Keeping mum in the workforce

A study on the critical factors required to encourage women back into the workforce
Management Summary

The participation of women in the workforce is widely attested to be a key driver of GDP growth. In developing countries, working women can actually make the difference required to lift a region out of poverty. Women also play a vital role in sustained economic growth and are helping bridge the skills gap where this issue is holding back economic development.

How, then, can more women be encouraged to return to the workforce after maternity?

Respondents to this survey highlight that greater flexibility of working hours and location are the top two measures firms can take to ensure that valuable female staff does not drop out of work after maternity. Near-site crèche facilities, an increased use of video-communication instead of business travel and job sharing are the next most popular options. In this latest survey respondents also reveal that businesses retaining women in the workforce after maternity report improved levels of productivity.

It is a fact that women across the globe still take on the lion’s share of family and caring for children and the elderly. This means that everywhere, to varying degrees, women are juggling care duties with professional roles and often after maternity the burden just becomes too much with women opting to stay at home and save on the rising costs of childcare, rather than continue in their careers. However, since studies show that the global economy needs returning mothers to grow, businesses would be well advised to find effective methods of encouraging women to return to work, particular the flexible working conditions emphasized in this report.

Key Findings and Statistics

- Authoritative sources globally agree that the participation of women in the workforce is critical to increasing GDP, eliminating poverty and bridging an existing skills gap. But too many women are still dropping out of the workforce after maternity as child care costs and duties mount.

- In addition to this over half (57%) of respondents believe that hiring returning mothers can boost productivity as training costs are lower than hiring new employees. This confirms previous Regus research which found 56% of businesses value returning mothers for their otherwise hard to find skills and experience.

- So what can businesses do to encourage women to return to work after maternity and help drive economic growth? Respondents report that greater flexibility, near-site crèche facilities, more video-communication instead of travel and job sharing are critical.

- Fully 93% of respondents report that offering flexible working hours is the top way of keeping women in the workforce and 92% identify flexibility of location.

- 85% of respondents highlight near-site crèche facilities.

- 79% think that being given the option to reduce travel at least some of the time by opting for video-communication is the fourth most important measure.

- Two thirds (65%) believe job sharing, where two workers cover one role, can make the difference between losing valuable women workers or retaining them.

- Only 50% opt for more vacation days, highlighting that change needs to be lasting and radical to really impact the lives of returning mums and not just one-off extra rest days.
Introduction

Returning mothers are a valuable part of the labour pool, but studies also show that they play a key role in helping grow the economy of any nation. A White House Council on Women and Girls reports that if female labour participation rates for the entire country were raised to the average of the top ten states, then GDP could increase by as much as 3-4%.¹

World Economic Forum data shows that if women’s paid employment rates were raised to the same level as men’s, GDP could rise 9% in the U.S., 13% in the Eurozone and 16% in Japan.² In Australia estimates show GDP could increase by 13% or $180 billion if male and female participation rates were matched³ and in the UK alone women currently already contribute to around 30% of growth and 30% of GDP.⁴ At a time of economic uncertainty, where many developed countries are struggling to increase and maintain GDP growth against worrying levels of debt, it is evident that the participation of a key part of the workforce in growth cannot be overlooked.

Across the globe, the key role of women in the workforce is highlighted by many authoritative sources. In particular the skills gap caused by talented women graduates dropping out of the world of business is a key obstacle. In Asia, where women now account for half of graduates, the McKinsey Global Institute has projected that by 2020 the ‘high skill’ gap, a lack of degree level or similar workers, in China will reach 23 million, while in India the ‘medium skill’ gap could be 13 million, unless women workers are encouraged to remain in work for longer.⁵

McKinsey identifies the difficulty of looking after family and holding onto a job as the biggest obstacle coming between Asian women and career progression. In China, this data, combined with reports that companies identify lack of talent as a key barrier to the company’s global ambitions, makes it glaringly evident that Chinese businesses need to urgently address issues that are hindering women from remaining in the workforce after maternity. In India, Korea, and Japan, family commitments were also regarded as the primary reason for women leaving the world of work by almost half of those interviewed. Lack of child-care was identified as one of the

¹ The White House Council on Women and Girls, Keeping America’s women moving forward, April 2012
² World Economic Forum, 2011; ESCAP, 2007
³ Goldman-Sachs Economic Research, Weekly comment: Productivity, Much ado about nothing, 26 August 2011
⁴ HSBC, Maximsing Women’s participation in the GCC workforce, 2010
largest obstacles to increasing gender diversity in the workplace. 

Across OECD countries, women are estimated to spend an average 2.4 more hours a day than men on non-paid work which includes caring for the family, care for the elderly and work in the community. But this figure varies greatly between countries with Mexican women spending 4.4 hours more than men working on domestic chores, while the difference is only a just one hour in the Nordics.

In Nordic countries, often upheld as the most efficient countries in getting women back into the workforce after maternity, public spending on childcare as a proportion of GDP is particularly high (over 0.7% of GDP). Sweden also has a highly developed and flexible parental leave scheme in which the mother and the father are together entitled to up to 16 months paid leave per child, this combined with a high take up of flexible working hours, results in some of the highest levels of female workforce participation which at 73% is only 3 percentage points below male employment rates. The same percentage gap also separates men and women in Finland and compares very favourably with the OECD average of 13 percentage points. In Norway, parental leave for employed mothers and fathers publicly subsidised and lasts 47 weeks, but other measures also impact high involvement of women in the workforce with the a statutory right to paid leave to stay at home with sick children and a right to work part-time until the youngest child turns 12 among the most significant.

It is not surprising, therefore, that greater flexibility to manage their own working and personal lives was identified as a critical measure to get women back to work after maternity by the latest Regus survey canvassing over 26,000 respondents in more than 90 countries.

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1 The White House Council on Women and Girls, Keeping America’s women moving forward, April 2012
2 World Economic Forum, 2011; ESCAP, 2007
3 Goldman-Sachs Economic Research, Weekly comment: Productivity, Much ado about nothing, 26 August 2011
4 HSBC, Maximising Women’s participation in the GCC workforce, 2010
7 OECD, Better Life Index, 2012
8 OECD, PF3.1: Public spending on childcare and early education, 18.10.2012
9 OECD, Sweden’s support for parents with children is comprehensive and effective but expensive; European Union, The European alliance for families
10 OECD Better Life Index, 2012
11 OECD observer, Women in work: The Norwegian experience, Sigbjørn Johnsen, Minister of Finance, Norway, November 2012
The Research

With evidence clearly showing that the return of women to the workforce is vital to the healthy growth of any economy, it is interesting to note that even at a business-by-business level, companies believe that hiring more returning mothers can help improve productivity.

This result confirms previous Regus research revealing that 56% of businesses globally value part-time returning mothers because they offer skills and experience which are difficult to find in the current market and 72% believe that companies that ignore part-time returning mothers are missing out on a significant and valuable part of the employment pool. In addition to this, the cost of selecting and training new staff if women workers do not return to their roles can have a significant impact on operations.

As seen in Figure 1, this is a particular concern in some emerging economies such as Mexico, India and Brazil, but much less in developed economies such as Belgium, the Netherlands and the UK where social child care policies and structures are more advanced making it easier for women to choose to return to work after maternity.

12 Regus, Women’s Day, January 2011

Figure 1: Respondents that think firms would be more productive if they hired more returning mums
In order to encourage women to return to work after maternity, benefitting single businesses by saving them rehiring and training costs, and the economy as a whole, Regus asked managers and business owners what measures they thought would be most effective. The research found that flexibility over working hours and location were regarded as by far the most effective options and were selected by nine out of ten respondents as illustrated by Figure 2. Interestingly, 85% of respondents opted for near-site crèche facilities, a measure deemed less useful than allowing returning mother more flexibility with regards to where they work or when.

Fourth and fifth most important measures, regarded as critical to getting mothers back into work, were the option to choose video-communications over travel and job sharing. These measures both offer women more choice and flexibility, although they are more structured options than flexi-time or flex-location. Finally, more vacation days are only identified by half of respondents as they offer additional days of leisure and rest but are not really a help to managing work-life balance and family life on a day to day basis.

Figure 2: Top measures for businesses to keep women in the workforce after maternity
Flexible working hours are felt to be a particular incentive to returning mothers in Australia, Mexico, Canada, Germany, South Africa, the USA and the UK, where over 94% of respondents reported that this is a critical measure to help women return to work after the birth of a child (Figure 3). In Japan, China and Brazil, however, fewer respondents selected this option.

**Figure 3:** Respondents who believe that flexible working hours are critical to encouraging returning mothers back to work
Working closer to home, and therefore having some say in the location where they perform their duties, is just as important as being able to manage their own time with 92% of respondents reporting this is a critical measure to encourage women back into the workplace (Figure 4). Chinese and Japanese respondents are less likely to select this option suggesting that the culture of face-time spent in the office is stronger in these countries. On the other hand, large countries where travel across long distances is required and congestion is high such as South Africa and Mexico, top the chart.

**Figure 4:** Respondents that believe working closer to home is critical to encouraging working mothers back to work
Near-site crèche facilities were selected by 85% of respondents with peaks in Mexico and Eurozone areas such as Germany, France, Belgium and the Netherlands, as Figure 5 shows. The UK and the USA come in slightly below average. It is interesting that although a very popular option, respondents still favour greater flexibility allowing them to reach their offspring wherever they are, rather than having children closer to the place of work which may prove a non-existent benefit for workers who travel a lot or work from different locations for example.

Figure 5: Respondents who believe near-site crèche facilities are critical to encouraging women back to work after maternity
Importantly, the role of technology in working habits is also seen as a measure to encourage more working mothers back into the workforce. Video-communication, offered as an alternative to travel at least some of the time was the fourth most popular option proving particularly popular in large and traffic congested countries. As Figure 6 shows, in smaller countries, or those with better transport links, respondents were less likely to rate this option as critical to encourage women back to work. In Mexico, Brazil, South Africa and Canada this is rated as an important measure.
At its onset, job sharing was envisaged as an option for working mothers who could thereby share a single role on a part-time or reduced time basis. It is not surprising, therefore that it should feature as one of the main measures respondents selected for helping working mothers remain in the job market. Interestingly this option is favoured by a large proportion of Japanese respondents (74%) compared to the global average (65%), suggesting that this part-time option is particularly well suited to the Japanese work ethic (Figure 7). The option is also very popular in Australia, but significantly less popular in the Netherlands.

Figure 7: Respondents that believe job sharing is critical to encouraging returning mothers back to work
Overall, additional vacation days ranked much lower than other options, probably because they do not provide a new way of working but simply add some days of rest to a busy schedule. Add to this that vacation days often need to be planned in advance, and it is evident that more vacation allows working mothers much less flexibility than the previous options. Only 50% of respondents selected more breaks dropping to just over a quarter in the Netherlands and a third in France as illustrated by Figure 8.

**Figure 8:** Respondents that believe more vacation days are critical to encouraging returning mothers back to work
Conclusion

There is a strong and authoritative case for the greater inclusion of returning mothers in the workforce: increased GDP, sustained growth, bridging the skills gap and fighting poverty are just some of the benefits.

Even on a business level the benefits of re-integrating women after maternity are plenty: lower hiring and training costs, less staff turnover and even increased productivity as respondents report.

Yet the burden of family care and its cost is still high on women and families making it difficult for mothers to return to the workplace after maternity. The global workforce thus continues to lose able and trained workers with key skills and qualifications at an enormous cost to society and the economy.

So what can businesses do to help encourage women to remain in the world of work after maternity? This latest survey reveals that respondents overwhelmingly identify greater flexibility in terms of working hours and location, near-site crèche facilities, job sharing and more video-communication as measures that can help women remain at work after starting a family. As working habits globally evolve in favour of greater flexibility, this research suggests that changes in working life are particularly urgently required for returning mothers, a category of workers that can most benefit from greater flexibility.
Country Highlights

**UK**
- 95% of respondents think that flexible working hours some or all the time are critical to encouraging more women to return to work after maternity.

**USA**
- 86% believe that flexibility to choose video-communication over travel at least some of the time is critical to encouraging more women to return to work after maternity.

**France**
- Only 33% think more vacation days are critical to encouraging more women to return to work after maternity.

**Germany**
- 96% of respondents think that flexible working hours some or all the time are critical to encouraging more women to return to work after maternity.

**India**
- 65% of respondents believe that firms would be more productive if they hired more women returning to work after maternity.

**China**
- 67% of respondents believe more vacation days are critical to encouraging more women to return to work after maternity.

**Belgium**
- 93% of respondents believe that the option to work closer to home at least some of the time is critical to encouraging more women to return to work after maternity.

**The Netherlands**
- Only 26% think more vacation days are critical to encouraging more women to return to work after maternity.

**Brazil**
- 88% believe that flexibility to choose video-communication over travel at least some of the time is critical to encouraging more women to return to work after maternity.

**South Africa**
- 87% believe that flexibility to choose video-communication over travel at least some of the time is critical to encouraging more women to return to work after maternity.

**Japan**
- 63% of respondents believe more vacation days are critical to encouraging more women to return to work after maternity.

**Australia**
- 59% of respondents believe that firms would be more productive if they hired more women returning to work after maternity.

**Canada**
- 95% of respondents believe that the option to work closer to home at least some of the time is critical to encouraging more women to return to work after maternity.

**Mexico**
- 67% of respondents believe that firms would be more productive if they hired more women returning to work after maternity.
Methodology

Over 26,000 business respondents from over 90 countries were interviewed during January 2013

These were sourced from Regus’ global contacts database of over 1 million business-people worldwide which is highly representative of senior managers and owners in business across the globe. Respondents were asked which measures they thought were critical to encouraging returning mothers back into the workforce as well as some more general views on returning mothers in the workplace.

The survey was managed and administered by the independent organisation, MindMetre, www.mindmetre.com

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About Regus

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Over 1,000,000 customers a day benefit from Regus facilities spread across a global footprint of 1,500 locations in 600 cities and 99 countries, which allow individuals and companies to work wherever, however and whenever they want to. Regus was founded in Brussels, Belgium in 1989, is headquartered in Luxembourg and listed on the London Stock Exchange.

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