

Parental Leave Toolkit

In the midst of the great resignation, companies are looking for new ways to attract and retain talent. As a result, parental leave above and beyond the legal requirements is growing as a key strategy for organisations. This document will share an overview of parental leave, showcase leading parental leave policies in Aotearoa, explain what the drivers are for implementing them and provide tips and insights for the teams involved. Parental leave describes the leave employees can take from work to care for a new child. Parental leave policies give parents time to bond with their new child and helps them adjust to their new lifestyle and schedules ([Indeed](#), 2022). You can view a summary of legislative paid and unpaid parental leave benefits currently available to eligible parents in New Zealand [here](#).

Several members supported the development of this toolkit content. The advice that follows weaves together the experiences and learnings of DB Breweries, Fonterra, Aurecon, Lion and KPMG.

Key Drivers for developing additional parental leave policies



Talent Retention:

There is consistent evidence that diverse teams and leadership deliver better outcomes and strong parental leave policies are critical to keeping female talent. According to one study, women who take paid leave are 93% more likely to be in the workforce 9 to 12 months after a child's birth than women who take no leave ([Houser & Vartanian](#), 2012)



Bringing balance:

Parental leave policies support a social shift in overcoming entrenched gender stereotypes and create a more equal share of caring responsibilities between men and women by allowing either to take leave to care for a new baby. Research has shown that more fathers are wanting equal roles at home ([Investing in Women](#), 2019) and that greater gender balance reduces the gender wage gap ([Renz](#), 2019).



Talent Attraction:

According to Ernst & Young's global generational survey, 83% of millennials said they would join a company that offered good parental leave benefits ([Renz](#), 2019).



Improved Engagement, Morale and Productivity:

Parental leave has been found in a 2016 EY study to positively impact employee morale and productivity ([Stroman](#), 2017)



Succession Planning:

Enabling employees to take their parental leave can assist in improving succession planning. For employers, the practice of employees taking leave creates the opportunity for management to test possible succession scenarios and build the skills of other employees ([Renz](#), 2019).



Enhanced Gender Diversity:

Aurecon has found that the positive impact on an organisation's gender diversity from implementing good parental leave has led to improved financial performance, a decrease in risk profile, and a rise in innovation.

An overview of implementing additional parental leave policies



Source: www.wgea.gov.au Workplace Gender Equality Agency

Top tips for Teams implementing additional parental leave opportunities/policies in your organisation

For some organisations extending parental leave policies is a challenging conversation to have with executives and boards, especially in financially constrained times. Organisations who have had success in this area have reported persistence pays off and describe engaging in multiple presentations to executives to get the policy across the line. Data on other policies in the New Zealand market can also be useful supporting material given the great resignation.

Develop a working group including an executive sponsor, as well as representatives from People and Culture, Diversity and Inclusion, Employee Network groups, Systems and Processes, Employment relations, Communications, Analytics.

Analytics:

- Do your research. Data is critical in presenting the business case to senior leaders. Members have found the following data could be useful in building your business case:
 - What do others within your industry and key talent competitors have in place. Show where you are currently positioned and where you want to position yourself. KPMG have kindly shared the template they used to model market data on parental leave for their executive ([see here](#).)
 - Start to paint a picture of your employee experience and engagement with parental leave. Employee surveys (such as engagement or exit surveys) present an opportunity to get feedback. You can also think about developing a mechanism to capture ad hoc feedback given to leaders and HR practitioners.
 - Look at organisational data on current and historic numbers of parents that have taken primary and secondary caregiver leave, retention numbers, genders, cost, as well as how many people have been promoted during or upon their return from parental leave
 - Model potential costs of new policy utilising previous years data to indicate what the additional cost would be with the new policy in place.

Employment Relations

- The ER team will support with drafting the policy to ensure all potential changes comply with legislation and that the policy ties in with your other relevant policies such as Leave, Flexible Working etc.
- Work with the working group to prepare scenario plans for parental leave and pull this into guidance documents for policy. Members reflected that a key challenge can be the number of requests that are slightly outside the initial policy scope. Aurecon made tweaks as the various scenarios were considered and landed with guidance that covered the majority of scenarios, and applied common sense to the remaining ones.

Support Services (Payroll and Systems)

- Include payroll and system teams early in the developmental process as system implementation of new parental policies can be difficult. These teams can support with designing the offering in a way that will align with current systems.
- Aurecon developed the required infrastructure, including application forms and embedding information about their 'Shared Care' policy into their organisational systems (Workday) during the consultation period.

People and Culture + Employment Relations (typically the leading work group)

- Take a slower approach thinking about your organisational values overall, as well as the experience for working parents – rather than considering things purely as the amount of leave.
- Collaborate with employees and working group stakeholders to ensure you find an holistic approach that works best for your organisation’s culture and employee makeup. You want to make sure that the offering aligns with your employee’s real world experience.
- Fonterra mapped employee experience/journey from conception to return looking at the experience and challenges at each step to build a holistic offering for parents.
- Think about scope and definitions for who is covered by the policy. The language of defining a parent and whanau is important ([Diemar, 2021](#)). Members worked to ensure language and the policy were inclusive of all families; same sex couples, surrogacy, adoption, whāngai and foster parents.
- Map all your current employee benefits and think about access to these across the parental leave journey. For example, what position do you want to take on KiwiSaver? Consider the retirement savings gap generated from women going on parental leave which is significant ([Huang & Curtin, 2019](#)). Do you have insurances that you are paying for staff? Could these be continued?

Communication

- Keeping the policy document, implementation and use as straight forward as possible with simple communication is important.
- Aurecon ran an extensive internal communications programme around ‘Shared Care’ to ensure all employees were aware of the options and how to access them. Since the launch periodic communication of the policy and employee case studies have also been shared.
- Ensure that all your relevant teams (eg. HR, People Leaders, Payroll and finance teams) have specific briefings and are ready to answer any questions staff may have. KPMG ran a range of launch events to make sure their people understood the new benefits available to them, had access to the detailed policy and a contact point to ask any questions they had.
- Connecting with those on leave is important to ensure they know about the change in policy and that you have considered the impact to them. There will always be people who miss out, so having an approach for drawing the line of implementing the new policy is important. Be upfront and set clear expectations with people that are providing their insights.

Things to consider before parents go on leave and when parents return:

- What is in place to support flexibility for employees to attend appointments and doctor visits?
- What happens with company property whilst someone is on leave (e.g., phone, car, computer).
- Bias against people who on parental leave and returning from leave can occur within talent management process. Consider how to ensure an inclusive and representative approach for those on and returning from leave.
- Consider annual remuneration processes. Depending on when a parent goes on leave, they may miss out on salary review cycles. To mitigate this, some members have an automatic salary review upon return from parental leave.
- Consider what facilities and support you have for breastfeeding mothers.

Market Comparison as at March 2022

Parental Leave Stages	Pre-Departure	Financial Support on Leave	Non-financial support on leave	Financial Support upon Return	Support on Return
		Salary topped up to 100% for 26 weeks while person receives the government paid parental leave (once they've been with us for 12 months). 10 days paid partner leave (no matter how long they've worked for us).	Can keep their company mobile phone while on parental leave at no cost (if they want -optional). Health, life and income protection insurance premiums paid throughout their unpaid parental leave.	Reinstating the rate of their annual leave 3 months after return to work (instead of the legislated 12 months).	Graduated return to work options. Paid breaks to breastfeed/express milk. A salary review once they return from parental leave. Mindfulness of parental leave during talent management reviews.
	Manager guidance to support preparation for leave and support whilst on leave. Help managers to understand process and what is available to the employee. Encourage managers to listen and ask questions of what support they need. Set of coaching questions. Ensure time is allowed for appointments. Flexibility. Central hub for employees to access support network and all resources they need.	26 weeks with top up to 100% of salary Paid partners leave 2 weeks.	The manager and employee agree an approach to keeping in touch days prior to departure.	KiwiSaver lump sum payment upon return if 12 months leave taken. Annual leave accrual at 100% from return.	Return to work with confidence programme with Emma McClean. Provide opportunity for parents returning around the same time to connect regularly.
		12 weeks full paid parental leave for all new parents within the first two years of a child's life; no minimum employment period for eligibility KiwiSaver/ Superannuation to be paid during this period			
	Parental leave toolkit, including checklist for conversations with managers and the People team. Access to Talking Talent: online coaching for parental leavers and their managers, with tailored content according to dates entered when account set up.	Paid parental leave for 14 weeks. Superannuation on paid portion and on 14 weeks of unpaid parental leave. If both partners work for Aurecon, both are entitled to paid parental leave.	Phone and laptop access. Keeping in touch days . Access to Talking Talent.	If the Aurecon employee is returning to work and their partner is caring for their child but does not have access to paid parental leave, Aurecon will pay 150% of the employee's salary for up to 14 weeks.	Gradual return to work, and part-time work available. Support form People team and managers. Access to Talking Talent, including small group coaching sessions.
	Provide budget for teams to purchase a personalised gift for those going on leave. Grace Papers provide a coaching session with leaders ahead of team members departure.	18 weeks of leave for all parents, regardless of primary or secondary distinction Flexibility to take the leave within the first 24 months.			Partnering with Grace Papers – online platform and 1-on-1 coaching

Aurecon putting Shared Care into Engineering

Operating in one of the most gender segregated industries in New Zealand, in 2017 Aurecon launched Shared Care, as part of their new parental leave policy to provide employees with genuine choice about how they balance work and caring responsibilities. Shared Care was a first of its kind for an engineering firm in Aotearoa and seeks to shift the behaviours in the industry and redirect what the future workforce looks like. The policy is inclusive of all families, including same-sex relationships and available to birth, adoptive, whāngai and foster parents.

One of the unique aspects of Aurecon's Shared Care policy is the 150% salary option, where Aurecon will pay 150% of the employee's salary for up to 14 weeks if their partner takes leave to care for the child and does not have access to paid parental leave. This aspect of the policy challenges deeply ingrained and societal norms around parental leave arrangements, by supporting an Aurecon employee who is returning to work in a situation when their partner may be restricted in caring for their child because they do not have access to paid parental leave. This option can be taken on a part time basis, and allows the opportunity for parents to trial part time work, normalising it for both men and women.

With women currently undertaking the majority of unpaid work, including childcare, and men typically assuming the role of bread winner, a key driver for Aurecon in launching Shared Care was to help disrupt the gender stereotypes for working and caring. Seeing colleagues take parental leave while still building successful careers also has ripple effects, by demonstrating to others in the business that both working and caring is possible. Shared Care has not only positively impacted Aurecon's female attrition rates and supported women's career opportunities, but it has also resulted in an increase in the percentage of parental leave taken by men. That increase demonstrates the desire of many men to play a more active parenting role. In the past, lack of policy provisions, stigma and societal norms have been a barrier to enabling men to do so, but with Shared Care, Aurecon has created a policy mandate that gives men permission to choose care as well as work.

The policy developed organically in response to feedback from employees as Aurecon gained more understanding of their employees' unique situations, during the first 12 months of having a child.



Aurecon ran an extensive internal communications programme around Shared Care to ensure all employees were aware of the options and how to access them. Since the launch periodic communication of the policy and employee case studies were also developed and shared. These initiatives were supported by the Leadership team visibly supporting the launch of the policy in both internal and external communications.

Staff feedback clearly demonstrates the benefit of developing such a policy.

"It took the financial strain out of the decision-making process when we were discussing sharing the responsibility of caring for our daughter."

"I was promoted a month before going on maternity leave, which gave me the confidence to know that my value was recognised and I was able to just enjoy my time off with my new baby. Shared Care provided an amazing opportunity for my husband to take time off to spend with our son, without a massive financial burden."

"My husband thoroughly enjoyed the opportunity to be our son's primary carer and it was lovely watching the bond between father and son grow as they spent their days together. The flexibility of the policy allowed our family to find the fit that best suited us."

Aurecon's key recommendation to those starting out on the journey: Start somewhere and build from there. Aurecon is an international engineering, design & advisory company with five offices across Aotearoa New Zealand

Whānau@KPMG – A highly collaborative journey

Whānau@KPMG is a program of revised parental support which means KPMG are offering inclusive and valuable parental support for all their people. The program focuses on creating equitable leave for all parents taking into consideration that ‘family’ needs are different for everyone. KPMG wanted the policy to support a parent regardless of primary or secondary caregiver distinction, develop a larger financial offering and enhance the people experience and employee wellbeing. You can see an overview of the policy in the table above.

KPMG engaged deeply with their people throughout this process prioritizing understanding the experiences of employees to confirm assumptions, rather than only using market data. To do this they conducted a firmwide ‘Gender Equality and Career Progression Survey’ followed by a national ‘Listening Tour’. They worked to understand the real, lived experiences of their people and what aspects of a new offering would make the biggest difference to them and their whānau. This meant engaging with stakeholders across the business from parents (current, expectant and pre-family), HR Business Partners, People Leaders, Senior Leaders and Executive Committee, Internal IDE Networks (Gender Equity and Pride), Communications, Payroll & Finance. Once the policy was in place the high levels of organizational continued with briefings for those that would require detailed understanding of the policy including; HRPBs, People Leaders, Payroll and finance teams and a range of launch events to make sure people understood the new benefits available to them and had access to the detailed policy and a contact to ask any questions they may have had.

Having been through a six-month process of engagement to develop and implement this new policy KPMG have several learnings to share. Firstly it’s important to consider what will be included in the project scope. This kind of review has the potential to be huge if there are the resources to explore it, so it’s helpful to be clear from the start on what is realistically able to get done within resource constraints and timeframes. That will enable a line to be drawn in the sand around the implementation date.



Secondly, KPMG broke the review up into 2 phases

- Phase 1 – Focus on parents and particularly opportunities around parental leave
- Phase 2 – Consider broader ‘Family’ needs to explore how you can be more inclusive and supportive of everyone’s needs

Thirdly, KPMG found a key challenge was deciding on retrospective application of the policy which required clear and honest communication to their people. They found it helpful to consider the following:

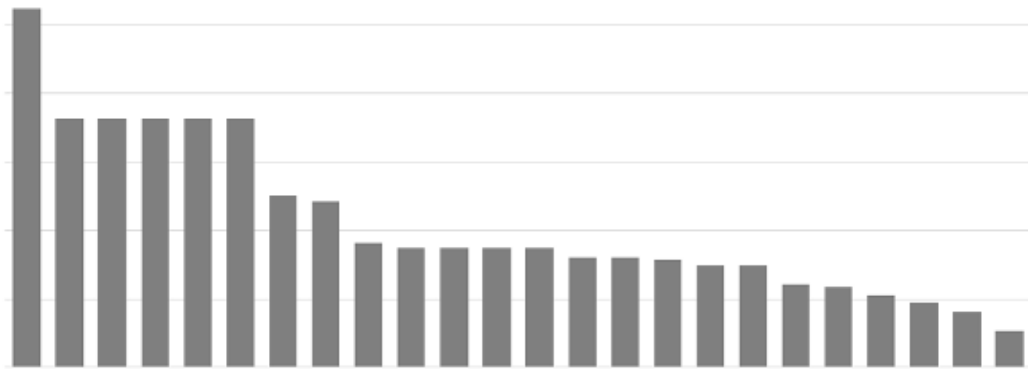
- Where is the cutoff date?
- Will people currently on parental leave or who have just returned be offered anything?
- Who will be eligible for the new offering?

KPMG’s highly collaborative approach to designing and delivering Whānau@KPMG has meant they have created an inclusive offering which provides support at a critical time in their people’s lives.

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Competitor Offerings - How do we compare?

This was a visual representation we created, to show how our core financial benefit compared to our competitors in the market. This was a particularly impactful aspect when demonstrating where we sat inline with other organisations.



Competitor Offerings - Main offering

Organisation	Eligibility	Value	Time Period (weeks)

Competitor Offerings - Other aspects

Organisation	Eligibility	Bonding	Flexibility	Coaching / Support	Super / Kiwisaver	Other Benefits	Notes