

## The Business Case for Paid Leave When it Matters the Most

By **Jennifer Anda**

In the hyper-competitive and relentless chase for top talent, firms are compensating with attractive salary and bonus packages and perks, but how many are compensating for time? Ignoring the value of time is leaving companies' recruitment efforts with gaping holes on the retention side, with unintended repercussions to productivity and culture. Drawing on the experience from a prolonged pandemic and the many painful life moments that so many have had to bear, many commercial real estate organizations are revisiting their approach to paid leave. Firms and their leadership are learning that inclusive paid family and medical leave policies are a key element to building more diverse, innovative and resilient organizations.

The lack of a national paid leave program in the US results in a patchwork of policies that only cover 20 percent of private sector workers and 26 percent of state and local government workers. While there are reasons to be hopeful as companies respond to the overwhelming support for paid leave among employees, still only 40 percent of U.S. companies offer paid paternity leave.

Paid leave isn't just good for employees, it's good for business.

### **Paid leave boosts recruitment and retention**

The pandemic exposed the many cracks in the caregiving foundation, and many businesses are now recognizing the business case for good caregiving.

With more than four million Americans quitting their jobs in April, a record high according to the Labor Department, the "Great Resignation" is poised wreak havoc on businesses that are just recovering. Quantitative research and anecdotal evidence reveal that paid leave supports talent recruitment and retention. This issue is especially important for companies striving to recruit younger generations who not only care about paid leave more than previous generations, but also care deeply about how organizations support employees and help solve societal challenges.

Employees who aren't distracted by health and caregiving challenges at home are more productive and engaged, too.

### **Maternity leave doesn't support caregivers equally**

Despite a company's best intentions, when paid leave



Photo: Getty Images

policies are narrowed to just maternity leave, it reinforces the social structure that perpetuates damaging caregiver stereotypes. This in turn contributes to a lack of women in leadership and gender pay gaps. Moreover, LGBTQ+ employees and their families are left behind.

By early 2020, women made up a little more than half of the U.S. workforce. Increasingly, these women are also the sole or primary breadwinners in their family, with a growing number of married women out-earning their husbands.

This trend corresponds with other social shifts. In 2016, dads overall reported spending an average of eight hours a week on childcare, about triple the time they spent in 1965. At the same time, same-sex adoption is on the rise. Among same-sex couples raising children, 19 percent had at least one adopted child in 2020—up from just 8 percent in 2000. The data is clear: maternity leave policies just don't cut it in the modern workforce.

### **Inclusive paid leave policies support diversity goals**

It's long past the time that the CRE industry recognizes that a wider range of perspectives leads to better decision making and client outcomes. But this isn't enough—CRE companies must also put in place policies that equally support this more diverse workforce, including female, male and nonbinary employees.

We believe this will prove to be one of the most important employee benefits in the next decade and will play an integral part in employee recruitment and retention strategies.

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