



I frequently write in this space about the pressing need for talent development and ongoing training—not just of new and younger hires, but also of tenured people and middle management. The benefits of this are myriad, not the least of which is that training is one of the most effective ways I know of reducing turnover and retaining your best.

This year, I wanted to examine retention from a different and under explored angle: Paid Parental Leave. Like training, parental leave offers significant benefit to your company beyond the short-term value to your employees. Offering generous perks to employees who prioritize family (don't most of us?) is an excellent recruitment tool (especially for millennials). Just as importantly, paid parental leave policies offer a way of differentiating yourself from the industry at large, increases diversity, creates a culture of support, and enhances loyalty among your employees. It delivers long term benefits to your company's bottom line by cultivating and retaining your human capital and the contribution of their experience and knowledge for years.

In 2017 Women (and Men) Shouldn't Need to Choose Career or Family

This past October at ELFA's annual conference I was sitting next to an executive of a large international captive on our way to the ELFA sponsored Habitat for Humanity build. When he found out I was a recruiter, he asked me about a vexing problem they have. Despite conscious efforts to diversify their hiring practices by bringing in roughly equal numbers of men and women in junior roles, they had noticed that men still overwhelmingly dominated their management hierarchy. I asked, "What paid parental leave policy do you have?" Unsurprisingly they had none. Without paid parental leave women are significantly more likely to leave the work force after starting families. At best, this can derail their career ambition and stall their professional development. At worst, they never rejoin the industry. The opportunity cost that is represented by the loss of half our talent pool cannot be overstated. When a company shows a new mother the door they obviously need to hire and train a replacement, which costs money as well as being time intensive. In addition, the company loses the value that employee had been providing for years. Irreplaceable experience and knowledge is gone. Back to the executive that kicked off the story: as an international captive they offered a clear control group that demonstrated the value of parental leave. Most of their operations take place in countries where it is required to offer paid parental leave (the US is unique in the world because it does not mandate this commonsense policy). "How do the US operations compare to Canada?", I asked. He told me that while it was not exactly the ideal 50/50 split they strive for, it was substantially better than in the US. This company's conscious efforts to achieve diversity are being undermined by its own policies.

Let me tell you about my own life. My wife, Jess, and I are tired of Teri (she says "Hi!" to everyone) nagging us for grandbabies. We are both committed to our careers and excited about the possibility of raising a family. Even so, there is an unfortunate but unavoidable tension between those two goals-a tension that would be absent if there were substantial parental leave benefits available to either of us. In the four years Jess has been working, she has been recruited or promoted on average once every nine months or so. She is currently one of the leaders on a team redesigning the website her

company relies on to generate most of its revenue-and which gets over 100mm page views a month. Every person reading this newsletter has used this site at least once, if not every day. She has priceless knowledge and insight into this company's needs and goals and how they influence the company's brand and design aesthetic-she is essentially irreplaceable. When she began her career she had 12 weeks paid leave-now it's half that. Research suggests that insufficient leave is better than no leave, but that new mothers still leave at undesirable rates. Though she is committed to her career, there is no knowing for sure what the first few months of our child's life will be like. And more importantly, why should she even be forced to make this choice? Why are we balancing what might be best for our children against the possible loss of her income (and it's almost always "her" income)? Now, we're lucky. We can afford childcare and we have loving and supportive family I suspect we'll eventually have to kick out of the house (and make sure they didn't sneak the baby in their bag) that will stay with us and help us. Not everyone has our luck.

You'll notice that I have not used the words "maternity leave". Research suggests that women who have children are seen as less committed to their work, while men with children are seen as MORE committed. Men typically earn more when they have families, while women typically earn less. There are dozens of subtle and not-subtle pressures on women in our society to drop out of the work force when they have children. The absence of parental leave policy disproportionately hurts women because they are still viewed as de-facto caregivers, but we all suffer from the consequences. To state the obvious: fathers need time with their newborns too. Providing parental leave relieves some of the pressure on women. Leave policies available to fathers is correlated with an increase in their wives' income as well as fostering better relationships between fathers and their children. And a parental (not maternal) policy ensures you don't discriminate against your LGBTQ employees everything I've said about heteronormative relationships is true for families led by gay parents. And it's important to realize that leave policies allow new parents to help each other and create a more stable household, enabling both parents to be more productive when they do return to work.

I'm sure that many of you are reading this, chuckling to yourself that this is a lovely idea but that it is surely cost-prohibitive so I should take my Pollyanna attitudes back to the

campfire. But the fact of the matter is that this policy has limited front-end costs while providing substantial back-end benefits and profits. When Google increased leave from 12 to 18 weeks they lost 50% fewer new moms. They found that their bottom line improved as a direct result because they avoided costly turnover while retaining the "valued expertise, skills, and perspective of our employees who are new mothers". As for cost, when California mandated parental leave, more than 90% of businesses surveyed reported either positive or no effect on Page 4 of 4 profitability.

I haven't discussed this at length, but it bears emphasizing: paid parental leave is one hell of a recruiting hook. Everyone asks me the best way to recruit, and then retain, millennials. Take it from one: if you want a loyal employee, don't just be the company who makes a career possible, be the company that makes a family possible. You'll have an employee for life.

All stats were sourced from:

<http://www.businessinsider.com/scientific-proof-paid-parental-leave-is-good-for-everyone>

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A handwritten signature in black ink, appearing to read "Gerson".

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