

The following lecture was given by Dr Nuria Chinchilla on September 8, 2008 to the FEMM Committee in Brussels.

Dr Chinchilla is a professor in Managing People in Organisations at the IESE Business School of the University of Navarre. She earned awarded a B.A. in Law from the University of Barcelona, a Masters in Business Administration from IESE Business School and a Ph.D. in Economics and Business Management from IESE Business School. Her areas of specialisation include women and power, family-responsible organisations, managerial competencies, career and time management, interpersonal conflict and non-profit organisations.

It gives me great pleasure to be with you today, and I do so with the intention of sharing my years of experience and the research that we have carried out at the research centre I run. Today we are addressing one of the greatest debates of our time, and it must not be seen merely as a problem of discrimination, but as a consequence of a larger problem: the dehumanization of society.

From our research at ICWF, we have concluded that business, family and society are three vertices of a constantly evolving triangle. At the centre of these three independent fields we find the person who, though every decision taken and every experience lived relating to any of these fields, forms himself with more or less maturity. There is a great need for stable families and family-responsible businesses if we are to humanize society and build the necessary and sustainable wealth for economic, human and social capital.

Business is a crucial institution for society's progress, and its managers and entrepreneurs are in the privileged position of being facilitators of the necessary change in society that will ensure its sustainability from an economic, human and social point of view.

Our mission in the formation of managers and entrepreneurs is to help business leaders think outside the box in order to recognise that a company is much more than a purely financial business, and that businesses should measure up to the men and women who work in them: they should be more efficient, more humane and more sustainable.

In contrast to the English term ‘family-friendly’, IESE coined the term ‘Family-Responsible Business’ in 1999 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. Our aim is to keep the employee’s family – the new stakeholder of the businesses – from being devoured by the concept of social and corporate responsibility that, used to refer primarily to external social responsibility: the fight against child slavery in the third world, environmental ecology, while forgetting its internal social responsibility; i.e. employees and their families.

For decades, businesses have washed their hands of their impact on the environment because of the lack of environmental awareness. It has taken many years to bring to light the disastrous effects this attitude can have on the environment.

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. Businesses that pollute the air or water must pay fines, which are used to mitigate the damage done, as is the case with the creation of fish farms to repopulate rivers.

As used to occur when the external impact business had on the environment was ignored, *mutatis mutandis*, many businesses today are unaware of the negative effect they are having on the ‘human environment’. In this case, they are polluting their own organizations and society through practices that damage and dehumanize employees by not allowing them to fulfil 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 ‘human farm’ that produces human and social capital.

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. This is the first point we must consider.

The second point we must consider can be read in a positive light. Understood in the good sense of the term, this ‘feminine revolution’ also benefits men, because it helps them ‘return home’. It is good for women to contribute their knowledge and values to society without having to sacrifice being wives and mothers – roles that make huge demands on ones time and energy. At the moment we are at an ‘impasse.’ Women have left the home to contribute her 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.)

One of the main causes for this new social climate is the prevailing individualistic culture, the immediate consequence of which is a society where people are disconnected from each other, fearful of commitment and living in great solitude. A series of counter-values have arisen that have left culture (understood in the etymological sense as the cultivation of oneself) devoid of meaning. If family members do not have time to live together and develop their skills within the family, ‘well-rounded’ human beings able to commit to middle and long-term projects will not be formed for business or for society.

Gary Becker, a Nobel Prize winner in Economics, said that family is the best Social Affairs Ministry: it is the net that rescues the unemployed and those who are going through difficult times. I might add that it is also the best Ministry for Equality, because it respects each of its members as he or she is and caters to each person's needs, allowing them to reach the highest level of development possible. It is within the family that the identity of its members is forged and where confidence, the foundation of markets and institutions, is built. (Discrimination is not only treating equals unequally, but also treating those who are not equals as equals.)

The full-time dedication of women to the home is not necessary, or advisable, except in cases of recent maternity or where circumstances so require (temporary or frequent absence of the father due to work, caring for sick children or parents, etc.) Governments should provide a legislative, social and economic framework that allows women the choice of complete dedication to the home as a recognized full-time job in order to heal the ties that are becoming increasingly necessary to repair our disconnected, or "liquid" as Zygmunt Bauman would say, society.

Family is the greatest realm of solidarity and generosity. Its members are 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. Therefore, not only should the fear of the inversion of the population age pyramid or a society without pensions cause us to look to the family and those dedicated to its upkeep with affection. In this day and age the care and attention of those who are dependent is bureaucratized rather than personalised and supportive of those who look after them within the family context.

We are seeing a lack of empathy with those who suffer, with the elderly and with those whose special needs make them dependent on others. It is an injustice (it goes against their rights) to deny them the emotional support that comes from having a loved one

close by. We are not sensitive to their problems as our own, but as an obstacle to our own 'fulfilment'. We pass the burden on to the State in such a way that it is allowed to make decisions that should fall into the realm of the family, sidestepping the principle of subsidiarity. Family, however, precedes the State and society, both of which depend on the family to carry out their role in the formation of mature and committed citizens (human and social capital).

Why is family important to businesses and to society? Because it is the first 'school' where people learn and develop skills that are also necessary in the workplace. We are primarily referring to 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, 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.

It is for this reason that we must reflect on how people are organized in society and in business. The current situation is unsustainable. 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 holes 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.

At the moment, the individualistic viewpoint that dominates society poses an obstacle to the complete analysis of these problems. We treat the symptoms but have not managed to discover the source of the disease. Neglecting the family unit weakens society and jeopardises its future. The challenges faced by the EU are considerable and will only be

met through a strong social cohesion rooted in the backbone of solidarity for society, that is, in the family nucleus.

Family and work are two realms of human and professional development that can enrich each other. We cannot forget, however, that work is crucial for the family whereas the reverse does not hold. Both men and women need to make the home their first business priority, in their hearts and minds as well as in their timetable. This is necessary given the nature of both realms. The strict, goal-, incentive- or sanction-driven workplace can easily 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 is there in no containment wall in place. It is necessary to make time and effort to control one's life and build a home.

Another determining factor in the current confused climate is the **very concept of work**. Work is, in itself, a source of personal fulfilment and socialization. However, since it is associated with power and prestige rather than with an idea of service, paid work is deemed to be the sole indicator of what a person is worth: 'your worth is reflected in your paycheque.' This economic viewpoint must be eschewed, as it only values that which can be quantified and remunerated and has greatly influenced the devaluation of housework and caring for people, labelling them as intangible from an economic perspective. In our current cultural climate, women who devote themselves entirely to the home are, in most cases, severely questioned and undervalued by their own children, who have been influenced by the economically driven world view 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% with slight variations throughout the Autonomous Regions. If a housewife were remunerated for her labour at market price, the GDP in Madrid would increase by 55%¹. It is essential to raise awareness and work to increase the social practise with which this labour is perceived. This should be done through social and economic measures that will

¹ Chinchilla N., Moragas M. *Dueños de nuestro destino*, Ariel 2007. *La cuenta Satelite del Trabajo Remunerado en la Ciudad de Madrid*, ed. Por la Consejería de Empleo de la Mujer de la CAM y el CSIC

make it feasible to freely choose housework as a professional option. The government should work with the business sector to facilitate these goals in the greatest common interest, including that of the State, which would otherwise be forced to spend more in the form of economic, psychological, social and economic resources. I refer here to: child care, homes for the elderly and increased juvenile delinquency and addictions as a result of the absence of parents. Furthermore, there is strong evidence that suggests 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.

Men and women are different, and maternity is one of the instances in which this becomes most obvious. Through neuro-scientific 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% 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. Various studies suggest that women are not as interested in 'winning medals' as they are in making things work. This attitude is drastically different to what can be observed in men; who tend to play to win and work more aggressively. Men's work in times past was war, and he 'worked' with his horse and his sword. Now, new warrior is the executive and his horse and sword are his airplane and his Blackberry. He is still playing the same game, though.

The most important war he needs to wage now to defend society is in his inner core: the family. In order to win this battle, he must exercise his role in the family.

Interestingly, paternity leave is a very positive practice because it allows men to ‘come into the home’ to live it and enjoy it so that later 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. In many cases, job titles changed if they referred to women: a woman would be called a ‘cleaning woman’ but a man would be referred to as a ‘janitor’. People working under both titles carried out the same tasks, but one was paid more than the other. 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.

In order to facilitate this task it is necessary to reflect on these laws from the viewpoint of the family. According to studies carried out in the United Kingdom by Professor Hakim, a third of women would prefer not to work outside the home. Another third would choose to work part-time, and the remaining third would choose to continue in full-time employment away from home. The family should be a transversal topic and be represented as an independent category in the Cabinet of Ministers. 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 breath new life into new generations.

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 strikes at 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.

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. 80% 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, etc.

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%. We are referring to physical absenteeism here because 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, as we say in Spanish, ‘where there’s a law, there’s a loophole.’

The real change must be internal, based on the conviction that this reconciliation is necessary. If the move is pushed externally, the laws will, in all probability, not only be met with resistance and rendered useless, but will bind people and businesses, paradoxically limiting flexibility. Demanding ‘coffee for everyone’ when many businesses cannot comply would only produce negative results for women (fewer jobs and an increase in termination agreements).

In this sense, it is important for Public Administrations to grant more points in job tenders to businesses that have good reconciling practices. If reconciling practices can be seen as another category in the job tender, hopefully with time it will become a mandatory condition to enter a tender, as is the case today with quality ISOs.

I hope to have been able to share a point of view that is both relevant to our times and that reflects the realities of our society. I am available to answer any questions and to expand on anything that requires further explanation.

Thank you.

Dr Nuria Chinchilla

September 8, FEMM Committee, Brussels.

Proposals by Dr Chinchilla:

- *Public recognition of the social and economic importance of housework.* Statistics show that in 80% of cases, couples have fewer children than they would like. The two most common causes for this situation are a lack of time and money. The decrease in the number of births results in a less human capital. According to psychologist Jesús García, there are more ‘horizontal parents’ every day. These parents leave for work when their children are still asleep in the morning and do not come back home until after the child has been put to bed in the evening. This results in less social capital because values such as sharing and commitment are not being passed on to children.
 - There is a need to carry out further research in cities and regions to determine the equivalent cost of this labour at market value.
 - Money should be made directly accessible to families. The minimum amount should be the cost the State puts towards a child’s place in a nursery; the maximum amount paid should be an average salary.
 - This issue needs to get support from and wider coverage in the media.
- *Formal training in housework so that it can be recognised as professional work in a CV rather than ‘not working’* (37% of women in the EU and 22% in men). The time a woman spends at home to look after children and manage other household responsibilities should not be considered ‘not working’.
- *Staying at home should not be considered unemployment, but rather a leave of absence without losing one’s social security or professional status.*
- *Access courses that facilitate re-entry into the workforce after an extended leave.* (“Retravailler”)
- *Support for Family-Responsible Businesses that enable a reconciliation between work and family life with tax breaks or more points in ‘job tenders’*
Market = economic “independence”, but a government that only focuses on what is paid into Social Security ends up excluding women from the working population (older women and those unemployed for long periods of time). The lack of reconciliation is costly to all of us; therefore, it is necessary to support

family-responsible businesses by offering them more points in job tenders (which bring about an important cultural change at no extra cost to the State).

- *Redefining of success.*

Success is not only that which is quantifiable and professional, but rather that which is total (personal, professional, family-based, social, etc.). We must endorse new points of reference for success and happiness (examples, interviews, publicity), including people who devote themselves to home-making.

- *Abolish negative stereotypes.*

In Spain the only work that is valued as such is done outside the home (those who remain at home are disparagingly called ‘Susie Homemakers’). We can also observe the other extreme: in Germany, women who leave their children in day care to go to work are called ‘mother crows’.

Some interesting facts:

- 67% of women feel they are working double shifts.
- 31% of women feel that they are the only ones trying to keep the family going.

(Facts from the report ‘Frenos e impulsores’)