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Australia

The business of looking after the family

Only if they act responsibly towards the family can businesses and society at large thrive.

Anyone listening to business leaders these days, or simply doing the weekly shopping at the supermarket, can hardly miss the impact that the "green" movement is having on the production and marketing of goods. For decades, businesses washed their hands of their impact on the environment, but this attitude has changed recently. There are rules, quality certifications and laws that have made businesses more aware of their responsibility to the environment and the need to preserve the earth's natural resources in our own interests and for the sake of future generations.

Now it is time for the world of business to wake up to the negative effects it is having on the human environment. Too often companies are polluting their own organizations and society through practices that prevent employees from fulfilling their duties as husbands and fathers or wives and mothers. Such practices weaken the family unit, the natural habitat of every human being and the only "farm" that produces human and social capital.

The relationship between work and family life is at the heart of one of the greatest debates of our time. The problems involved are often seen as arising from discrimination against women, but they really stem from a much larger problem: the dehumanization of society. There is a great need for stable families and family-responsible businesses if we are to humanize society and build the necessary and sustainable economic, human and social capital.

The English-speaking world is familiar with the term, "family-friendly" business. At the IESE Business School we have coined the term "family-responsible business" to stress that we are not merely proposing an amicable relationship with the employee's family, but rather a response to the changing needs of the employee at every stage of his personal and professional development.

The feminine revolution

Western society is living a cold demographic winter. For decades the birth rate has not reached 2.1 children per woman of a child-bearing age— the minimum required for a positive birth rate. Without children there will be fewer producers and consumers and, should this trend continue and be pushed to the extreme, society could die out.

This demographic winter is directly related to the fact that women have entered the workforce en masse and find themselves in a rigid business model that was conceived by men and for men at a time when there were strict gender roles for both men and women: women spent their time at home while men were dedicated full time to working outside the home. The business context in which we live, does not help one to be a father, mother or spouse. Surveys show that as much as 80 per cent of couples do not have the number of children they would like, mainly, they say, because of lack of time and money.

Understood in the good sense of the term, the "feminine revolution" benefits both women and men -- women, because it is good for them to contribute their knowledge and values to society without having to sacrifice being wives and mothers; and men, because it helps them "return home".

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At the moment, however, we are at an impasse. Women have left the home to contribute their feminine vision to the workplace, but men still have not entered the home with their skills and their way of seeing and living life, as husbands, fathers or as people who are equally responsible for the home. (I am referring to the sociological tendencies, naturally, not to specific persons, as I am sure that there are many exceptions and I would not like to commit gross injustices to these individuals.)

The current situation is unsustainable. Two-thirds of women feel they are working "double shifts", and one-third of them feel they are the only ones trying to keep the family going. If there is no time for family life, not only does the number of children decrease, but the father and mother figures are missing and healthy habits are not developed. It is common today for families to have only one child, or for each child to have his own room full of all the latest technological gadgets, which he or she uses without filters or limitations in an empty home. It is through these gaps in a child's life that the new principles of the consumer society enter, where "what I want" supplants "what is best for me". The overemphasis on children's material needs and knowledge, whereby they are given everything they want before they actually need it, can have very negative effects on them: they become spoiled tyrants, incapable of sharing and demanding before they give anything. They enter the workforce with an irreproachable CV but completely lacking in basic human skills.

Neither business nor society at large can remain viable without healthy family life. As economist and Nobel Prize winner Gary Becker says, the family is the best ministry of social affairs. It provides the greatest scope for solidarity and generosity, its members loved and accepted as they are, simply because they exist. Relations between family members are usually caring; they are generally forgiven, protected and looked after – even when work, friends or health may fail. It is impossible to create any other social organization like it. Society thrives on this nucleus of civic guarantees and source of irreplaceable values. The family is also important to businesses. It is the first "school" where people learn and develop skills that are also necessary in the workplace -- in the first place, the ability to commit oneself and form healthy and lasting ties with others. Other skills are also acquired, such as the ability to work as part of a team, to empathise, delegate, communicate, organize and focus on "the customer". Thus, the time one spends with his or her family is of crucial importance for businesses.

Valuing work in the home

How can we create a healthy and fruitful relationship between the realms of family life and business?

The first step is for both men and women to make the home their first business priority, in their hearts and minds as well as in their timetable. Given that families need work more than work needs the family, it is far too easy for the strict, goal/incentive/sanction-driven workplace to impose itself on the more flexible and understanding family. Work is like gas fumes that permeate every nook and cranny of our lives and end up filling the entire space if there is no containment wall in place. It is necessary to make the time and effort to control one's life and build a home.

Secondly, we need to revise our concept of work so that it includes and properly values work done in the home. In our current cultural climate, women who devote themselves to working entirely to the home are, in most cases, severely questioned and undervalued -- even by their own children, who have been influenced by the economically driven worldview the media and the rest of society has fed them. Any unpaid service is work, even if it cannot be classed as a job. If domestic labour were taken into account economically, the GDP in Spain would increase by 33 per cent; if a housewife were remunerated for her labour at market price, the GDP in Madrid would increase by 55 per cent.

We should promote social and economic measures that will make it feasible to freely choose housework as a professional option. The government should work with the business sector to facilitate these goals, in which they have a common interest since the state would otherwise be forced to spend more of its resources on social needs and raise more taxes. I refer here to child care, homes for the elderly and the consequences of increased juvenile delinquency and addictions as a result of the absence of parents. Furthermore, there is strong evidence suggesting that forcing a single parent to work outside the home greatly increases the poverty of her family.

One way in which the business sector could help put an end to the discrimination against women carers would be to consider the years spent at home as years spent working, rather than as unemployment. This time should be viewed as positive experience when returning to the labour market once the circumstances have changed, without her losing benefits. Formal training in housework would help its recognition as professional work in a CV, and other courses could facilitate re-entry into the workforce after an extended leave.

Maternity and paternity leave

Men and women are different. Through neuroscientific research, it has become evident that genetic differences between men and women are to be found not only on a biological level, but also on a psychological and anthropological level. If we are to achieve synergies between men and women in the workplace, we must make their differences and potential for complementarity our starting point. Studies on the productivity of managerial teams show that businesses with more than three women on the board of directors have 30 per cent more earnings than businesses that only have men on the board.



Because man's role in the family has been historically linked to that of the provider, they have not always developed their responsibilities as husbands and fathers. Man's other role in times past was war, but the most important war he needs to wage now is to defend society in its inner core: the family. In order to win this battle, he must exercise his role in the family.

Paternity leave is a very positive practice because it allows men to "come into the home" to live in it and enjoy it so that later both husband and wife may decide who is going to do what and how. This is a great opportunity for fathers, more than for newborns, to get involved and engage more in family life.

On the other hand, it would be convenient, even for businesses, for maternity leave to be extended in many countries in the European Union. Short maternity leaves make it difficult for companies to find a replacement; as a result, the mother's workload is often left to her colleagues. Should the same employee ever become pregnant again, rather than share in her joy, her co-workers may see her selfish as for neglecting her duties at work and dumping them on her fellow workers.

If the woman is out for a year, however, as has become common in many countries, the business will have to find somebody to substitute for her. This first year is crucial for children and when they need their mother most (even though neurologists affirm that the mother's presence is better for the child during this time, each family has its own needs and ways of organizing themselves).

Historically, there have been cases of discrimination against women based purely on gender. These injustices had to be eliminated, but it has become evident through our investigations at IESE that the biggest injustices are still taking place regarding maternity leave. That is to say, women are still being discriminated against simply because they have or are able to have children. In many cases, laws that obliged employers to make schedules more flexible in order to accommodate mothers did not have the budget to pay the related costs and ended up not benefiting mothers at all.

To address such issues there should be a Ministry of the Family so that any topic brought forth for discussion – transportation, housing, markets – is considered in light of the positive or negative impact it might have on the family. Public and business policies should be adapted to motherhood and fatherhood. Paradoxically, if this is not achieved, the policies will become unjust for society. In the interest of fathers, children, mothers, the business sector and society as a whole, legislation should support women who want to be mothers. It is a question of overcoming the difficulties women are faced with, in order to breathe life into new generations.

A new business culture

It is in this context that the urgent need for a new business culture arises; one driven by objectives and goals rather than by the number of hours an employee spends in the office. This new ethos goes to the heart of one of the biggest work problems found in many of our countries: interminable work days that do not favour productivity, but, on the contrary, beget more problems, such as addiction to work, burnout, physical and emotional absenteeism and lack of commitment. It is therefore possible to speak of a new type of pollution: social pollution. This form of contamination is worse than environmental pollution for two main reasons: firstly, we do not recognize it or its dangers and, secondly, it affects people, the cornerstone that provides balance and progress within the ecosystem. We must all work to ensure that schedules become more reasonable, regardless of the fear a change of paradigm might cause businesses, politicians and the media. In this way businesses will start to become more conciliatory and family-responsible.

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There are various incentives that may induce the change. On the one hand, the first problem businesses face is trying to recruit talented professionals. At a time when social responsibility is so highly valued, being accountable to the family implies an improvement to a business' image. Businesses that hope to hire and retain the best employees must offer flexibility because new generations, unlike previous ones, do not want to become addicted to work. The increasing demand for flexibility will force businesses to change their policies. There are figures that show to what extent new generations are aware of this shift. Eighty per cent of our masters students at IESE look for businesses that offer better opportunities for ongoing training and the opportunity to lead a balanced life rather than a high salary.

The questions we are dealing with also have an ethical dimension to them. The internal mission statement of businesses should include ongoing training and the treatment of employees as complete people with lives outside the office, including a family life where they play important roles as husbands, fathers, children, brothers, and so on.

This change is also of a strategic nature, as it will allow people to bring out the best in themselves. An employee produces his best work, is more responsible with a business project, and is more creative when he feels he is being treated like a human being rather than merely an asset for the company. In fact, according to our latest research, when conciliatory measures and greater flexibility are introduced in the workplace, absenteeism – the second greatest problem businesses are faced with in Spain – decreases to 30 per cent. We are referring to physical absenteeism here, but mental absenteeism, which is far more difficult to quantify (the worker is physically present, but his mind is not on the task at hand) also poses a high economic cost for businesses.

In order to help businesses achieve these lofty goals, the International Centre of Labour and Family at IESE has created the Index of Family-Responsible Businesses. This tool allows businesses to assess to what extent they are either reconciliatory to or "contaminating" their internal and external environment. This research has also served to develop a certificate bearing the same name and is supported by the Spanish Ministry of Labour, as well as guidelines for best practices in business, supported by the Department of Employment of the regional government Madrid.

Without a doubt, the best strategy to achieve the change in ethos is to create an incentive for businesses to help reconcile family life and the work place, rather than to penalise businesses that do not. After all, experience tells us that where there's a law, there's a loophole. The real change must be internal, based on the conviction that this reconciliation is necessary.

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