

Extended Parental Leave in Canada: Employer and Employee Impact and Reactions¹

■ Gaby Novoa

Parental leave has progressed over the past 50 years to help families in Canada meet their evolving needs. The most recent change took effect in January 2018, when federal policy extended parental leave from a maximum length of 35 weeks to 61 weeks. Employment Insurance (EI) total payments were left the same, now stretched across the 61 weeks to provide new and expectant parents with more flexibility.

In “Canadian Employers’ Reaction and Policy Adaptation to the Extended, 61-Week Parental Leave”² – the first study to explore employers’ responses to the latest legislative change – Rachael Pettigrew conducted interviews with 46 Canadian employers. In providing the perspective of employers, this research enhances our understanding of the contexts in which employees make their decisions as their families grow. Interviews focused on employers’ perception of the leave extension, its impact on their employees and their organization, and how the new legislation may have influenced internal policies and supplemental benefits.

KEY FINDING 1: Parental leave usage is (still) gendered

Among the employers in the study sample that had managed employees taking parental leave (44 out of 46), the vast majority (85%) reported that it was much less common for fathers to take leave than mothers. When fathers would take leave, it was usually for shorter durations (e.g. a few weeks to a couple of months).

Some employers choose to offer family-friendly benefits to supplement federal legislation, such as teleworking, flextime and parental leave top-ups. Research shows that these supplemental policies are more likely to be offered in sectors with higher proportions of female employees.^{3, 4} In this study’s sample, employers who anticipated only a few leaves were less concerned about the costs of additional benefits than employers anticipating a larger rate of usage, with perceptions varying based on share of female employees.



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With women more likely to take leave, the 61-week option could perpetuate gender bias by increasing the prolonged absence of female employees.

Pettigrew argues that the costs associated with this extended support can stigmatize hiring female employees, particularly if they continue to be perceived as the primary users of parental leave, and for longer periods. This finding upholds research that underlines feminized understandings of leave and its potential to perpetuate discrimination against women in the workforce.

In 2017, the vast majority (90%) of leave takers in Canada were women.⁵ On average, mothers in Canada take 44 weeks of leave, whereas fathers (excluding those in Quebec) take 2.4 weeks.⁶ With the majority of employees taking parental leave being



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women, extended duration of leave may simply contribute to prolonged absence of female employees, and thus risks perpetuating gender bias.

While the recent federal legislation change allows the 61 weeks to be taken by either parent or to be shared between parents, interviewed employers generally felt that the extension would not increase equal usage between parents, nor would it increase fathers' usage.

Among the employers who *do* top-up maternity leave, fewer than half also choose to top-up the parental leave available to fathers. This disparity places working dads, same-sex fathers and adoptive parents at a disadvantage. In 2018, more than 50% of heterosexual couples' household income in Canada was earned by women.⁷ Pettigrew asserts that organizational policies must progress with these evolving work-family trends to address gender inequality, facilitate increased sharing between partners and increase accessibility for all parents.

KEY FINDING 2: Financial loss is a deterrent to utilizing longer leaves

Employers reported that when presented with their parental leave options, most of their employees felt that the financial loss associated with the lower EI benefits distributed across the longer duration was too great a loss to be worth it.

Eligible employees can still choose the previous EI rate option of 55% of average weekly earnings across 35 weeks, up to a maximum of \$562 per week. With the parental leave extension, employees who choose to take the maximum leave period will receive only 33% of their weekly salary up to a maximum of \$337 per week.⁸ Longer leaves are therefore not viable for all families, particularly in single-earner households. This is especially true in workplaces without supplemental policies such as top-ups, where financial barriers are more likely to be a key concern for employees considering extended

leave (as cited by the interviewed employers). Moreover, research shows that men are more likely to take leave when they have access to a high wage replacement⁹ or a top-up,¹⁰ therefore, fathers may be less inclined to opt for the EI rate stretched over the 61-week leave.

While the unaffordability was recognized by employers, the extension was nonetheless perceived to offer flexibility at the family level in terms of child care. Pettigrew notes that the lower rate of EI across the extended duration may be a better choice for the family budget when weighed against the cost of child care services over time (primarily for households with multiple children in child care).

KEY FINDING 3: Employers cite concerns of backfilling and "serial leaves"

In discussing challenges and concerns surrounding extended leave, two key themes emerged: backfilling and "serial leaves."

Backfilling (i.e. hiring employees to replace employees who have taken leave) was cited as a central concern by nearly one in four employers (24%), the majority of whom (80%) were from the oil and gas sector. Employers contended that advertising for, interviewing and onboarding suitable new hires is difficult, especially in replacing senior roles. These employers expressed feeling deterred by the time and resources that the process of backfilling would require. However, employers from organizations with larger proportion of female employees (50% or more) were less likely to report backfilling as a concern compared with those with a smaller proportion. Six employers felt that it would be easy to find replacement hires.

The second theme that emerged when discussing challenges was back-to-back leaves, referred to as "serial leaves" by one employer. This can happen, for example, when a female employee becomes pregnant with another child while on leave and qualifies for a second term of leave. While there would not be eligibility for EI benefits for the entire duration, an organization would be required to continue to protect their job. Parental leave policy guarantees that upon return, the employee would be entitled to their previous job or a position of equivalent responsibility.¹¹ Depending on the employer's supplemental benefit policies, longer leave durations can warrant additional costs, again contributing to the concerns discussed earlier surrounding gender bias and inequality.

Among the employers who do top-up maternity leave, fewer than half also choose to top-up the parental leave available to fathers.

KEY FINDING 4: Parental leave extensions offer some benefits to employers and employees

While backfilling was a common concern, some employers nonetheless recognized its potential advantages. One employer underlines the value in replacing a position with an internal employee, as it would allow them to develop their skills and enhance their understandings of other roles and responsibilities within the organization. When backfilling with external hires, many employers (particularly those from a female-majority organization) felt that offering an 18-month contract term would be more attractive to jobseekers than a 12-month contract. Factoring in the time it takes for a new employee to adapt to the role, a longer-term hire is also seen as valuable for the organization.

On the benefits for employees taking leave, employers perceived the extension to offer more flexibility at the family level regarding child care decisions. One employer underlined that those benefiting most from the extension were not employees or employers, but the children.

Conclusion

Extended parental leave policy does not necessarily grant increased flexibility to families. Longer durations of leave may have the unintended consequence of perpetuating gender bias, since women continue to be the primary users of parental leave. Surveyed employers have not yet seen a significant uptake of the extended maximum leave option, and they expressed concerns about affordability and backfilling. Most have adapted their policies to reflect changes in the



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legislation, but only a small portion have been strategic in leveraging family-friendly policies to their advantage, as they see more challenges and costs than benefits associated with the parental leave extension.

Gaby Novoa is responsible for communications at the Vanier Institute of the Family.

Access the article “Canadian Employers’ Reaction and Policy Adaptation to the Extended, 61-Week Parental Leave” by Rachael N. Pettigrew

This research recap was reviewed by Rachael N. Pettigrew, PhD.

¹ Research recap of article by Rachael N. Pettigrew, “Canadian Employers’ Reaction and Policy Adaptation to the Extended, 61-Week Parental Leave,” *Canadian Studies in Population* 47(1-2) (April 9, 2020). [Link: https://bit.ly/39u1uv3](https://bit.ly/39u1uv3).

² Rachael N. Pettigrew, “Canadian Employers’ Reaction and Policy Adaptation to the Extended, 61-Week Parental Leave.”

³ Sue Bond, Jeff Hyman, Juliette Summers and Sarah Wise, *Family-Friendly Working? Putting Policy into Practice* (York: York Publishing Services, 2002).

⁴ Judy Fudge, “Working-Time Regimes, Flexibility, and Work-Life Balance” in Catherine Krull and Justyna Sempruch (eds.), *A Life in Balance? Reopening the Family-Work Debate* (Vancouver: UBC Press, 2011).

⁵ Statistics Canada, “Father’s Day... by the Numbers,” *The Daily* (June 2017). [Link: https://bit.ly/3aHpsD3](https://bit.ly/3aHpsD3).

⁶ Leanne C. Findlay and Daphna E. Kohen, “Leave Practices of Parents After the Birth or Adoption of Young Children,” *Canadian Social Trends*, Statistics Canada catalogue no. 1-008-X (July 30, 2012). [Link: https://bit.ly/2xruZiZ](https://bit.ly/2xruZiZ).

⁷ Dan Fox and Melissa Moyser, “The Economic Well-Being of Women in Canada,” *Women in Canada: A Gender-Based Statistical Report*, Statistics Canada catalogue no. 89-503-X (May 16, 2018). [Link: https://bit.ly/2TDAbJ1](https://bit.ly/2TDAbJ1).

⁸ Government of Canada, *El Maternity and Parental Benefits: What These Benefits Offer* (page last updated January 17, 2020). [Link: https://bit.ly/2wH17A6](https://bit.ly/2wH17A6).

⁹ Marre Karu and Diane-Gabrielle Tremblay, “Fathers on Parental Leave: An Analysis of Rights and Take-up in 29 Countries,” *Community, Work and Family* 21(3) (August 3, 2017). [Link: https://bit.ly/2xjo7UD](https://bit.ly/2xjo7UD).

¹⁰ Rachael N. Pettigrew, *Parental Leave Use by Male Employees: Corporate Culture, Managerial Attitudes, and Employees’ Perceptions* (doctoral dissertation, 2014). [Link: https://bit.ly/38Bhnp](https://bit.ly/38Bhnp).

¹¹ Government of Canada, 2020.

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