

## Oil & Gas Sector's Response to the New Extended, 61-Week Parental Leave

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### **Introduction:**

Canadian parental leave policy provides families with much needed flexibility and support during their transition to parenthood, while also maintaining parents' connection to the workforce (Marshall, 2008). In December of 2017 the federal government introduced an extension to parental leave, which increased the maximum length of leave from 35 to 61 weeks. However, Employment Insurance total payment will remain the same, just spread over 61 weeks of leave (Government of Canada, 2019). Unlike maternity leave (17 weeks) that is for birth mothers only, parental leave can be shared between parents or taken exclusively by either parent (Government of Canada, 2019). Legally, employers are required to comply with the new legislation and, in some cases, modify their internal policies.

### **Methods:**

Between Oct 2018 and August of 2019, 15-minute structured, telephone interviews with 20 employers in the oil and gas sector were conducted. Interviews were designed to understand employers' perception of the parental leave extension, its impact on their employees and their organization, and to clarify how they have adapted their internal policies to the new legislation.

### **Sample:**

The 20 oil and gas sector employers in this sample included 7 producers (35%), 10 service and construction companies (55%), and 3 midstream companies (15%). The employers ranged in size from 45 to 13,000 and 45% were fully or partially unionized. With regards to gender composition, the reported proportion of female employees was between 0% to 44%, with an average of 25% for the total sample. Employers reported 22% of their managers and 16% of their executives were female. The sample included both those operating solely in Canada and multi-national employers.

### **Results:**

#### ***Parental leave use***

All except one of the employers reported having had employees take parental leave and 80% reported having managed a male employees' leave use. However, men's leaves were reported to be much less common and for shorter periods, but a small increase in men's use was reported in the last few years. Only 3 employers reported a male manager or executive taking leave, while 65% reported leave use by a female manager or executive. 80% of the sample

provided and EI top up for maternity (varying lengths/amounts), while only 25% of the sample did so for parental leave.

### ***Perception of Extension***

The majority of the employers felt that the extension was much ado about nothing, because there had been minimal uptake of the extended leave to date. The low use of the leave extension was attributed to the affordability, given the drop in EI. Employers expressed that they would comply with the extension, but more education was needed at the management level about the new policy. Only two employers stated explicit support for the extension and its users.

### ***Impact on the Organization***

Half the sample felt that the parental leave extension would have no impact on their organization and half the sample acknowledged that the largest impact on employers would be related to workforce planning. Participants stated that the extension introduced a great deal of uncertainty, as leave lengths will be more varied. Backfilling for longer periods did not seem to concern employees, since longer leaves may be more attractive to term candidates, and there is a large pool of available skilled workers in Calgary due to the economic downturn. However, employers were concerned about the additional costs that come with EI top ups and maintaining benefits for longer leaves.

### ***Perceived Career Impact of Leave Extension Use***

55% of the employers felt that employees' use of the extended parental leave would have an impact on their career. The majority of employers felt 18 months was a very long time to be gone from work, because of the technical and structural changes that can occur in this timeframe, making reintegration more difficult. Several reported that timing of leave mattered, meaning taking a long leave too early in one's career, before established oneself, could have a negative impact on career trajectory. In fact, some employers suggested that those who "cared" about their careers would choose to take one year or less. Given low male employee use of leave, participants acknowledged these career impacts are mostly incurred by women.

## **Conclusions**

This research makes a key contribution to academic literature by being the first to explore employers' response to the new parental leave extension. Employers' general response to the legislative change was minimal, as they have not observed a large uptake due to affordability. Employers perceived the major challenge of the extension would be in workforce planning, decreasing predictability of length of leave. Organizations alluded to the stigma leave-takers face, which are most often women. If women face stigma for leave use and the extension does not increase sharing leave between spouses, the extension will simply increase the stigma women face if they choose a longer leave. Employers must evaluate how their policies may be gendered. Offering top ups for maternity and not parental leave indirectly discriminates against fathers, adoptive parents, and same sex dads. Not topping up parental leave also dissuades men's usage, which perpetuates the assumption that parental leave is a women's policy; therefore, maintaining the stigma women face. Finally, only a few employers recognized the strategic importance of offering supplemental programs that would positively impact recruitment, retention and satisfaction of employees. Oil and gas companies have room for improvement regarding family-friendly policies and need to benchmark their policies across industries outside oil and gas to understand their current competitive advantage.

## References

Marshall, K. (2008). Fathers' use of paid parental leave. Perspectives on Labour and Income, Statistics Canada, Ottawa. Retrieved from <http://www.statcan.gc.ca/pub/75-001-x/2008106/article/10639-eng.htm>

Government of Canada. (2019). EI maternity and parental benefits: What these benefits offer. Retrieved From <https://www.canada.ca/en/services/benefits/ei/ei-maternity-parental.html>

### Short abstract

Canadian parental leave policy provides families with flexibility and support during their transition to parenthood (Marshall, 2008). In 2017 the federal government introduced a parental leave extension, which increased the length of leave from 35 to 61 weeks. Interviews with 20 employers in the oil and gas sector were conducted to understand employers' perception of the parental leave extension, its impact on their employees and their organization, and to clarify how they have adapted their internal policies to the new legislation. Employers were experienced managing parental leave use, but the vast majority of users were women. Employers' response to the leave extension was minimal given they has observed limited uptake, mainly due to affordability, but employers did feel longer leaves would impact employees' careers. How employers have adapted their internal policies, their impact on both male and female users, and suggestions to improve family-friendly policies will be discussed.