

# How to use maternity leave policies to boost your EVP

A new study by Remchannel that indicates rising inequality against women over maternity leave highlights the need for South African organisations to urgently review workplace practices.



Image source: Matilda Wormwood from [Pexels](#)

The study conducted during 2021 found that while 60% of the Employee Benefits survey participants provided fully paid maternity leave for the minimum required four-month period, 24% indicated that an employee would not receive a salary during her maternity leave.

Remchannel Managing Director René Richter says the 24% amounted to a regression of 7 basis points since 2019 and could in part be due to difficult trading conditions from persistent low economic growth over several years and the sudden emergence of Covid-19.

The Basic Conditions of Employment Act (BCEA) makes provision for both paid and unpaid maternity leave, and the choice is defined by each company's maternity leave policy. The Act also makes provision for female employees to claim UIF during the period, however, it is only a portion of an employee's remuneration.

## Financial burden

Richter said: "It's important to understand that many organisations in following the letter of the law are not fully aware of unintended consequences. Unpaid maternity leave places a major financial burden on the family unit at a time when it is crucial to have access to these funds."

“The consequence of this is that the family would probably need to obtain loans, and this has a longer-term impact on financial recovery. As the major caregiver, it also, by implication, means that more than one pregnancy in a woman’s career will impact financial well-being, as well as career progression over a period of time,” she added.

Global research indicates that about 50% of women feel that their careers were negatively impacted due to pregnancy. According to the 2021 PWC Women in Work Study, progress for women in the workplace regressed to 2017 levels due to Covid-19 which saw a large number of women leave formal employment. It also found that only 5% of chief executives are women and the gender pay gap is most pronounced in the top JSE-listed companies.



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## EVP opportunity

Richter said with such stark workplace inequalities, companies were missing an opportunity to create a compelling employee value proposition that would attract and retain top female talent.

“The advantage of changing to a paid maternity leave policy will mean that women no longer have to choose between a career and having a family. They will be able to enjoy the time with their newborn baby without financial concerns,” said Richter.

“Expanding maternity leave policies and inclusive medical benefits to better serve the needs of female employees will not only lead to women feeling valued by their organisation, but it will also increase the retention of highly skilled employees and be a competitive advantage with which to attract the best talent.”

## Policy review

Richter advised that to halt the regression, corporate SA needed to start with a critical review of the current practices to identify the potential long-term impact on female employees. This review should indicate those biases that were most likely to affect the organisation; the impact of biases; and identify how the culture of the organisation could be adjusted.

In addition, Richter said companies needed to modernise their approach to hiring, promote open dialogue, and most importantly, make leaders responsible for recognizing bias and taking accountability to ensure equity, diversity and inclusion. While these measures may by implication carry an additional cost, they could be phased in.

“Although compliance with the BCEA is seen as the minimum requirement, consideration must be given to the consequences and whether the practice address inequality. It’s important that companies are aware of the often-unintended biases in order to build organisations in which every employee feels equally valued regardless of gender,” concluded Richter.

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