

The mother or father leaves forever because there is no possibility for her to meet good conditions to combine job and family. The person has to be replaced completely by new staff. The cost which are calculated in Table 2 will arise:

Type of costs/ expenditure	Staff with lower income	Staff with average income	Staff with higher income
Re-hiring and Re-cruiting costs	900 €	1.010 €	2.650 €
Total sum:	900 €	1.010 €	2.650 €

#### **2. Case:** The person takes a parental leave for 12 months and will be replaced for this time by new staff

Under the assumption that the mother or father leaves the company for 12 months and new interim staff has to be hired for this time the following costs arise, which are based on the percentages of the survey and the data of table 3:

Tideover allowance:

Type of costs/ expenditure	Staff with lower income	Staff with average income	Staff with higher income
Total sum:	180,00 €	323,00 €	530,00 €

In addition, for the re-integration of the parental leaver after 12 months costs of re-integration arise.

Costs of re-integration:

According to the survey after 12 months 35 % of the further education costs, costs for getting into the job and costs of less productivity (see rows 6.-8. of table 2) arise, in comparison of acquainting a completely new employee with the job. In our case this means:

Type of costs/ expenditure	Staff with lower income	Staff with average income	Staff with higher income
Total sum:	315,00 €	365,00 €	930,00 €

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The result in this case for the income classes are the following:

Type of costs/ expenditure	Staff with lower income	Staff with average income	Staff with higher income
Tideover allowance	180,00 €	323,00 €	530,00 €
Costs of re-integration	315,00 €	365,00 €	930,00 €
Total sum:	495,00 €	688,00 €	1.460,00 €

**3. Case:** The mother or father decided to leave the company only for 2 months because of family-friendly arrangements in the company.

The mother or father decided to leave the company only for 2 months because the company offered her support, advice and other family-friendly measures. During the time of parental leave other staff of the company overtakes the tasks of the mother. For the different work-organisation and over-working hours the additional costs can be estimated

Type of costs/ expenditure	Staff with lower income	Staff with average income	Staff with higher income
Tideover allowance for 2 months	30,00 €	30,00 €	30,00 €
Costs of consultation and information, etc. for 2 months	75,00 €	75,00 €	75,00 €
Part-time offers, working time flexibility of parents etc. for 2 months	33,30 €	33,30 €	33,30 €
Payment of public child care for 10 months <sup>90</sup>	275,00 €	275,00 €	275,00 €
Total sum:	413,30 €	413,30 €	413,30 €

The costs in this case are much less than in the case-situations of No. 1 or 2 where no family-friendly measures are implemented.

<sup>90</sup> Basis are the costs for children's care under 3 years in the two selected income classes.



## 3.2.6 Results of the survey of MSZOSZ (Hungary)

The survey was carried out at six companies by means of a questionnaire. Among the interviewed companies there were small (1), medium-sized (2) and large ones (3) as well. Three of the companies were from the service sector, one from trade and two from light industry.

The proportion of female workforce was significant in each company: 46%-94%. We found teleworking at only one of the companies, and part-time employment at two of them, but there its proportion was about 50%. As for the male workforce, none of the forms of atypical employment were characteristic. The length of the period while young mothers stay away from work depends on the extent of family-friendly measures implemented by the employer: where great importance is attached to this issue, mothers return to work as early as after one year; where it is given less emphasis, they stay away for the three years allowed by law. Where the company cannot handle the problem of parental leave at all, returners are dismissed after the expiry of the period of protection provided by law.

When conducting the survey, we used the same questionnaire as in the other countries, though some of the questions had to be reworded or omitted.

In the course of the survey it turned out that none of the companies interviewed had data on the productivity deficit resulting from absent workforce; only in one case did we receive a cautious estimate of the cost of less productivity.

Likewise, only few of them could calculate the cost of the reintegration of a returner, and only one or two were up to a further breakdown of this cost in proportion to the length of time taken off.

We could collect data on the costs of telework from only one company.

Only one company had contacts with day nurseries.

The six companies were selected partly knowingly, partly at random. To obtain reliable information on Hungarian corporate culture related to our subject it would have been unwise to seek out good examples only. We could also gain interesting information from firms having almost no family friendly policies, as they provided authentic information on the reasons for their absence. The three companies that agreed to be named in the survey are proud of their achievements and their humanitarian way of thinking so different from the management mentality that may be said to be normal in our country. In the past years, two of the three companies won the Family Friendly Workplace Award, and one of them was given the Best Workplace for Women Award last year.

The following table shows some results in detail:



**Table 1: Staff structure of the interviewed companies**

Number of staff	Proportion of female staff	Proportion of female part-timers	Proportion of male part-timers	Average annual number of persons on parental leave	Average period elapsing before returning from parental leave
205	77%	0%	0%	3	No return
827	85%	1%	0%	30	3 years
210	55%	3%	0%	18	1 year
1812	94%	57%	0.1%	230	2 years
17	94%	1%	0%	1	2 years
712	46%	46%	15%	3	3 years

For a deeper look into the cost/benefit advantages of arrangements balancing work and family, the figures on one of the companies interviewed are presented as an exemple:

**Calculation of the basic figures:**

Hiring and recruiting costs:

When someone has to leave their job for family reasons, the company will have to find a suitable person to replace them. That is often not easily done, as it is dependent on the type of job and/or the labour market situation in the given region. The cost and duration of the procedure may vary to a considerable extent.

**Table 2: Hiring and recruiting costs of new staff in one of the interviewed companies**

Type of costs/ expenditure	Staff with lower income	Staff with average/ higher income
1. Cost of vacant job (per month)	200,00 €	No data (at least 200,00 €)
2. Recruitment costs	220,00 €	500,00 €
3. Selection procedure	60,00 €	100,00 €
4. Contracting costs	40,00 €	40,00 €
5. Training costs	80,00 €	150,00 € (in some places 570,- €)
6. Costs of acquainting sy with the job	200,00 €	320,00 € (in some place more than 500,00 €)
7. Costs of less productivity	70,00 €	No data
8. Other/miscellaneous costs: medical check, etc.	0,00 €	0,00 €
Sum of recruiting costs	670,00 €	1.110,00 € (without all figures)
Average duration of rehiring and recruiting (months)*	1 month	2 months (3 months in higher income categories)
Total sum:	870,00 €	1.510,00 € (it is probably more)

\* The average duration of replacing a leaving person with a new employee is estimated with 1 month in the lower and with at least 2 months in the higher income categories. Therefore the first row in the table is added by the factor 2 in the second column in order to get the total sum.



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### 3.2.6.1 *Costs of reintegration*

When a person on parental leave re-enters his/her workplace after a certain time, his/her reintegration entails additional costs (e.g. retraining, etc.). Assuming that the returner comes back after 12 months, all the companies interviewed estimated that the costs of retraining, getting readjusted to the job and less productivity (see rows 6-8 in Table 2) are 50% of the costs of getting a completely new employee acquainted with the job.

### 3.2.6.2 *Tideover allowances*

When enterprises bridge the time of parental leave with new (permanent- or limit- contracted) employees a variation of the costs of table 2 arise, depending on the time for the interim solution. The PROGNOS survey delivers percentage changes of the costs of Table 2, depending on the time, which has to be bridged. For the calculation of this example the percentages of PROGNOS will be used. Under the assumption that the mother returns after 12 months into the company the PROGNOS survey estimates each 60 % of the costs of vacant job places, recruitment costs, selection procedure and contracting costs in comparison of hiring a new employee (rows 1 to 4 of Table 2), 25 % of the training costs and 120 % of the costs of acquainting someone with the new job and costs of reduction of productivity in comparison to hiring completely new staff for the leaving person. The ratios estimated by Hungarian respondents are similar to the ones in the PROGNOS survey, thus they can be safely used in a Hungarian context.

An employer can also solve the problem of replacing an employee on parental leave by distributing her tasks between her colleagues using different work organisation techniques, paying overtime rates and end-of-the-year bonuses in return. The amount of that depends on the level of qualification and pay. In Hungary, this remuneration is €50 at the lower end and €120 in the middle of the wage scale, or in the case of the companies interviewed it is 1.2-1.5 times the monthly pay. At only one of the companies are such costs not taken into consideration, but there they reckon with those going on maternity leave and see to their replacement well in advance, in a sort of “rotation system”.

Here we take account of only the costs that increase the personal costs saved in relation to an employee on parental leave. In our example, this amount is set as **€ 50** for those in the lower income brackets.

### 3.2.6.3 *Costs of consultation and information for parents and those on parental leave*

Here none of the companies have made a precise cost calculation. Where this “service” exists, it is provided by the HR staff in their own working time, and it takes 4-6 working days a year per person. By a cautious estimate, it may cost a company 300,- € a year per one employee on parental leave.



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### 3.2.6.4 Possibilities of part-time work and flexible working hours for parents

According to the companies interviewed, where part-time employment is possible, its organisation and administration entail no extra costs. Thus the cost of development, tuning and contractual agreement of individual work schedules is 0,- € per person and per year.

### 3.2.6.5 Telework for employees on parental leave

Of the six companies interviewed, only one offers the possibility of telework for those on child care leave who request it. It is a service company which has to provide the essential office environment for the person working from home. Here we have to take account of the yearly subscription fee of the Internet, mobile phone use, the price of a PC (one third of the retail price calculated with a three-year depreciation) and the cost of “hot desking”, which come to 2.000,- € a year. (However, a substantial proportion of these costs is also incurred even when appropriate working conditions are to be provided for the employee not at home but in the office.)

### 3.2.6.6 Internal or enterprise-supported child care

In Hungary, the majority of day nurseries are still publicly-financed small crèches (infant nurseries for children up to the age of three) and kindergartens (three to six years) whose capacity is also limited compared to needs. These institutions are free of charge for parents but there is such a demand for them that they cannot admit all applicants. Many mothers stay at home for the three years allowed by law only because they can find nowhere to put their children. Of course there are private day nurseries, too and employing baby sitters is also spreading in Hungary, but they can only be afforded by a small wealthy group of the society. When conducting the survey, we found only one company that had some sort of cooperation with day nurseries. It has a contract with a crèche and a kindergarten, respectively, which ensure places for the employees' children for a fixed yearly amount of money, and the children can stay in as long as they are fetched by their parents. The company also supports schools, not financially but in kind on an ad hoc basis, e.g., by donating equipment. Securing day nursery places costs the company 6.000,- € a year up to the age of three, which means 50,- € a month per head, and 4.000,- € under the age of six, i.e. 33,- € a month per head.

### Calculation of the cost-benefit relation in different case situations:

#### **Case 1:** The person leaves the company definitively

The mother or father leaves for good because of the lack of conditions facilitating a balance of work and family. Such a person has to be replaced by new staff. The arising costs are shown in Table 2:

Type of costs/expenditure	Staff with low income	Staff with average/higher income
Hiring and recruiting costs	870,00 €	1.510,00 € (or more)
Total sum:	870,00 €	1.510 ,00 € (or more)



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**Case 2:** The person takes a parental leave of 12 months and will be replaced for this time by new staff

Under the assumption that the mother or father leaves the company for 12 months and new temporary staff has to be hired for this time the following costs arise, based on the percentages of the PRGOGNOS-survey and the data of table 2:

Tideover allowance:

Type of costs/expenditure	Staff with low income	Staff with average/higher income
Total sum:	656,00 €	925,50 € (or more)

In addition, there arise the costs of reintegration of the person returning from parental leave after 12 months.

Costs of reintegration:

According to the PROGNOSES-survey, after 12 months a cost of 30% arises from training, getting readjusted to the job and less productivity (see rows 6-8 of Table 2), in comparison to getting a completely new employee acquainted with the job. In our case this means:

Type of costs/expenditure	Staff with low income	Staff with average/higher income
Total sum:	€ 105,00 €	€ 151,00 € (or more up to 321,-)

In this case the results for both income categories are the following:

Type of costs/expenditure	Staff with low income	Staff with higher income
Tideover allowance	656 €	925.50 € (or more)
Costs of reintegration	105 €	151,00 € (or more up to 321,-)
Total sum:	761 €	1.076,50 (or more up to 1.246,50)

**Case 3:** The mother leaves the company for only 24 weeks (= 6 months, which is the legal minimum in Hungary) thanks to the family-friendly policies at the company

The mother decides to leave for 6 months because the company offers her support, advice and other family friendly measures. During the time of parental leave other staff in the company overtakes the tasks of the person on leave. Additional costs of changes in work organisation and overtime work costs can be estimated.



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Type of costs/expenditure	Staff with low income	Staff with average/higher income
Tideover allowance (through "several measures"): €50 /120 x 6 months	300,00 €	720,00 €
Costs of consultation and information, etc. for 6 months	150,00 €	150,00 €
Part-time work, flexible working hours for parents, etc., for 6 months	0.00 €	0.00 €
Ensuring places in public child care facilities for the remaining 6 months of the year <sup>91</sup>	300,00 €	300,00 €
Total sum:	750,00 €	1.170,00 €

The costs in this case are less than in case situations No 1 or 2 where no family-friendly measures are implemented.

Taking also teleworking into account would, on one hand, appear to distort the result with its extra cost of 1.000,- € for 6 months, but if we remember that a significant proportion of that cost would arise if the employee used the same equipment in the office, to a lesser extent at the most, we can see that introducing family friendly policies is still profitable for the employer. And in this case childcare costs will be less, as it is not necessary to use and pay for full-time child care services.

Generally speaking, it may be said about the interviews and the results that though in many cases we could only rely on managers' estimates, comparing those with the data on national economy shows that they are thinking in quite accurate approximations, the sums mentioned are in place, so they are applicable.

We are aware of the fact that a survey conducted at six companies cannot be used as a serious research result like the PROGNOSE survey on 2500 companies already we have referred to, but it was definitely suitable to make an attempt and if successful, to provide a basis for a more accurate and extensive survey at a later date in the interest of the reconciliation of work and family. And in that we have succeeded.

### 3.2.6.7 Further remarks on the interviewed companies

#### Company 1 (service sector)

Though around 90% of the employees are women, there are no family friendly measures at all, and they have to regularly do overtime.

<sup>91</sup> Base is the cost of child care under 3 years.



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When somebody goes on parental leave, it is hard to find a replacement for low wages, so the company tries to solve the problem with the remaining staff. The only thing they do is that they share the savings resulting from the vacant job between them at the end of the year. The management reckons that those on parental leave won't stay after return but will be dismissed, as the management knows that their reintegration would cost a lot.

### **Company 2 (light industry)**

The management showed me their figures: they have a constant 9% of new employees (in the first 3 months), moreover, they have a constant shortage of workforce which the management claims is quite high. They can't find enough employees in the neighbourhood. They don't need skilled workers because they can train them on the job in time if they want to stay and work seriously. The wages are the same as the national average in the sector, but the work is not the easiest. Young people have high expectations, and for a young parent it is more favourable to stay at home for the longest period allowed by law (3 years in Hungary) because then she can do some extra work at home, it is hard to find a day nursery (especially in a small village) and they tend to be full.

So the management needs to be attractive for people and make efforts to keep their good workers (flexible working time, part-time work, paying attention to married couples when fixing the work schedule).

Family friendly measures entail no financial problems, they just need some organisation and coordination. The trade union helps, though the membership is low in the company (20%).

### **Company 3 – Shell Hungary Zrt. (service sector)**

Family friendly measures implemented at the company:

1. Part time work for everybody who requests it
2. Working at home – in the form “teleworking”  
Providing the conditions for teleworking – notebook, internet accessibility, mobile phone – all costs are borne by the employer
3. Flexible working time – with a core period of day to be spent at work
4. Family day at the company with entertainment
5. Mother-supporting policies
6. Extra leave without restrictions for treatment related to human reproduction
7. Santa Claus feast for the employees' children
8. Health fund provisions also for family members
9. Training for employees about company issues related to the reconciliation of work and family
10. Training for the management staff about the reconciliation of work and family
11. Management training for the managers (both men and women) on parental leave
12. Continuous and lively contacts with the women who are at home (on maternity or child care leave)
13. Flexible vacation time: the employees are free to decide when to take all their annual leave (under Hungarian legislation the employer is obliged to schedule one-fourth of the basic vacation time as requested by the employees, with the exception of the first three months of the employment relationship).
14. Career break – unpaid leave of absence for various reasons (specified by law)
15. Assistance and unpaid leave upon the death of a close relative – longer than the two working days per occurrence provided by law
16. Financial support for building or buying a home



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### 17. Gender sensitivity training – obligatory for top managers

As a result of trainings and company policies even minimal and indirect harassment is penalised immediately upon occurrence (wider protection than provided by law).

In 2007 the International Labour Organization (ILO) awarded the title “Company-Ambassador of Good Practices in Workplace Diversity” to Shell Hungary Zrt. for its efforts towards equal opportunities at the workplace.

#### **Company 4 – dm Kft. (retail trade)**

In trade it is easy to use part-time workers. Most of the staff are young women, so the management has to pay attention to their needs.

Everybody has the option of working part-time; continuous contact is maintained with mothers on child care leave. Training sessions may only be organised within the framework of normal working time; there are also events for families regularly organised.

”Family Friendly Workplace Award in 2006.

In 2007, dm won the ”Best Workplace for Women in Hungary Award.

#### **Company 5 (light industry)**

There are no further remarks.

#### **Company 6 – Győri Kommunális Szolgáltató Kft. (Communal service provider)**

“TÁMASZ Program” / “Programme SUPPORT”:

##### 1. From entry for everyone

- travel to work paid by the employer
- medical care (contract with a medical firm)
- train tickets at reduced price
- excursions, company programmes
- car wash and servicing at reduced price

##### 2. After the first 3 months of employment (trial period)

- hot meal vouchers
- wages in advance
- vaccinations (against flu, tick bite)
- presents for Women’s Day and for Christmas for trade union members
- massage and riding for sport club members

##### 3. After 6 months of employment

- contributions to voluntary pension funds
- contributions to voluntary health funds
- layette
- firewood support
- ensuring places in day nurseries
- bath season tickets for trade union members

##### 4. After 1 year of employment

- birthday presents



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- holiday vouchers
- support at the school year start
- renting tools and appliances from the company
- support for renting a flat
- end-of-the-year bonus for everyone
- social assistance and funeral aid for trade union members

### 5. After 2 years of employment

- house building support
- flats rented from the company
- vacation bonus

### 6. After 5 years of employment

- loyalty bonus

The amounts of the various supports are specified in the collective agreement for the actual year.

Part-time work and staggered working hours can be arranged. This is the company that has contracts with a crèche and a kindergarten, and supports schools, too. It provides employment for the employees' children during the summer school holiday.



## 3.2.7 Results of the survey of SOLIDANOSC (Poland)

### 3.2.7.1 Company profiles

During the realization of the project, research had been carried out in five Polish companies. In accordance with the project's specifics, companies were selected from among the small and medium sector, i.e. those employing no more than 250 people. The sole exception was Company A, which employs a total of 2595 people, who are, however, spread within the company's particular branches. The selections included servicing as well as manufacturing companies. As per their request, their names have been withheld, but their profiles can be found below (Their numerical details are contained in Table 1.)

Company A, a Polish transport partnership, supplies mass transport of people and functions in the local market. At the time of the research, it employed 2595 people, of which 14.3% were women. Women are employed chiefly in the administrative and managing department; a few women were employed as drivers.

Company B represents the food industry. The facility is part of a grand German concern and is one of world's largest producers of food in its group. Out of its 216 employees, women constitute 69.4% of the staff. They are employed primarily on the production line and in administration.

Company C is a Polish company from the private sector. This business partnership works in the tourism industry (accommodation and gastronomy.) The company functions in the local market, but provides services for wider events as well. Women constitute 69.7% of the employees, and work primarily as waitresses, kitchen staff, cleaning staff and administrative staff.

Company D is another representative of the food industry. Part of a Swedish holding, the company manufactures food. Women constitute 12.5% of its staff of 80 people. They work mostly in the company's laboratories and in the administration.

Company E is a Polish manufacturer of sub-assemblies for the construction industry. The company's products are distributed in Poland and abroad, among others, in Spain and Ukraine. 10% of employees are females. The women work in the marketing, accounting and human resource departments.

The research was conducted based on a questionnaire prepared by the project development team. The information on the companies was provided by their owners (1), CEOs (2) and managers of human resource departments (3.) The interviews were conducted between February and May 2008.



### 3.2.7.2 Situation of parental leavers in researched companies

Regarding the topic of research, it should be pointed out that in the respective companies, a relatively low number of people used their parental leaves. The annual average in the companies was between 1 and 3.5 employee. Typically, there was only one parental leaver per company. Even in Company A, employing comparatively largest number of people, there were three leavers annually. This means that parental leavers constitute a very small percentage of employees (no more than 1.61%.) Interestingly, even in the largest company, the leavers constituted just 0.13% of the staff. Therefore, there was no correlation between the size of the company and the number of parental leavers.

Of interest is the relatively long period of remaining on leave in researched companies. In most subjects of research, women chose to remain on leave for the longest possible period – 36 months. Only in one company (E) did women return to work quickly, after circa 4 months.

The staff were mostly full-time, contract employees. Only in the restaurant and the hotel (Company C) were there part-time employees, less than 20% of the staff.

Table 1. Numeric data on researched companies. Source: own studies.

Company	Employees	Women employees	Part-time quota of women	Part-time quota of men	Average number of employees on parental leaves, annually	Average length of parental leave
A	2595	372	1	1	3,5	36 months
B	216	150	0	0	1,5	24 months
C	162	113	6	16	3	36 months
D	80	10	0	0	1	36 months
E	62	7	0	2	1	4 months

### 3.2.7.3 Companies' attitude towards the issue of balancing work and personal life

The questionnaire analyzed the existence of mechanisms allowing the staff of each company to balance personal life and their careers.

With the exception of Company D, the researched companies had not introduced any specific solutions concerning the issue. All companies did, however, stress their willingness to accept any potential suggestions and ideas of the employees.

The companies pointed out that they were not making any difficulties for people choosing to use the leaves. Workers with family duties can e.g. negotiate personal timetables with their supervisors (Companies A, C, E.) In Company E, employees may work 6 hours daily and later, having consulted with their supervisors, work this time off.



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In Companies B and D, only mid- and high-level employees were given this privilege. In Company B, mid- and high-level employees were allowed flexible working hours. Those allowed could negotiate the beginning hour of the work; employees would usually begin working at 7 AM, but they could change this to 9 AM. The company would also allow for balanced working time: employees could work for a longer period between Monday and Thursday (8.5 hours) and a shorter period on Fridays (6 hours.)

In Company D, only high-level employees were able to make use of flexible hours. When required and approved, employees could make use of the “home office” concept, i.e. working outside the company. This was possible as those employees had already been equipped with portable company computers and cellular phones.

Company A allowed employees to return from parental leaves and work part-time; this, however, was not a popular choice among the employees.

The companies would also provide social benefits, e.g. by co-financing children’s holidays and purchasing gifts for children on June 1 (Children’s Day) and Christmas.

The companies introduced solutions chiefly in the organizational area, primarily by bringing elastic working hours into use. The companies have not chosen to invest additional funds into solutions allowing for easier balancing of work and life, with the exception of social activity, which is required by law.

The solutions were only used by a relatively small number of employees; they were also restricted to mid- and high-level staff only.

None of the companies were planning to introduce any additional solutions in the area in near future. Their representatives pointed out that they saw no special needs, although they did declare that any proposals from employees would be considered. It should be stressed that in small and medium-sized companies, the amount of staff taking parental leaves is minute, and therefore a single employee’s leave is of no danger to the company. The companies pointed out that they are unable to afford and organize the introduction of any more advanced solutions. With a negligible number of employees’ children, help in creating child-care facilities was not sensible. The companies could see no need to co-finance e.g. the hiring of babysitters.

The companies were willing mostly to negotiate flexible forms of work, especially working hours. The manufacturers stressed that because of shifts, these solutions are difficult to arrange with staff manning the production line. The possibility of returning from leave to work part-time is rarely a welcome choice for the employees themselves; that is the case, according to the companies, due to the fear of returning to full-time work later as well as – primarily – for financial reasons. Part-time salaries are not enough to cover the costs of hiring babysitters, paying kindergarten fees, reaching the workplace, etc.

The companies saw no possibilities of, e.g., teleworking, either. For the manufacturers, this was due to the lack of possibility to equip the workplace properly as well as the potentially high cost of such a form of employment. The services would point out that in their case, working remotely as a chef, a waitress or a driver was not possible, either. Certain forms of telework, usually being reassigned to other places, was a possible choice for some of the employees – e.g. from the accounting departments – in the companies.



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Positive initiatives worth mentioning include Company B's talks on providing additional health insurance for employees' families. Company C was considering the creation of a kindergarten, open to employees' children. This, however, was a concept far on the horizon.

It should be pointed out that in cases of specialists, the companies were willing to concede and act to keep the specialist working in the company or able to return to work sooner.

### 3.2.7.4 *Costs of finding and recruiting new employees.*

The basic thrust for a company is the reduction of employees' fluctuation. Employees' departures lead to considerable increase in the cost of the company's activity. Finding and hiring a new employee becomes the key issue. Finding good replacements is problematic and costly for companies. This situation has been undergoing changes in Poland: between 2000 and 2005, Polish job market experienced a serious crisis. There was a large supply of workers, the salaries were low as was the amount of newly created work positions, while the unemployment rate was Europe's highest; all of that led to the decrease of work value and low perceptibility of the need to keep employees among the employers. The oversupply of workers in the job market allowed employers not to experience any problems with finding replacements, particularly for vacated low-level positions. For a few dozen months, the situation has now been changing, although the companies researched have still expressed confidence that finding new employees would not be a problem.

During interviews, most employees would underestimate the cost of finding new employees, assuming that securing replacements would pose no difficulty.

The interviews were aimed at calculating the costs of hiring a new employee. The data provided by the companies would differ for each of them. It should be pointed out that most companies do not run analyses of the respective costs. The companies found it most difficult to calculate the costs of a vacated position. For most companies, those were not higher than an employee's monthly salary. For low-level employees, the costs were between 593,47 euro and 1 305,64 euro. For a mid-level position, the cost was between 890,21 and 2 967,36 euro. The highest were those of a vacated high-level position: here, the cost was between 1 335,31 euro and 5 934,72 euro.

The companies spent relatively low amounts of money on the processes of recruitment and selection. Initially, the representatives would assume during the interviews that their companies' costs were nil, since they did not employ consulting companies for those purposes. Most companies had considerable amounts of applications from potential employees and would therefore not find themselves forced to employ specific methods to seek them out. Only one of the companies would admit to use of advertisements in magazines in order to find low-level employees. Other companies would use their existing databases, advertise for free in unemployment offices or Internet directories, or via notices on their own Internet websites. The situation for mid-level recruitment was similar. The companies estimated the cost of such activities to be between 0 and 1 483,68 euro. In some of the companies, selection for mid-level positions was only internal, or used the methods mentioned above. Paid advertisements in media were more common; the use of consulting companies was rare. The widest margins of costs were in the case of recruiting high-level employees. Companies C and E stated that their costs for those purposes were none. Company A would only use paid advertisements. Companies B and D would usually contract consulting companies and pay between 4 451,04 euro and 11 869,44 euro for their services.



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The companies' estimate of the costs of selection are low. For low-level employees, they were no higher than 148,37 euro and included mostly the work of human resource departments and future supervisors of the employee. The respectively higher costs of selecting mid-level employees (up to 269,74 euro) and high-level employees (up to 1 483,68 euro) would include the work of more employees and a more advanced selection process, with a few stages of selection.

The costs needed for contracting an employee, i.e. administrative costs of hiring a new worker and equipping the work place, are moderately high, between 59,35 and 178,04 euro. In Company C, those were higher because of the need to provide working clothes for each employee (1.305,64 euro.) Interestingly, the costs of hiring mid- and high-level staff were similar or even lower than for the low-level (44,51 – 77,15 euro). For Company D, where new workers were given their personal office equipment (e.g. a laptop computer), the costs were considerably higher (1.483,68 euro).

The costs of training are relatively low. Company C would only employ people trained for work (chefs, waiters, kitchen staff) and did not plan a training budget. Usually, workers will undergo short internal training of low cost (circa 17,8 euro). Companies A and B would send workers for additional trainings to increase their skills – the costs of those were estimated at 593,47 – 890,21 euro. The attitude regarding the training of mid- and high-level staff differs between companies. Most will attempt to hire employees with highest possible skills, in order to decrease not only the cost of training, but also of introducing the employees to their new work. Some companies do not offer training for mid- and high-level staff at all (Company A, C and D.) Only Company B would invest higher amounts of money in new employees (2 967,36 – 7.418,40 euro).

The companies would also pay attention to the cost of introducing an employee into his position, including the need of increased control and supervision. Those costs can be even up to 1038,58 euro. In Company A, each new driver was given a trustee who would supervise the new employee for one month, while not conducting own work. The introduction of high-level employees, who were usually expected to adapt to the company quickly, usually generated lower costs. The analysis also encompassed the costs of lowered efficiency of an employee; this would include such issues as e.g. increased number of accidents, the cost of lack, lost know-how, etc. All companies except for Company A would notice the losses caused by this factor. For low-level employees, the costs of lowered efficiency were between 148,37 and 593,47 euro. For mid- and high-level employees, the costs would be increased and would vary between 273 and 2.967,36 euro.

The above data shows that the costs of recruitment of low-level employees vary between 308,61 euro and 2 047,48 euro, and 635,01 euro to 7 833,83 euro for mid-level employees. The greatest costs were generated by the departure of a high-level employee: between 795,25 euro and 16 439 euro.

**Table 2. Costs of recruiting employees (in euro). Source: own studies.**

Company	Low-level employee	Mid-level employee	High-level employee
A	1.929	1.083	1.009
B	2.047	7.834	16.439
C	1.756	1.668	1.662
D	1.223	1.976	13.947
E	309	635	795



The costs need to be compared to the time needed to replace an employee, since staff fluctuation is dependent on this factor to a large degree. The researched companies would usually admit that finding employees for the simplest tasks was of little difficulty.

Most companies, as mentioned previously, had already had applications from potential workers, and would use those when seeking out new employees.

**Table 3. Average time needed to replace employees. Source: own studies.**

Average time needed to fill vacated position	Low-wage employees	Mid-wage employees	High-wage employees
Company A	1 day	1 day	1 month
Company B	1 month	3-5 months	3-5 months
Company C	2 weeks	2 months	2 months
Company D	1 week	3 months	6 months
Company E	1 week	1 week	1 week

In the researched companies, finding a lowest-level employee would take no longer than 2 weeks; most companies would state that they needed roughly 1 week to do so.

For mid-level staff, the period increased and varied between 1 day and 3 months. Company A had a very large database of applicants, and so finding a replacement was of little problem for it.

All companies admitted that finding high-level replacements was the most time-consuming task, and would take between 1 week and 6 months. The companies would, however, point out that they had advance knowledge of the departures of mid- and high-level employees, and would initiate recruitment procedures early.

The recruitment period may seem very short, but, as mentioned earlier, it is influenced by the conditions that had affected the job market for many years. The research of PROGNOS in Germany shows that companies need 1 month to replace an employee of lowest qualifications, 2 months to replace an employee of medium qualifications, and 4 months to replace an employee of the highest level in the company<sup>92</sup>.

Taking all these factors in consideration, we are able to gain estimates concerning the costs of replacing a departing employee. Table 4 shows that those costs vary considerably, depending on such factors as the type of business, the situation of the local job market, the employees' salary levels, technological advancement, etc.

The lowest costs were generated by the departure of the lowest-level employee in Company E – 635,01 euro. This was due to the simple nature of the tasks performed by the company's employees and, consequently, the easy and quick possibility of their replacement.

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<sup>92</sup> Kosten-Nutzen..., p. 15.



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Additionally, the company is situated in a small town, in an area with relatively low business penetration. For the remaining companies, the costs were higher and varied from 1.459,94 euro and 2.640,95 euro. For Company B, preparing and training a new employee proved to be very costly. It should be pointed out that the costs would increase dramatically as the period of seeking out new employees grew. For instance, if Company A were to find a new employee in 1 month, the cost of recruitment would be 2.522,25 euro, and for Company E – 1 614,24 euro.

With mid-level employees, the cost of hiring a new worker varied between 1 109,79 euro and 10.878,34 euro. The data collected indicates that while companies may allocate higher funds for recruitment and the cost of a vacant position is higher, the costs of training new employees for work are considerably lower. According to the companies' representatives, seeking out mid-level employees does not generate large costs, but sometimes finding a proper replacement takes even up to 3 months.

The highest costs were generated by finding employees with highest qualifications – those varied between 1.507,42 euro and 49.554 euro. While the latter amount may be shocking, it is, in fact, Company D's genuine cost of finding a branch manager. In this case, the costs are mostly those of recruitment and the vacated position, although it should be pointed out that companies try to avoid losses caused by a vacant position or sudden replacement of an employee, by taking specific actions in advance.

**Table 4. Costs of recruiting and hiring new employees in respective companies (in euro). Source: own studies.**

Company	Low-level employee	Mid-level employee	High-level employee
A	1 947	1 114	2 344
B	2 641	10 504	20 890
C	2 135	4 398	6 409
D	1 460	10 878	49 555
E	635	1 110	1 507

As stressed earlier, the data in this analysis is of demonstrative value only. It should be pointed out that the numbers quoted may (and do) change rapidly, due to the fluctuations in the job market. More and more employers have noticed the problems with finding new employees quickly; therefore, their optimistic data regarding the average time necessary to find a replacement employee may quickly become outdated. According to the German consulting agency PROGNOSE, finding a new permanent employee takes roughly 2 months. Assuming this period as our reference, we would see the costs increase drastically (Table 5).

**Table 5. Potential costs of employee's departure (assuming that replacement is found within 2 months.) Source: own calculation.**

Company	Low-level employee	Mid-level employee	High-level employee
A	3 116	3 160	3 680
B	3 234	9 614	19 407
C	3 270	4 398	6 409
D	3 122	7 911	25 816
E	2 920	4 433	6 493



### 3.2.7.5 Costs of employee's return

An employee's return to work after a prolonged period of absence leads to additional costs, among others, the need for further training, reintroducing the employee to the position, the temporary lowered efficiency, etc.

During the research, employers were asked of their opinion of the cost of reintegration of a returning worker versus the cost of hiring a new one.

**Table 6. Comparison between reintegration of employee versus costs of finding new employee, depending on the length of leave. Source: Kosten-Nutzen, p. 17.**

Time of return	% of cost compared to that of hiring new employee
After 6 months	15%
After 12 months	30%
After 18 months	50%
After 36 months	75%

The representatives of the researched companies were very careful in their appraisal of these estimates (Table 7.) According to Company A, the length of the parental leave had little influence on the cost of returning to work: the cost of a new employee's return was merely 5% of the hiring of a new employee. The representative of Company C noted even higher disproportions between the costs: in his view, the cost of an employee's return, even after 36 months, was no higher than 2% of the cost of hiring a new employee. In Company B's case, the difference is noticeable: while for the period of 3 months, it was circa 5%, and for the period of 6 months – 15%, the reintegration after a 1-year absence was already 50% of the cost of hiring a new employee. With the 36-month period, the cost reached 80%.

The employees' skills would outdate most quickly in companies D and E, in which already after 12 months the cost of an employee's return would equal 50% of the cost of the hiring of a new employee. The cost of an employee's return after 18 months and the cost of hiring a new employee were identical.

**Table 7. Comparison between reintegration of employee versus costs of hiring new employee, according to companies' representatives. Source: own calculation.**

Time of return	% of cost compared to that of finding new employee				
	Company A	Company B	Company C	Company D	Company E
After 3 months	5%	5%	1%	0%	0%
After 6 months	5%	15%	1%	0%	30%
After 12 months	5%	50%	2%	50%	50%
After 18 months	5%	50%	2%	100%	100%
After 36 months	5%	80%	2%	100%	100%

The above estimate – while only demonstrative – proves that the earlier an employee's return is, the lower the company's costs are. Therefore, it is in the companies' own interest to introduce policies which would allow employees to return to work possibly quickly.



### 3.2.7.6 Costs of indirect solutions

Prolonged absence of an employee forces the companies to seek out indirect solutions in order to ensure stable functioning. This can be achieved by hiring new employees or using available staff (e.g. by paying overtime.)

The research conducted by PROGNOŚ proved that the costs would differ, depending on the length of the period of their use.

The companies researched would declare that when employees would take parental leaves, the first solution was to replace them with tenable staff (Companies B and D) or using the available human resource pool (Companies A, C and E.)

During the research, we attempted to establish the proportions of particular costs of an employee's return to work versus those of hiring a new employee (See appendices.) Since collecting dependable comparative data proved to be of utmost difficulty during the project, we chose to use the rates provided by PROGNOŚ for all the companies (Table 8).

**Table 8. Table 8. Comparison between costs of employee's return to work versus costs of hiring new employee. Source: *Kosten-Nutzen*, p. 19.**

Type of cost / expenditure	3 months	6 months	12 months	18 months	36 months
Cost of vacant positions	20%	40%	60%	80%	100%
Cost of recruitment	20%	40%	60%	80%	100%
Selection procedure	20%	40%	60%	80%	100%
Cost of contracting	20%	40%	60%	80%	100%
Education	0%	0%	25%	50%	100%
Cost of preparing employee for work	140%	130%	120%	110%	100%
Cost of lower efficiency	140%	130%	120%	110%	100%

The employee's return after a 12-month absence constitutes 60% of the costs of the vacated position, the recruitment, selection and contracting of a newly hired employee. After 1 year, the costs of educating the returning employee are 25% of the costs of training a new employee. The costs of preparing the employee to work and of the lower efficiency are slightly higher (after 1-year absence.)

The companies would also face the costs of other solutions, such as overtime, modified work organization, etc. In the aforementioned German analysis, the costs were between 500 and 1.500 euro per month. The companies in Poland would not find such costs – the replacement staff would usually replicate the absent employee's work for the same salary. In extreme cases, the costs would be the same as the monthly salary of the leaver. Company C estimated the cost of allowing for such actions at 5,93 euro per month (71,22 euro per 1 person, annually).



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### 3.2.7.7 *Costs of consultation and information for parents*

Companies may support their employees e.g. by helping them to develop professionally during and after leave. This, however, involves additional costs of the human resource department. The researched companies had no such costs. Assuming, however, 5-6 days being devoted annually to 1 parent, the cost in the companies would be circa 317,51 euro per year.

### 3.2.7.8 *Organization of part-time work, flexible working hours*

The researched companies, due to the limited area of use of such solutions, would not experience the costs of the issue. In Germany, those costs are estimated at 800 euro annually. Company B declared that the cost of the work of an HR department employee in this regard would be no higher than 118,70 euro.

### 3.2.7.9 *Telework for employees on parental leaves*

No researched company used telework, therefore it was impossible to estimate its cost. In Germany, telework's costs are estimated at circa 5000-7000 euro per one year. The costs differ, depending on the equipment of the work place, its distance from the company, the level of service, etc.

### 3.2.7.10 *Internal or company-supported child-care*

The companies did not support parents financially in their child-care activities. However, the estimated cost of child-care in kindergartens is between 1 068,25 euro and 4 154,30 euro.

### 3.2.7.11 *Calculation of cost versus profit in various cases.*

**Case 1.** Employee chooses to leave the company permanently.

Should employees find it impossible to combine private life and work, they may choose to depart the company after parental leave. In such cases, the need to replace them with new employee arises and companies face considerable costs, as evident in the table below.

**Table 9** Costs of employee's departure due to inability to continue working (in euro). Source: own calculation.

Company	Low-level employee	Mid-level employee	High-level employee
A	1 947	1 114	2 344
B	2 641	10 504	20 890
C	2 135	4 398	6 409
D	1 460	10 878	49 555
E	635	1 110	1 507



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**Case 2.** Employee has been taking parental leave for 12 months and has been temporarily replaced by new employee.

Should an employee choose to return to work after 12 months, the costs change. The table below is based on the values from Table 9 and calculations provided by PROGROS.

**Table 10. Costs of recruiting and replacing employee who had taken parental leave for 12 months (in euro). Source: own calculation.**

Company / cost	Low-level employee	Mid-level employee	High-level employee
Company A	1 929	1 603	1 763
Company B	1 665	6 012	9 973
Company C	1 779	2 161	2 884
Company D	1 938	3 850	12 285
Company E	1 079	1 828	2 579

Additionally, costs of reintegrating an employee after 12 months of absence, i.e. lower efficiency, etc., need to be considered. This was estimated by the employers, above.

**Table 11. Costs of reintegrating employee who returns after 12-month absence (in euro). Source: own calculation.**

Company	Low-level employee	Mid-level employee	High-level employee
Company A	97	56	117
Company B	1 320	5 252	10 445
Company C	43	88	128
Company D	730	5 439	24777
Company E	318	555	754

After adding the costs of indirect solutions and reintegration, we arrive at the costs of an employee's return to work after a 12-month absence.

**Table 12. Costs of employee's 12-month absence in company (in euro). Source: own studies.**

Company	Low-level employee	Mid-level employee	High-level employee
Company A	2 026	1 659	1 880
Company B	2 985	11 264	10 418
Company C	1 821	2 249	3 012
Company D	2 668	9 289	37 062
Company E	1 397	2 382	3 333

Furthermore, it should be pointed out that the company's costs increase in accordance with the length of the employee's parental leave. The tables below show the cost for the company in cases of the employee's return after parental leaves of, respectively, 3 and 36 months.



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**Table 13. Costs of employee's 36-month absence in company (in euro). Source: own studies.**

Company	Low-level employee	Mid-level employee	High-level employee
Company A	2 620	2 177	2 461
Company B	4 754	17 128	34 635
Company C	2 556	3 121	4 164
Company D	3 632	15 822	69 436
Company E	2 249	3 644	5 151

**Table 14. Costs of employee's 3-month absence in company (in euro). Source: own studies.**

Company	Low-level employee	Mid-level employee	High-level employee
Company A	1 729	1 177	1 298
Company B	1 266	5 309	6 777
Company C	1 065	1 334	1 797
Company D	1 713	2 766	4 688
Company E	554	1 130	1 523

Sample costs of a low-level employee's parental leave for three years can be higher than those in case of a 3-month leave even by 405.8%!

There are similarly high differences for staff of other levels. In Company D, a high-level employee's leave for such a long period would increase the costs even by 1481%!

Cost increase of an employee's parental leave for a period of 36 months, in percent (The cost of an employee's 3-month leave = 100%.)

**Table 15. Comparison of rise of costs of employee's return to work after 36 months versus costs of 3-month leave – in percent. Source: own calculation.**

Company	Low-level employee	Mid-level employee	High-level employee
Company A	51,5%	184,9%	189,6%
Company B	375,6%	322,6%	511,0%
Company C	239,9%	233,9%	231,7%
Company D	212,1%	572,1%	1481,0%
Company E	405,8%	322,5%	338,3%

**Case 3.** Employee chooses to leave company for 2 months, thanks to company's use of solutions helping to balance personal life and work

The parents choose to leave the company for only two months, since the company offers them assistance and uses solutions helping to balance work and personal life. During the parents' parental leaves, other employees do their work in the company. In that case, only the costs of modified organization of work and overtime appear. The researched companies found it difficult to provide proper data. Whenever other workers replaced an absent employee, companies would usually distribute the employee's duties among those workers in such a way as to avoid the need of further costs, so that they would be no higher than the salary of the leaver.



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**Tabel 16. Costs of indirect solutions (in euro). Sources: own calculation**

Type of cost	Low-level employees	Mid-level employees	High-level employees
Indirect solutions (x 2 months)	0-593	593-1187	593-1187
Cost of consulting and information (x 2 months)	53	53	53
Preparing and organizing work	119	119	119
Fees for public child-care facilities (12 months)	1068	1068	4 273
Total:	2 177 – 1 834	6 179 – 8 179	5 038-5632

In the third case, the costs are usually lower than in cases 1 and 2, where no family-friendly solutions were in use. The basic cost is that of providing access to child-care facilities. The cost of a child's admission to a state kindergarten in Poland is roughly 89,02 euro, although the amount may be higher if the child is provided with additional activities or admitted to a private kindergarten – in those cases it is estimated at circa 356,08 euro. Certainly, the profits from keeping an employee are no high enough to e.g. introduce the concept of remote work, but it should be pointed out that in this case, the cost of child-care will be decreased, thanks to the possibility of taking care of children personally.

### 3.2.7.12 Summary of results:

The research led to numerous interesting conclusions regarding the issue of balancing work and life. The analysis shows that not only is it advisable for a company to take actions in these matters for social reasons, but also for economic reasons.

Certainly, we are aware of the fact that the data in our analysis is of approximate use only, but it does show certain tendencies.

Primarily, it should be pointed out that few employees of low- and mid-level companies use parental leaves at all. The issue usually concerns only one person in such a company. Because of this limitation, companies have not worked out any special solutions for employees with family duties. All employers have, however, pointed out that they care about the stability of employment and the attachment of their employees to the company. Their representatives have declared willingness to meet workers' expectations, particularly concerning the organization of work. The employers were not, however, convinced as to the need to invest additional amounts of money for those purposes.

The companies have accepted the fact that the employees were taking longest parental leaves possible (36 months), due to, among other reasons, the lack of financial burdens for the workers in those cases. The employees were not interested in returning to work earlier and working part-time, because of, on the one hand, lower wages, and, on the other, their fear of later return to full-time work.

The companies which did introduce the solutions usually chose organizational ones, and their beneficiaries were chiefly mid- and high-level employees. Usually, companies would allow employees to use flexible or balanced working hours.

The employers noted the limited possibilities of utilizing other methods, such as telework. The researched companies required the presence of the employees in their work place.

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The analysis allowed us to find the economic aspects of employees' departures due to the lack of possibility to balance work and private lives. The researched companies had not conducted any analyses of this issue. Based on opinions collected during our interviews, one may notice that employer will estimate the cost of employees' leaves tentatively. The dominant assumption is that employees can be very quickly replaced and the costs of new recruitments and selections, as well as the company's losses, are small. Companies will rarely invest in the training of employees; if they do, these are mostly small amounts. For this reason, the cost of hiring a new worker are lower than in more developed countries. The companies make use of job market's supply of well-educated and experienced workers. Many companies were unable to properly evaluate the efficiency of their employees.

In spite of those remarks, it should be pointed out that an employee's departure generates costs of 635,01 euro – 2.640,95 euro for low-level employees, 1.109,79 – 10.878,34 euro for mid-level employees, and 1.507,42 – 49.554,9 euro for high-level employees. Therefore, an employee's departure will generate costs equal to his or her salary for a period of 1.5 to even 12 months afterwards. It should also be stressed that the current tendencies in the job market will lead to even higher costs, due to the need of more and more prolonged search for new employees. The research has also proven that companies will face higher costs in cases of longer periods of leavers' absences; the difference in those cases may be even 14 times higher.

The costs can be minimized if solutions helping employees to return to work earlier (e.g. after 3 months.) The costs of supporting an employee in such cases (financing child-care, flexible organization of work) are lower than those generated by the employee's absence. The companies' activity can be stimulated by the planned increase of paternal leave for up to 26 weeks. In those cases, should the company provide proper conditions, a woman may choose to return to work earlier. An incentive for the companies to provide support in the matters of child-care may appear due to the upcoming changes of Polish law, allowing companies to finance nurseries and kindergartens out of the company's own Social Fund (This concerns companies employing over 20 people.) In that case, the companies benefit in the equation. Certainly, we are aware of the fact that our analysis, while based on data gained from the researched companies, is mostly of theoretical value. However, the intention is to show a certain method of conducting analyses of costs concerning the issue of work. I sincerely hope that it will encourage employers as well as employee representatives to consider the possibilities of taking actions which will lead to meeting the expectations of part of the employees.



## 4 Evaluation and comparative analysis

A comparative view of the examples of the partners shows some similarities and differences in their cost-benefit-analysis. The similarities are:

- the type of costs and benefits which arise are similar in the partner-countries;
- the amount of the costs and benefits vary according to the income class of the employees and the branches of the companies;
- the amount of costs and benefits vary according to the type of cost-benefit-arrangements they offer to their employees;
- the conclusions which can be made from the three case-studies are similar in the partner-countries.

But there are also differences in the examples in the partner countries which have to be taken into account:

- The different parental leave regulations which lead to different situations in the countries and which have also consequences upon the cost-benefit-results (e.g. the Italian example);
- The various regulations of replacements during parental leave affect the cost-benefit-balance in the partner countries and lead to different results;
- The level of income, expenses and benefits are very much depending on the economies of the countries and lead therefore also to different levels and results with regard to the “return on investment”.

If we take those differences into account the results should be regarded only as an example for each country: the example illustrates the way how to undertake such kind of analysis on a micro-level. It shows the way how the small and medium-sized companies can make an own analysis and see the effects in their own company when they implement work-life-balancing arrangements. For this purpose, the example delivers useful results for trade unionists and other key actors in order to enhance and convince employers to implement work-life-balancing measures in their companies.

It should be emphasized that the results of those examples don't allow further comparisons or a “benchmarking” between the countries because of the mentioned differences in the contexts of the analysis. But the surveys and experiences of the partners through bilateral meetings with trade unionist and the discussions during the national seminars showed as well that there is a further interest and desire for analysis on a branch and macro-economic level in order to make possible the comparative analysis within similar contexts.

Nevertheless, each of the examples itself, showed that the implementation of family-friendly measures brings economic benefits for companies: The costs of family-friendly measures will be overlapped by the benefits which arise when the employees return earlier to their work places (see case-study 3).

As mentioned above, second case seems to be the most expensive at first glance as the companies have to find an interim solution for the period of parental leave and – after this duration – have to pay the reintegration costs for the parental leaver. But if all the costs are taken into account – that means especially the costs of loss of know-how of their qualified staff – case 1 will be always the most expensive one. It is always better for the company to keep its qualified staff, even if costs for interim solutions arise. But the most effective one



always will be case 3 where it is possible for the parental leavers to return back earlier to their work places thanks to the implementation of work-life-balancing arrangements within the company.

## 5 Conclusions and Recommendations

Trade unionists, workers' representatives and other key actors should take into account several action fields in order to improve the implementation of work-life-balancing measures and mechanisms.<sup>93</sup>

- On political level:

The influence on the political level could be made through the participation in the design of the public and legal framework in order to improve the public and cultural climate. Trade unions are traditionally the actors who try to improve *gender equality and equal chances* on the labour markets. Trade unions need to continue their efforts to promote equal opportunities, e. g. through the organization of information days and campaigns to promote gender equality and for the overcoming of stereotypes with regard to the traditional roles of men and women in the family and society. They can support and encourage the involvement of men in family responsibilities. Since Germany has introduced (like Sweden) two months' parental leave for the fathers, the country faces a very high increase of the rates of the fathers who use the parental leave. Trade unions could apply for this model in their countries and try to open a debate amongst the political decision makers.

In the context of work-life balancing it is also important to overcome the gender segregation with regard to the type of jobs and also the wage discrimination. To reach gender equality and equal opportunities it is necessary to integrate women in more stable and qualified jobs with higher earning opportunities. This would also contribute to a higher level of work-life balancing.

Trade unions try in all their activities to support in cultural, structural and financial way everything, which improves a better work-life-balancing. Particularly, the objective should be to establish in all countries a better legislation framework which promotes different forms of *work flexibilisation* (flexible work schedules, part-time work, flexible work-places, teleworking, etc.). But this means also, that trade unions need to open their own culture and need to accept not only the traditional model of full-time-employment and try to regulate this collectively, but to consider and accept the various kinds of atypical employment, which allow more individual solutions in finding a balance between work and life. This would lead also to a higher engagement of women, which are mainly affected by this.

An important political activity is also the encouragement and support of public *child care* institutions. Because of the very big need (especially for qualified women who have sometimes irregular and longer working times) the trade unions should prefer and support the integration and flexible use of public and private child care. Of special interest is the expanded establishment of family centres (e. g. in public private partnership) which offer child care, family services (incl. elderly care options) and information and consulting. But it is necessary to promote high-quality child care: the qualified personnel in the child care organisations is an

<sup>93</sup> The following conclusions are summarized on the basis of Dettling, Warnfried: Work-life Balance als strategisches Handlungsfeld für die Gewerkschaften. Düsseldorf 2004 and the individual conclusions of the project partners.



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important factor for the promotion of interests, talents, social and cognitive competencies of small children. This is an important factor for the society of tomorrow: the investment in education, care and employment will have positive effect on the quality of life and living conditions of everybody. There should be no conflict between employment and family for the women, instead we should encourage the qualified, working women to decide to have families and children.

- On the level of collective agreements

The collective bargaining gives us not only the chance to negotiate about the quantitative aspects, but also about the qualitative aspects of work. Work-life-balancing is an important element of the negotiations. Therefore the framework, objectives and action fields for a better work-life-balancing should become a subject in the labour agreements. Examples of aspects that should be taken into account in collective bargaining:

- to build up the basis for a family-friendly corporate culture
- to give work-life-balancing a central position within the personnel and organizational development
- to integrate the aspect of consideration of work-life balancing and needs of the staff in the leadership assessments
- to undertake company-based status-quo and needs analysis
- to negotiate the implementation of a system of target agreements on work-life-balancing issues
- to establish new forms of work organisation (flexibility in the duration and distribution of working time, flexibility in terms of working place, etc.)
- to implement additional services and offers for child and elderly care
- to offer information and communication services to employees about their possibilities in the legal framework and according the collective and company-based agreements
- to improve the contacts, further education and information during the parental leaves
- to promote special training and qualification programmes for reintegration of the parental leaver after the leave
- to adapt also the training and qualification programmes to the needs and possibilities of the employees (e. g. qualification modules on a part-time basis, or using of e-learning or blended learning options, etc.)
- to integrate also the fathers in the activities
- to enlarge the view not only on better reconciliation of work and family but on the balance of work and life in a broader view

- On company level:

The project results showed that work-life balancing arrangements lead to economic benefits for companies, also for SMEs: it allows parental leavers to return earlier back to the workplace. Also in a wider perspective it helps the employer to keep the high qualified staff in the work place, increases the image of the company, leads to less absenteeism of employees, higher motivation and therefore productivity. Trade unions should take into account those aspects and promote them for a higher implementation of family-friendly measures in the companies. They should try to change the traditional attitudes of employers – the employers should focus less on the presence of their employees in terms of working hours, but on the output, outcome and productivity of their work.



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On the basis of the collective agreements trade unionist and workers representatives' should try to force the implementation of different actions, for example:

- establishment of regular (e. g. annual) meetings with the employer for information about the current situation and the future plans
- implementation of company-based needs analysis: e.g. the state of measures and the company options for a better support
- initiate pilot projects (e. g. for a better engagement of fathers in family duties or special initiatives which allow part-time employment in leadership positions)

But workers' representatives themselves can take an active role and offer direct services to the employees, e. g. through on-going contacts with the parental leavers during their leaves, etc.

The concrete company-based framework and action field can be fixed in company agreements between employer and employees. This is not only possible for large companies but also for the SMEs in all branches. It is important to design the measures and base them on the needs of the company and its workers and employees.

- On local/ regional level:

In order to improve the social situation in the society the regional and local policy will become more and more important. This is due to the fact that a lot of social problems can be solved only or better on a regional/ local level. Germany e. g. (see the report of bfw in Section II) established "Local Alliances for Families" in 480 towns (April 2008) with the aim to initiate the launching of local round tables – alliances of relevant local actors capable to improve the context for family life in the regions, provinces or towns. Such networks can include all kind of actors who deal with the issues of families. In these kind of initiatives trade unionists can participate as important local actors. Apart from concrete family policy initiatives the trade unions can take active roles in other fields, like local employment initiatives, local education policy, etc. The active role in the regional and local policy will help to realize a better work-life balancing in a direct or indirect way.