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The Caregiving Penalty for Mid-Career Women: A Strategic Retention Challenge in Urban Indian Corporates

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ABSTRACT

While corporations have been focused on recruiting at entry level, the steep drop in the percentage of women between entry level and senior management positions, the so-called broken rung, persists as an unsolved problem, even in India, where women make up one-third of entry-level recruitment but just 17 percent of C-suite positions [1,2]. Studies point out that many factors are behind this, and this paper focuses on what is called the caregiving penalty, the career stagnation, lack of promotion, and lower wages experienced by those with more unpaid domestic and care obligations, which is discussed in the classic sociological literature on the motherhood wage penalty, as well as new studies on the career penalties of eldercare faced specifically by mid-career women [3,18]. The caregiving penalty framework is applied in this paper to urban corporate settings in India, where the India 2024 Time Use Survey shows that women spend nearly two-three times the number of minutes per day in unpaid domestic and care work compared to men, and where social norms for joint families impose specific eldercare duties on mid-career women juggling childcare and eldercare [13]. Another topic covered in the paper is the negative labour market effects of increased maternity leave in India, introduced in 2017, that led to decreased employment of women at fertility age while having minimal effects on wages [21,22]. The last part of the paper redefines the concept of work-life balance and makes it more organisational-related and less personal for women, and then provides a brief overview of real Indian corporate solutions, such as flexible career paths, eldercare services, and structured returnship programs, which human resource management can implement in order to retain experienced employees. This conceptual paper uses only secondary sources.

Keywords: *Caregiving Penalty, Motherhood Penalty, Broken Rung, Indian Corporates, Female Labour Force Participation, Eldercare, Returnship, Flexible Work, Time-use Survey.*

Introduction

Diversity, Equity & Inclusion initiatives from in the last decade have largely focused on the initial point in the talent pipeline – targets and recruitment quotas at campus hires and early-career mentorship programs [2]. However, a growing body of work on the workforce has pointed out that the real gender gap emerges not during the recruiting stage but in the very first step towards the Management level, a phenomenon called "broken rung" by McKinsey and LeanIn.Org [1,2]. In India particularly, the 2025 Women in the Workplace Report highlighted that women comprise about 31 to 33 percent of the entry-level positions in the Formal Private Sector but only around 17 percent of the C-suite positions, which is a bigger drop compared to other Emerging Markets like Nigeriawhere women make up 29 percent of C-suite positions from the same entry-level base [1,2]. The reason behind this gender gap is strategic as well as ethical since organizations that recruit women in equal number to men at entry-level but lose them mid-career actually end up training and developing a talent that is captured neither by them nor by their competitors.

This paper posits that a good portion of the mid-career dip results from the well-studied phenomenon known as the motherhood penalty and more broadly as the caregiving penalty, which is the stagnation, missed opportunities, and lower earnings of employees—predominantly women—who bear an unfair burden of unpaid housework and caregiving duties [3,4]. As opposed to blatant forms of discrimination, the caregiving penalty is subtle; it appears not as a specific missed promotion but rather as a pattern of years of slow wage increases, limited opportunities for stretch assignments, and a gradual slide into less-demanding jobs—a process that is often hard to recognize for both the employee and the organization [7]. Within the context of urban Indian corporations, this issue becomes even more pronounced due to the social expectation that women are responsible for caregiving not just of children, but also for their elderly relatives as well [12,13]. In this paper, there is an evaluation of the research done in the academia and empirically on the caregiving penalty, its application to the particular context of urban Indian corporations, and a recommendation that the human resources function address the problem by changing the perception from personal work-life conflict to a retention strategy.

The Motherhood Penalty: Foundations in the Research Literature

Empirical evidence of the caregiving penalty largely hinges upon Correll, Benard and Paik's well-cited 2007 work that utilized a combination of a laboratory experiment and an audit study involving actual employers to establish if mothers experience workplace discrimination irrespective of qualification [3]. In the laboratory experiment, resumes that were similar received lower competence ratings and were assigned lower initial salaries when the individual was signalled to be a mother. In contrast, there is no discrimination against fathers and sometimes they benefit from their fatherhood status, a situation referred to as 'fatherhood bonus' [3,5]. In the actual hiring practice conducted as part of an audit study, hiring managers discriminated against mothers but did not discriminate against fathers in their application reviews [3]. Later studies have quantitatively estimated the magnitude of the phenomenon: according to various estimations, the motherhood penalty constitutes 80% of the total gender earnings gap, in particular one child below five years old leads to reduction of a mother's salary by about 15%. Furthermore, the wage penalty for becoming a mother before the age of 33 is around 15% of the average woman's wage as opposed to the wage premium for delaying motherhood past 33 [4,6].

Further research into the issue has broadened its scope from the area of motherhood to eldercare, identifying a phenomenon described by researchers as the “daughterhood penalty.” Unlike early childcare, parental caregiving takes place at the very point when the employee reaches his/her peak in terms of the salary level, and the effect of such caregiving usually results not in lowering of the income but rather in salary stagnation – inability to increase wages along with the rate of inflation and the career progression of peers [18]. In light of the facts that women continue to be significantly more involved in eldercare than men, scholars suggest that despite gender neutrality of caregiving policies, women pay much more for the cost of their careers due to caregiving duties, with the worst case scenario of a woman aged 50 or above leaving the labor market entirely for taking care of an aging parent leading to loss of several hundred thousand dollars over many years [18].

The Broken Rung in Urban Indian Corporates

Figure 1 highlights the nature of the problem within India’s formal private sector, based on the 2025 Women in the Workplace research by McKinsey and LeanIn.Org, conducted across 324 companies and approximately 1.4 million employees of India, Nigeria, and Kenya [1,2]. Independent studies of the same data have found this pattern to be unique to India, and described it as the "broken rung" in India’s pipeline, where the representation of women drops significantly compared to men's; unlike other markets, the broken rung occurs earlier in India’s pipeline [10]. Representation of women is lower at each step along the pipeline, with the biggest drop occurring when transitioning to first-line management roles and once again when transitioning to senior management positions, both being the stages of life where women in India tend to get married and have children, and also begin caring for their aging parents [1,2,9].

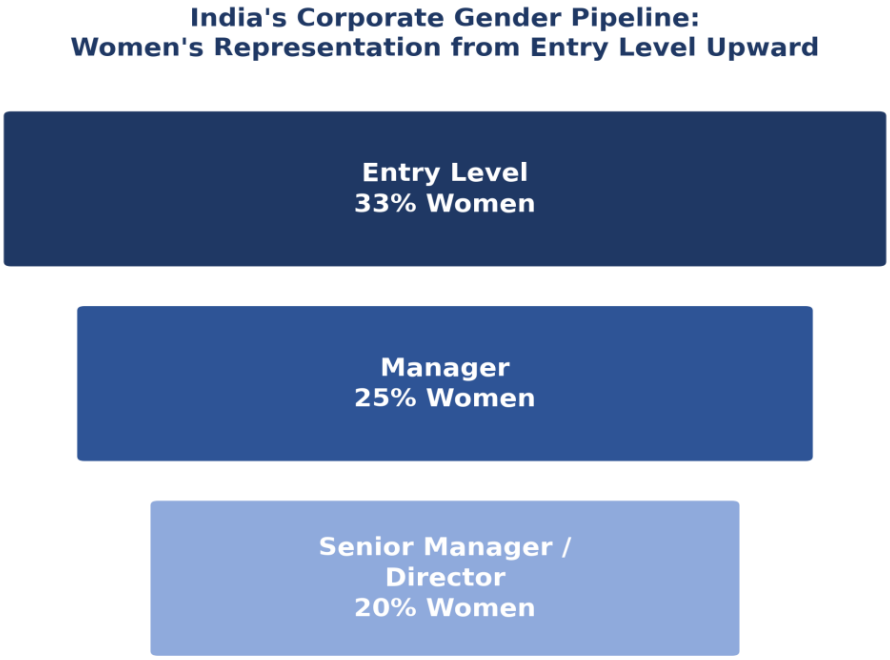

Figure 1: India's corporate gender pipeline: women's representation from entry level to the C-suite [1,2].

Source: Author's own compilation, based on McKinsey & Company (2025) [1]; Observer Research Foundation (2025) [2].

Statistics within India itself confirm this trend on an even larger scale. The Periodical Labour Force Surveyrevealed that, out of every 100 males who are legislators, senior officials, or managers, there are only 13 women holding similar posts. Meanwhile, according to board-level analysis, even though almost all big companies in India now have at least one female director, 77% of firms have just one or two such directors, and less than single digit percent ofBSE 200 and NSE 500 board chairpersons are women [9]. In Indian HR studies, this trend is referred to as "4M syndrome" that stands for the combination of marriage, maternity, mobility problems, and managerial progression friction [11]. Furthermore, workplace studies confirm that structural barriers and inadequate support significantly elevate psychological distress among female professionals [8]. Finally, studies done on the industry labour force reveal another unique relationship between the level of female participation in the labour force and the education level of women in India in the form of a U-shaped curve wherein those with less education tend to participate in the labour market due to the need for earning income, but with an increase in education at secondary level and thereafter participation in the labour force falls due to increased domestic and care giving demands until higher levels of education are reached [11].

Quantifying the Unpaid Burden: Evidence from India's Time Use Survey

This is because the structural reason behind this phenomenon is apparent in India’s Time Use Survey carried out by the National Statistical Office in 2019 as well as 2024. The latter reveals that women aged 15 to 59 years use 305 minutes per day on unpaid household services whereas men use 88 minutes on this, and an additional 137 minutes per day on unpaid care of children and elders in their family whereas men use 75 minutes on it, which has decreased very slightly from the 2019 survey [13,23]. In turn, women aged 15 to 59 years have less free time than men for paid work due to this trade-off between unpaid and paid work [13,14]. Figure 2 shows this gender inequality in time use along with the disparity in time left for paid work.

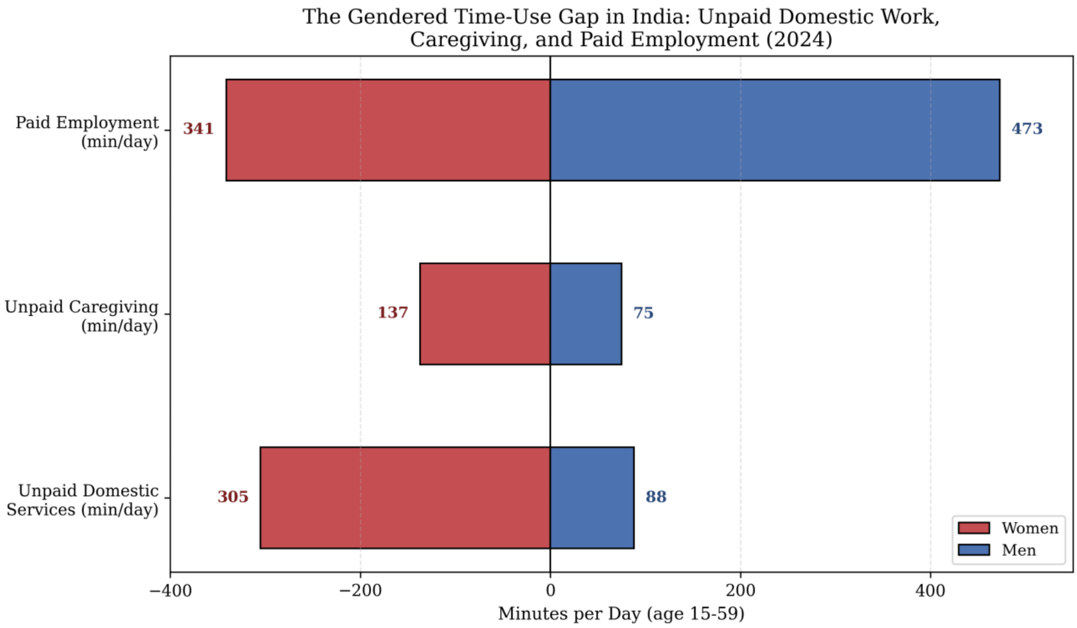

Figure 2: The gendered time-use gap in India: unpaid domestic work, caregiving, and paid employment, 2024 [13,23].

Source: Author's own compilation, based on Ministry of Statistics and Programme Implementation (2025) [23]; Krishnamurthy (2025) [13].

In particular, two aspects of the above-mentioned data have particular importance in terms of the caregiving penalty within corporate environments. Firstly, the penalty is not limited to the immediate period following childbirth but continues throughout a woman's life as a caregiver for children as well as ageing in-laws within the socially normative joint or quasi-joint family setup up until a woman's thirties and forties – the very age group when promotion into senior positions happens [12,15]. Secondly, married women disproportionately shoulder this load: according to the wider analysis of the data on Indian time-use patterns, married women spend half of their time doing unpaid care work while unmarried women spend significantly less time performing such duties, thereby confirming that caregiving penalty within India exists predominantly due to a woman's marital and familial circumstances rather than employment sector or education level alone [15]. Even in those states where women demonstrated more economic and mobility independence within other empowerment indices, no decrease was found regarding the time devoted to unpaid care work, which suggests that the caregiving penalty in India exists predominantly due to the social norms regarding the assignment of caregiving work rather than a lack of women's economic power [15].

Policy Double-Edge: The 2017 Maternity Benefit Amendment

This country's experience is testament to the fact that policies which are intended to help caregivers in fact may end up intensifying the very punishment they seek to alleviate. In 2017, India amended its Maternity Benefit Act and increased paid maternity leave in the formal sector from 12 to 26 weeks; one of the most liberal statutory benefits in the world which was completely employer-funded without the use of an insurance-based program by the government or any contribution from the latter [19,20]. Through the use of nationally representative household panels, it was determined empirically that the increase in paid leave led to a reduction in employment and earnings, particularly for women who belonged to the high fertility age group due to higher "reservation productivity" on the part of employers due to having to finance the additional paid leave [21,22]. In a widely cited study, the employment loss in affected women was found to be about 10 percent, although there was little change in the wage rate of women employees who did not leave; interestingly enough, the wage rate of men working in the same firm increased by 1.8 percent during the same period [22].

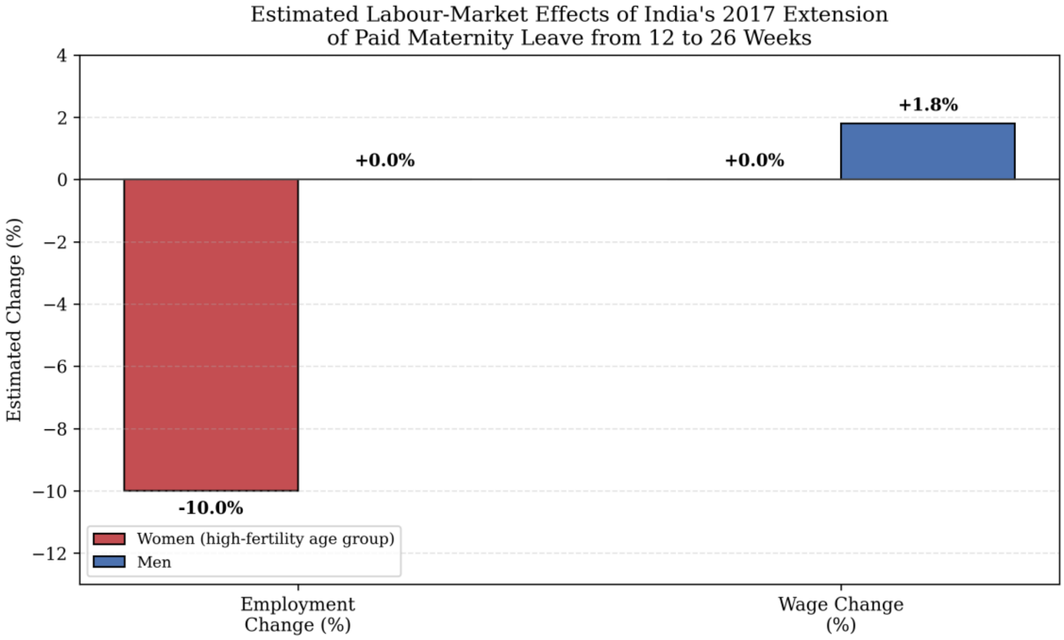

Figure 3: Estimated labour-market effects of India's 2017 extension of paid maternity leave from 12 to 26 weeks [21,22].

Source: Author's own compilation, based on Banerjee, Biswas & Mazumder (2024) [21]; VoxDev (2026) [22].

The 2019 industry survey conducted by TeamLease Services reveals that 26 percent of Indian businesses that were surveyed confessed that they had been cautious about employing women due to the liability of longer paid-leave period following the amendment [20]. There is one major takeaway from this particular data regarding the larger problem of the caregiving penalty discussed throughout the essay. In this context, the provision of employer-sponsored caregiving without distributing the cost to a wider audience – be it government-sponsored insurance schemes, tax relief, or shared parental leave – may well convert the hidden costs of caregiving – wage and promotion penalty for the employed caregivers – into the more evident hiring bias against young women [19,20,22].

Reframing Work-Life Balance as a Strategic Retention Issue

The research presented in this paper suggests a particular reframing which HR executives in Indian corporations can use advantageously. While lack of work-life balance is considered a problem of mid-career women in a conventional manner, as a personal challenge which should be addressed individually either by means of time management, a supportive spouse or paid help whenever possible [12,15], the research points to the organisational pattern with statistical probability: women take up a disproportionate share of unpaid domestic and eldercare labour just during those years when the decision on promotion is made, and this career stagnation cannot be seen as personal lack of drive or initiative, but rather loss of the return on organisational investment in developing that talent at early, less costly stages [1,3,9]. Reframed thus, the retention of mid-career women through the years of intensive caregiving looks like a matter of talent retention and avoiding the costs rather than optional gesture towards diversity, as replacement of a mid-career manager typically proves to be considerably more expensive than support through caregiving peak.

Policy responses can be grouped into three broad categories based on the findings discussed above, shown in relation to the female career-life cycle in Figure 4. Flexible and hybrid work pathways, where such options are offered automatically instead of being negotiated individually, solve the time-use problem shown in Figure 2, enabling women to reallocate working hours around the caregiving duties instead of adding to them [1,2]. Eldercare support policies, comprising dependent-care leave, subsidies for eldercare facilities and flexible schedules for parents and parents-in-law (instead of just children), solve the specific wage problem revealed by studies related to the phenomenon of daughterhood penalty, which is largely ignored by the Indian HR policy framework in comparison with the problem of childcare [12,18]. Returnship programs address the moment when a woman leaves the labour market completely due to her caregiver role, providing an opportunity for a formal career comeback instead of re-entry at a junior level [16,17].

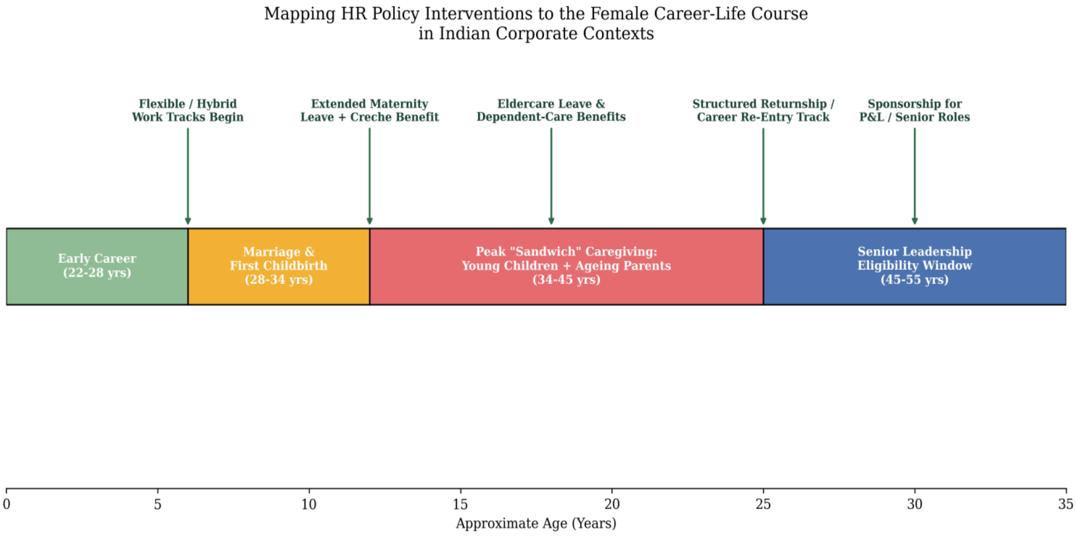

Figure 4: Mapping HR policy interventions to the female career-life course in Indian corporate contexts.

Source: Author's own conceptualization, adapted from McKinsey & Company (2025) [1]; Observer Research Foundation (2025) [2]; McKinsey Global Institute (2012) [12]; SHEROES (2015) [16]; Adarsh (2024) [17]; Travis (2025) [18].

- **Examples from Indian Corporate Practice**

A number of major employers in India have already adopted some aspects of this approach, outlined in Table 1 below. However, the initiatives described above are limited to large organizations with abundant resources, and according to the literature cited in this article, a viable option for retaining skilled employees lies in extending similar schemes to mid-sized Indian firms [16,17].

Organisation	Programme	Focus Area
Tata Group	Second Careers Inspiring Possibilities (SCIP)	Flexi-hour assignments for women returning after a 6-month or longer career break [16,17]
Godrej	Careers 2.0	Structured return-to-work track for women professionals post career break [16]
Hindustan Unilever	Career by Choice	Live-project transition programme with flexible, work-from-home options [16]
Philips India	Back in the Game (B.I.G.)	Mentorship-led internship for women returning after a personal or lifestyle break [16]
Intel India	Home to Office (H2O)	Structured pathway to bring women back into technical and engineering roles [16]
IBM	Tech Re-Entry Program	Open to career breaks of up to 20 years, with relevant work experience [17]

Source: Author's own compilation, based on SHEROES (2015) [16]; Adarsh (2024) [17].

Limitations of a Conceptual Approach

Since the current paper is a conceptual one, it summarises existing scientific literature on the matter, data from national surveys, and industry practices known to the public rather than provides original research results that would prove the effect of Indian corporate policies on retaining and promoting their employees [3,12]. Indeed, much of the literature on motherhood penalty and eldercare penalty that we cite here is US-based and relates to the experience in the labor markets of other industrialised countries. Nonetheless, Indian time-use and participation in the workforce data confirm the general trends, although the direct estimate of the costs that Indian companies have to bear due to caregiving responsibilities as opposed to purely labor market penalties is an area that requires further elaboration in Indian labor economics studies [12,21]. The future empirical research in India in terms of the promotion and compensation effects of having eldercare and returnship programs will support the policy recommendations proposed in this paper.

Conclusion

The corporate diversity initiatives that focus on entry-level recruitment while neglecting the problem of mid-career attrition observed throughout this paper would amount to taking the easy way out. The evidence discussed above – from Correll, Benard and Paik's groundbreaking study on employer discrimination of mothers, through the Time Use Survey conducted in India documenting a nearly threefold gender gap in domestic and care-related work, up to a quantified hiring price of India's 2017 maternity leave extension – all point to a single and obvious conclusion: the caregiving penalty is not a question of personal lack of drive among mid-career women, but a systematic structural disadvantage faced by them in the existing social and organizational setup [3,12,21]. The takeaway is clear: for HR directors at Indian corporates operating in the cities of India, flexible career options, equal eldercare benefits alongside childcare support, and returnship schemes should not be considered nice-to-have initiatives, but a smart and essential investment in retaining talent that they have spent considerable effort in recruiting and developing in the first place.

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