

# How to calculate the right parental leave policy



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did it. So did . And as state and local laws are updated, more companies will follow. In short: It looks like generous paid parental leave policies are here to stay. After all, fully 21 percent of large U. S. corporations offered paid maternity leave in 2015, up from 12 percent in 2014, according to a 2015 published by the Society for Human Resources.

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So, the trend seems to be set: Employers are moving toward offering more and more paid parental leave, but the unanswered question here is, how much is the right amount? Should employers extend their policies to six weeks? Four months? Unlimited?

The answer isn't universal. The right amount of leave will vary from company to company, depending on the amount of employees, the workload, the workingcultureand more. How do employers know what's right for them?

Here's where to start:

## **1. Evaluate the law.**

Finding the right amount of parental leave to offer isn't entirely up to the employer. The law has a say, too. But regulations vary from state to state and even city to city -- and they're changing.

In April, became the first U. S. city to require six weeks of fully paid leave for new parents. In addition, the state of increased the amount employees earn while on paidfamilyleave. also passed a new family leave policy requiring 12 weeks of paid leave to care for an infant or other family member, or to relieve pressure when a family member is called into military service.

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That said, the laws are quickly changing and are confusing: Employers can easily slip into noncompliance because they aren't aware of the regulations. In fact, 21 percent of those surveyed in the said they were required to comply with the Family and Medical Leave Act but did not actually offer 12 weeks of unpaid or paid leave for at least one type of covered leave.

So, where to start? When reevaluating your company's parental leave policies and deciding what is best for your organization and employees, start by knowing the minimum requirements.

*Look at local, state and federal laws to ensure that you're compliant and will avoid penalties and complaints from employees.*

## **2. Estimate the cost.**

Employees want more leave time, and they want a relationship between their work and personal lives. As it is, 1, 000 full-time employees in the United States and Canada surveyed by in 2015 rated work-life balance as the number one way companies can show employees they care; 40 percent said they wished their employers cared more about this balance.

Still, it's not that simple. There are costs to consider. Employee salaries are already budgeted for, but if these employees are on parental leave, and thus not doing their jobs, other costs loom -- to account for lost productivity, compensation for other workers for overtime, the hiring of temporary workers to replace those on leave and more.

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To get a sense of these costs, look at the length and frequency of parental leaves employees have taken in the past. Can your business afford to extend the policy? Can it afford not to?

In a of California's family leave law, women were much more likely to still be working nine to 12 months after giving birth when they've been offered paid leave -- instead of having quit while they were pregnant. These results suggest that paid leave policies can help to retain talent.

*Weigh the costs of paid leave policies, then, with the potential costs of losing an employee. Find a middle ground that your business can afford, and one that employees will be happy with.*

### **3. Gauge workloads.**

Evaluating the needs of employees on parental leave is a good place to start, but what about the employees who remain in the office? How long can they realistically pick up the slack?

When considering new paid parental leave policies, look at how responsibilities will shift when an employee leaves. Will they be split among the team? Will a temporary worker need to be hired? Look at current workloads and determine how much extra work employees will be able to handle, and for how long.

To help ease the burden of extended parental leave policies for employees in the office, consider adding resources and tools that make work easier. For example, recognition platforms like can help motivate employees taking on

extra responsibilities and keep their spirits high while team members are on leave.

The platform assists teamwork, with improved communication, instant peer feedback and contests that encourage performance. That way, even if an essential employee is on leave, team members can still function at their best.

*Weigh the interests of those who take leaves, and those still in the office. Finding a balance is critical to keeping all employees happy and healthy.*

#### **4. Analyze workforce needs.**

Parental leave policies need to be realistic, but they also need to be the right fit for employees. What do employees want? Does the policy make sense for their lifestyles?

Although thinking about employee needs sounds simple, it's a task that's often overlooked. In a survey of more than 800 full-time U. S. employees conducted by Globoforce in November of last year, 47 percent of respondents said they didn't think their company leaders cared about or were actively trying to create a "human" workplace.

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Don't let this be the story at your company. Create a workplace that values employees and gives them the time they need. That way, everyone wins. Employees will be happy, and employers will have loyal and productive team members.