

Revised Maternity Act and its Implications on Women's Recruitment in it/ites Sector in Delhi-NCR

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Abstract: The new maternity act has offered multiple advantages to the women working in the corporate sector. In this context, the present study examines the implications of the revised maternity act of 2017 on the women's recruitment in the IT sector. For this purpose, the researcher uses qualitative study in the form of interviews conducted on HR and recruitment managers from 10 IT companies in the of Delhi NCR region. The researcher used an open ended questionnaire to understand the revised maternity act has changed the recruitment structure. The views of the recruitment and HR managers highlighted that most of the small scale companies in the IT sector have changed their recruitment strategy as they no longer assign permanent role to the women.

Keywords: Maternity Act, Women's recruitment, India

INTRODUCTION

The enactment of Maternity Benefits Amendment Act, 2017 marks a major adaptation to the anachronistic Maternity Benefit Act, 1961. This act was passed for the welfare of working women during the maternity period (Noronha & Aithal, 2017). The revised act increased the paid maternity leave from 12 to 26 weeks for working women having ≤ 2 surviving children including a maximum of leave of 8 weeks before the expected confinement and the rest following the childbirth (Ministry of Law and Justice, 2017). In case of commissioning and adopting mothers that comprises of adopting child aged below 3 months, a maternity leave of 12 weeks is granted from the date of receiving the child. In addition, the amendment act provided an option of working from home after 26 weeks of maternity leave subject to work profile as well as employer's endorsement (Noronha & Aithal, 2017). However, (Ghosh & Narendran, 2017) found that with the revised maternity benefits the rate of female employment and recruitment may have decreased overtime. In addition, it has also been speculated that the revised bill will impact the private sector organizations in the next couple of years with respect to recruitment as well and operation performance. Therefore, the current aim of the paper is to explore the impact of revised maternity act on women's recruitment structure in the IT sector of India. In order to study the perceived impact, the study was restricted to the Delhi NCR region.

LITERATURE REVIEW

Shortcomings of old act prompting the change

The old Maternity Benefit Act, 1961 had several shortcomings, hence, demanding revision in the act. One of the major

demerits of 1961, Act is that it didn't cover the construction workers, ones who work from home and small-time workers(Bala, 2016). As per the maternity benefit act of 1961, the employer has to bear the entire economic burden of providing the maternity benefit, thereby causing the stronger urge for employer's evasion. There was also inadequacy in the infrastructure and number of inspectors is another issue. Moreover, no maternity benefits were granted to the adopting mothers in the previous act. The inadequately stringent penalties for the violation of the act further added to the reason for change (Bala, 2016). Therefore, these main issues were resolved using the new Amendment Act, 2017. According to the new act, every employed woman is covered under the new act irrespective of the manner or situation in which she is employed involving casual workers, contractual workers and daily wagers as well(Jadon, 2019). Additionally, benefits for adopting as well as commissioning mothers have also been included in the revised act. Lastly, the new amendment mainly focused on increased and flexible paid maternity leaves not just for the birth mothers but also for the commissioning and adopting mothers (Ministry of Law and Justice, 2017). Lastly, the amendment also allowed flexibility for mothers to working from home in case of both public and private sectors.

Key amendments made in Maternity Benefit Act in India vis-à-vis industrial nations

As for the duration of leave and wages paid Maternity Benefit Act of India grants full-paid absence of work for working maternity mothers and the new bill raised the leave duration to 26 weeks for the new mothers in all establishments (including the private sector) contrary to the original 12 weeks paid-leave(Ministry of Law and Justice, 2017). This amendment made India occupy a fair position across the globe when compared with other nations particularly the industrialized countries like USA, UK and Australia. Despite one of the most developed nations of the world, the USA fails to approve paid maternity leave to its employees. The Family and Medical Leave Act (FMLA), 1993 applicable to companies employing over 50 employees allows the availing of unpaid but job-protected leave of 12 weeks for qualified employees on account of family and medical reasons(Cannonier, 2014). This law also covers the delivery of a pregnant woman and even adoption of a baby/child to care for. While talking about UK Government, it provides a higher duration of 52 week-maternity leave to its employees of which 39 weeks are paid (90% of average weekly earnings before tax deductions for first 6 weeks and 90% or £139.58 of mean weekly earnings for the next 33 weeks)(Scamell, 2014). As compared to India, the maternity leave duration granted by Australian Government is quite low i.e., paid-leave for 18 weeks. On the other hand, Australia allows 1-year of leave by each parent(Singh, 2016).

However, in case of maternity leave for commissioning and adoptive mothers the Indian amendment provisions leave of 12 weeks for a commissioning mother or a woman who adopts a child (less than 3 months old). Similar, provision lies in congruence with the maternity policies of other nations like the UK, Canada, Sweden and France(Singh, 2016).

Lastly, provision for work-from-home and child-care facilities has the option of work-from-home for new mothers depending upon the nature of work and employer's consent has been introduced in the revised act so as to promote work-life balance in India. In addition, providing crèche facility has been made mandatory under the new act (Singh, 2016; Ministry of Law and Justice, 2017). Contrary to this, no extra child-care facilities are provided in Australia(Burgess, Henderson, & Strachan, 2007)2007. Even for other developed nations, there is a lack of evidence about legislations providing extra child-care benefits.

Implications of the new maternity act

Benefits under the act apply to all Government as well as private establishments covering the women working as daily wagers, casual employees and contractual employees. The provision of crèche facilities to the children of working women has actually proved in shaping up the maternity policy. Exclusively, an opportunity to work from home to the working women has also been granted as per the amendment. However, this subjects to the terms and conditions to be settled between the women employee and the employer(Jadon, 2019).

After granting a raise in paid maternity leave, India now holds position among the top 16 countries those provide the longest maternity leave and after Norway and Canada it is the 3rd single largest. But, the shortfall is that India is also

among those few countries providing no public disbursement of benefit under such social benefit schemes/policies/acts. In such situation, it is the employer who bears all the cost of providing maternity benefits to its women employees. This can seriously hamper the career opportunities for women. This is totally beyond doubt that a surfeit of beneficial legislations for the development and progress of women are there in India such as CEDAW and Constitution of India, 1949. Unfortunately, these organizations have failed to have a ground-level impact as evident from the diminishing employment rate of women in the labor market of India(Jadon, 2019).

RESEARCH APPROACH

In the present study, qualitative study in the form of interviews is used to gather insights from HR or recruitment managers from 10 IT companies in the Delhi NCR region. Through this, the researcher aims to examine the impact of revised maternity act on the recruitment structure. An exploratory research strategy is used to collect the in-depth responses that helped the researcher to understand the implications of the revised maternity act on the women recruitment in the IT sector. Exploratory research is used in studies that require in depth analysis of a phenomenon. In addition to this, the researcher uses inductive approach to derive conclusions about the impact of maternity act on recruitment of women in IT sector through the views of recruitment managers of the 10 companies in Delhi NCR region. Further as the researcher targeted only the HR or the recruitment managers, purposive sampling was employed.

RESULTS AND DISCUSSIONS

In the present study, the researcher aims to examine the implications of the revised maternity act on the women's recruitment in the IT sector. In this context, this section presents the perception of the HR or recruitment managers. Primarily, the researcher presents the descriptive analysis which captures the basic details of the interviewees. Following this, thematic analysis is presented under which the researcher highlights about the new maternity act and its impact on the recruitment process in the IT sector.

Demographic Profile

Primarily, interviewees were inquired about their basic details including their gender, age, position and years of experience. The findings shown in the above table clearly indicate that 70% interviewees were females and the rest were males. In addition to this, 80% interviewees belonged to the age group of 25-37 years. In regard to position, 40% interviewees were talent acquisition specialist. Further, 70% interviewees had 5-12 years of experience. Overall, it can be identified that most of interviewees were females and were experienced. Further, most of the respondents were young and talent acquisitions.

Table 1: Demographic profile

		Results
Gender	Male	3
	Female	7
Age	Less than 25 years	0
	25-37 years	8
	37-50 years	1
	More than 50 years	1
Position	HR executives	3
	Talent acquisition specialist	4
	HR managers	3
Years of experience	Less than 5 years	2
	5-12 years	7
	More than 12 years	1

Perceived knowledge

The interviewees were inquired about the key directives of the new maternity act and whether this revised act is better than before. In addition to this, the interviewees were asked about the rate of new female joiners in their organization since 2017. In this context, interviewee A stated that *“The new maternity act has increased the paid maternity leaves from 12 weeks to 26 weeks. In addition to this, the act offers work from home option to the women after the 26 week paid leave. This will increase the financial burden on the employer.”* With regard to the rate of female joiners, the interviewee reported that he has observed only about 25% of the new joiners are females since 2017.

To this, interviewee D added that the maternity benefit act of 1961 was much better than the present act. This has provoked the employers with unprecedented gender gap against the women of the child bearing age. Further, the interviewee highlighted that *“Since 2017, their company have hired only about 20% new female joiners.”* Interviewee E also supported the view and highlighted that *“In developing countries like India with a majority of companies operating at a small scale, the new maternity act will not be successful”* In context to the number of female joiners, the interviewee reported that they have hired about 30% female employees since 2017.

The findings from the awareness showed that the rate of female recruitment or new joiners has decreased or slow as per the perspectives of the interviewees. Even though some of the interviewees believe that, the revised maternity act is the causal, the interviewees also say that, the revised act is more flexible from the women point of view but not from operational and financial performance point of view.

Impact on the recruitment process

Subsequently, the researcher evaluated the interviewee’s responses in terms of the changes in the impact of change in the maternity act on the recruitment process. In this context, interviewee A was of the view that the new maternity act has emerged as a key challenge for the start-ups in the IT sector who are struggling to survive in the phase of high competition that they face from big multinationals. To this, interviewee D added that *“We have to change the existing hiring strategies as we are operating on small scale and we can’t afford to grant granting a 6 months paid leave. I think that this will reduce the chances of women employability”*.

In this regard, interviewee C had a different view. The interviewee stated that *“The Indian workforce is already male dominated and only few women are employed at the leadership positions. This is due to the fact that even the big companies are reluctant to adopt the decisions that encourage women to participate in the workforce. Our company would continue to encourage women to take an active part in the work force. We would not change our hiring strategies”*.

Interviewee E highlighted about the concerns of gender diversity particularly in the It sector. The interviewee was of the opinion that due to the revised maternity act, the IT companies would not hire women for permanent roles. The consequence of this act may arise in the form of few women being hired by the small companies. To this, the interviewee F stated that *“Presently, we have not changed our hiring strategy but we may face certain challenges in the future”*. The interviewee was of the opinion that it is too early to examine the impact of maternity act on women hiring.

CONCLUSIONS

The new maternity act has offered some major advantages to the women in the form of increase in the paid leave and work from option. On the other hand, it has provoked most of the HR managers or to recruitment managers to change their existing hiring strategies. IT sector has started adopting new hiring strategies under which they don’t assign the permanent role to the women employees. This is particularly true in case of IT companies operating at a small scale who can’t afford to grant these benefits to the women employees. This would reduce the number of female employees in the IT sector. Further, this can promote gender discrimination against the women of child bearing age. The study however, estimates that the HR of the IT sector in Delhi NCR perceives that the Maternity Act, 2017 has an impact on the recruitment process for female. However, the study has limitations of statistical relevance which can be covered in future studies. In addition, lack of relevant literature too constraints the validity of the study.

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