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# How parental leave policies influence employee engagement

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## **Preface**

We would like to thank all of our respondents that took part in this study, it would not have been possible without you! We would also like to thank our supervisors and examiner for guiding us through this process and providing us with advice along the way.

## ABSTRACT

**Title:** How parental leave policies influence employee engagement

**Level:** Student thesis, final assignment for Bachelor Degree in Business Administration

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**Aim:** Several studies have found that perceived flexibility and the ability to manage the demands of work and personal life are related to higher levels of employee engagement and expected retention. However, little research have been done to explore the relationship between parental leave (a component of work-life balance) and employee engagement and retention. The aim of this study is to increase the understanding about how parental leave influence employee engagement, and subsequent employee retention.

**Method:** This study is based on a social constructive and hermeneutic perspective. Empirical data was collected through 18 semi-structured interviews with employees in Sweden and the United States. The findings were compared to previous research with an abductive approach. Theoretical and empirical findings were combined and resulted in a new model based on the aim of this study.

**Result & Conclusions:** Our model illustrates how parental leave influence employee engagement and retention from an employee perspective. Parental leave was found to influence employee engagement and retention in four main ways (themes), which are relationship with manager, salary and career opportunities, alignment of values, and well-being.

**Contribution of the thesis:** From a theoretical perspective, the model we developed is useful as it highlights how employee engagement is influenced by parental leave policies. From a practical perspective, this model can be used by managers and leaders in organizations worldwide that are looking to understand drivers of employee engagement and how to increase employee retention.

**Suggestions for future research:** Further research is needed to test this model in different contexts to confirm its accuracy. For future research, this model can be tested from the manager or management perspective, which could identify new components that can be added to the model.

**Key words:** Parental leave, employee engagement, employee retention, work-life balance, family friendly policies

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# 1. Introduction

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In the following chapter we will provide a brief introduction to the subject of this paper, describing the background, the problem we want to address, our aim, and present our definitions.

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## 1.1 Background

A new generation of employees are demanding better working conditions and more balance between work and leisure within the framework of their employment, so called work-life balance (Beauregard & Henry, 2009). In order to meet these demands, managers and leaders within organizations need to know what kind of benefits they can offer to attract both current and future employees. New forms of benefits need to be created, combined and offered more individually to employees, while simultaneously creating value for the companies. In today's labor market, it is common for employees to stay shorter periods of time within the same company than in previous generations (Hagel, 2012). This increase in employee turnover is a growing problem that companies may face, given that the costs to recruit new employees are high in both time and money (Hagel, 2012). Therefore, it has become very important for companies to be able to attract talent and retain its employees (Pregolato, 2010). Many organizations are now looking into how to better support employees by encouraging work-life balance, which effects other aspects such as job satisfaction, organizational commitment, turnover rates and employee retention (Beauregard & Henry, 2009). The concept of employee engagement, an important factor for employee retention, is today looked at and measured in many companies around the world.

Organizations across many industries consider skilled human capital vital to achieving successful business objectives and agree that employee retention is a key factor in gaining competitive advantage and creating organizational value (Datta, 2012; Maamari & Alameh, 2016; Pregolato, 2010). Leaders of some of the largest and fastest growing companies in the world report that talented employees are a key factor for future growth, and that employee retention is one of their most important priorities (Frank, Finnegan & Taylor, 2004, PricewaterhouseCooper, 2004).

However, attracting talent is a growing problem for organizations in today's globalized world, as globalization has driven businesses to compete for the same scarce talent and made it more challenging to retain employees (Hagel, 2012). Overall, about 30 percent of companies experience difficulty retaining key talent, which can affect business performance and decrease their likelihood for success (Holtom et al., 2005). While strategies, products and services can be replicated, losing trained and talented employees generates significant costs related to production loss and time spent searching for qualified replacements (Pregolato, 2010; Tower Watson, 2011; Tariq, Ramzan, & Raiz, 2013; Bandura & Lyons, 2014).

## **1.2 Problem**

Managers and leaders in organizations across the globe have found that employee engagement is a highly effective approach to employee retention, as engaged employees are loyal, willing to go the extra mile, and committed to their organizations (Xu & Thomas, 2011; Fernandez, 2007; Solomon & Sandhys, 2010). In order to attract, engage, and retain employees, employers can implement reward management strategies and policies that enhance work-life balance by providing rewards and benefits to employees in return for their contributions that add value to the organization (Datta, 2012; Noe, Hollenbeck, Gerhart & Wright, 2017). This is particularly important, because if employees perceive positions elsewhere to be more attractive (i.e., due to increased flexibility and/or better benefits/rewards), they might be willing to move to another position within a different company (Hagel, 2012).

Workplace rewards can be categorized into two groups: financial and non-financial. Financial rewards comprise all rewards that have a monetary value or other benefits that result in direct pay, whereas non-financial rewards are aimed at improving the work environment, such as creating a better work-life balance for employees (Armstrong & Murlis, 2007). Traditionally, financial rewards were the most commonly used incentive to attract and retain talented employees; however, the use of non-financial rewards is increasing steadily (Schlechter, Thompson & Bussin, 2015). Recommendations based on a HR Review (Whitaker, 2009) suggest that, in order to keep employees motivated and to encourage loyalty, employers should tailor non-financial rewards to their workforce and offer employees a choice of rewards and incitements. Given the shift in gender roles and the fact that women have become as prominent as men in the workforce over the past few decades, work-life balance has become one of the most attractive non-financial rewards (Halrynjo, 2009; Schlechter,

Thompson & Bussin, 2015). Results of a study that analyzed the impact of new work-life balance policy announcements on business profits of Fortune 500 companies in The Wall Street Journal found that firms' stock prices rose an average of 0.36 percent on the days following announcements of work-life balance initiatives; which suggests that flexible policies boost investors' perception of the businesses (Arthur, 2003).

While employees with parental childcare responsibilities report significantly lower engagement levels compared to those without childcare responsibilities, supportive work-life policies and perceived flexibility have been found to increase employee engagement and retention (Richman et al., 2008; Robinson, Perryman & Hayday, 2004). Moreover, employees that work in an environment that provides family support tend to experience lower levels of work-family conflict, which translates to greater job and family satisfaction, and is followed by greater overall employee satisfaction (Lapierre et al., 2008). Establishing a work-life balance not only improves an employee's overall sense of job satisfaction, but helps to improve their mental and emotional well-being, and decreases their risk for burn-out (Cook & Cripps, 2005). Research has found that burn-out is often the primary reason employees leave companies; therefore, employers tend to heavily focus on ways to prevent employee burn-out in order to retain valuable talent (Landy & Conte, 2007). Considering that the workforce is heavily made up of parents as employees, these findings highlight the critical need for a flexible approach from employers to create an optimal work-life balance that simultaneously increases employee engagement and retains talent within the company.

Parental leave policies, which entail a protected leave of absence following the birth of a new child or the placement of a newly adopted child in an employee's home, are a cost-effective tool for attracting and retaining employees. Parental leave is a valuable benefit for employees that not only promotes work-life balance and increases the likelihood that employees (women, in particular) join the workforce prior to childbirth, but provides both male and female employees with protection and an incentive to return to the same job (Adema, Clarke & Frey, 2015). Many industrialized countries across the world entail government sponsored parental leave policies that provide mothers and fathers with wage replacement and job security for extended periods of time (Milkman & Applebaum, 2013). On average, mothers across 36 countries within the Organization for Economic Co-operation and Development (OECD) are entitled to an average of 18 weeks of paid maternity leave and fathers are entitled to an

average of 8 weeks of paid paternity leave (OECD, 2017). Many employees look to their employers to request family-friendly policies in places where the State does not provide enough support (Bourhis & Mekkaoui, 2010). Although parental leave is regulated on a government (or state) level in most industrialized countries, some employers go beyond what is legally required by offering increased leave and/or increased financial support to employees as a form of competitive edge.

Several studies have found that perceived flexibility and the ability to manage the demands of work and personal life are related to higher levels of employee engagement and expected retention (Beenish, 2013; Richmond et al., 2008; Galinsky, Bond & Hill, 2004). However, little research has been done to explore the relationship between parental leave (a component of work-life balance) and employee engagement and retention. In order for managers and leaders in organizations to establish effective policies surrounding parental leave that benefit both employers and employees, further research is needed. This study will address the existing gap in the literature by investigating how parental leave policies influence employee engagement and employee retention. The findings of this study may benefit managers and leaders in organizations worldwide that are looking to understand drivers of employee engagement and how to increase employee retention.

### **1.3 Aim**

The aim of this study is to increase the understanding about how parental leave policies influence employee engagement, and subsequent employee retention.

### **1.4 Definitions**

Employee engagement – In the existing literature, there is no clear definition of “employee engagement”. Engagement is about passion and commitment, and the willingness to invest oneself in an effort to help the employer succeed. In this study we define employee engagement as an employees’ positive emotional attachment and commitment to a company.

## 2. Method

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In the following chapter, we present and explain the scientific research method approach, based on the aim of our study. Additionally, we explain the research design, the research approach, how we collected and analyzed our data, and how the respondents were selected.

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### 2.1 Science-theoretical framework

In this section we will describe the science-theoretical framework that we used for our study. We assumed a hermeneutic view of reality and a social constructivist view of knowledge to interpret our theoretical and empirical data.

#### 2.1.1 View of Reality

The aim of our study is based on understanding the relationship between parental leave policies and employee engagement and retention, which requires us to interpret and understand human behavior within a social context (Ahrne & Svensson, 2015; Bryman & Bell, 2017). Hermeneutics is the theory and practice of interpretation, in which the goal is to analyze the lived-experience of people using qualitative method and non-directive interviewing techniques to collect information (Montesperelli, 1998). We utilized a Hermeneutic approach to research by remaining cognizant of the fact that our purpose in collecting, transcribing, and interpreting our data was to gain an increased understanding; rather than find an absolute truth (Thurén, 2007).

In order to ensure that participants' responses obtained during interviews were interpreted as accurately as possible, we first interpreted existing research surrounding parental leave and employee engagement to familiarize ourselves with the lived-experiences of parents as employees. Throughout the interview process, we (as researchers) practiced Hermeneutic sensitivity by remaining aware of our own limitations, being attentive, using ethical sensitivity, and relying on our listening skills (Montesperelli, 1998). We interpreted the information we received from the employees that took part of this study with the intent to gain an increased understanding of their point of view. Given that our respondents' parental leave experiences and subsequent employee engagement may differ, it was important for us to interpret their responses in the appropriate context in order to gain a solid understanding of their life-world.

### **2.1.2 View of Knowledge**

Social constructivism is an interpretive framework in which individuals seek to understand their world and develop their own meanings based on their experiences and interactions with others (Creswell, 2013). This framework is particularly useful in phenomenological research studies. As researchers, we do not believe that there is one single truth to be found regarding the aim of this study, as both our participants' responses and our interpretations are influenced by social constructivism.

In this study, we applied the interpretive framework of social constructivism by asking our participants open-ended questions during a semi-structured interview. This approach allowed our participants to fully describe their personal experiences based on their interpretation of reality (Ahrne & Svensson, 2015). As researchers, our role was to remain unbiased as we openly listened to participants' responses, and later when we interpreted their responses based on their individual background and experiences. Our interpretation of participants' experiences uncovered valuable information regarding the impact of parental leave policies on employee engagement and retention, and offered us an increased understanding as researchers.

### **2.1.3 Prior understanding**

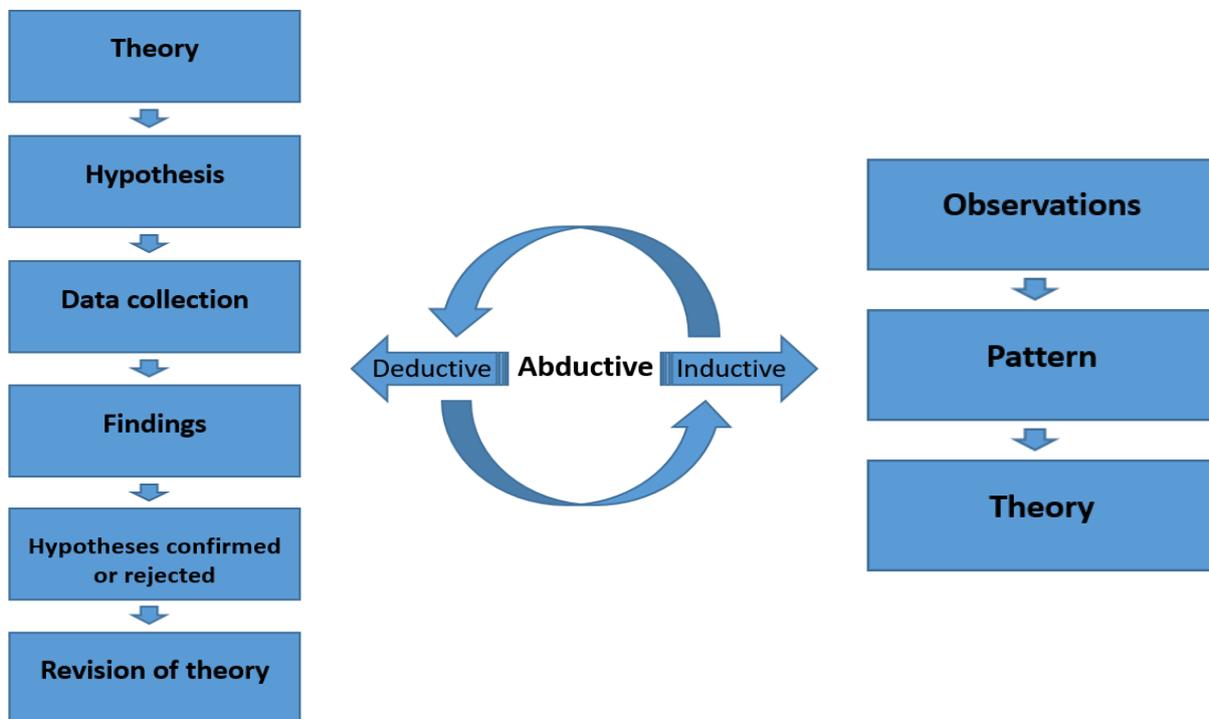
This study examines the impact of parental leave on employee engagement and retention in two different countries in which participants' responses were influenced by their culture and country of origin. Likewise, the society in which we (as researchers) were raised also contributed to the formulation of our perspectives, opinions and interpretation of reality (Thurén, 2007). The interpretations we made in this study were also based on prior knowledge, which constituted the base of our initial understanding.

Prior knowledge guides the formulation of perspectives and opinions; therefore, when we interpreted our findings, we were inevitably looking for specific concepts and keywords to help answer our research question. As researchers, it is important to be mindful and aware of the fact that different researchers can reach different conclusions based on both their culture and prior knowledge of the subject area – which have the potential to alter the outcome of the study (Thurén, 2007).

### 2.1.4 Research approach

We used empirical observations from semi-structured interviews in order to make generalizations within our theoretical framework (Bryman & Bell, 2017). Given that our aforementioned area of interest currently warrants further research, we opted to use an abductive approach in our analyses to gain a broad general understanding of how parental leave influences employee engagement and subsequent employee retention (Ahrne & Svensson, 2015). An abductive approach, like deductive and inductive approaches, is used to develop a theory and make logical conclusions. What makes an abductive approach particularly unique is that it avoids the limitations of the other approaches, such as using strict logic or relying only on empirical data (Bryman & Bell, 2017).

Our abductive approach enabled us to interpret data and choose the best possible explanation out of many (sometimes competing) data. This approach also enabled us to use both our theoretical framework and our empirical data to gain a deeper understanding of the aim of this study (Mantere & Ketokivi, 2013; Bryman & Bell, 2017). Based on the empirical data we collected in this study, we have drawn conclusions that may contribute to existing literature in our field.



**Figure 1.** Abductive approach. Own creation.

The model above illustrates that an abductive approach is located somewhere in the middle of a deductive and an inductive approach, which we have illustrated in their most obvious contrasts.

### **2.1.5 Research strategy**

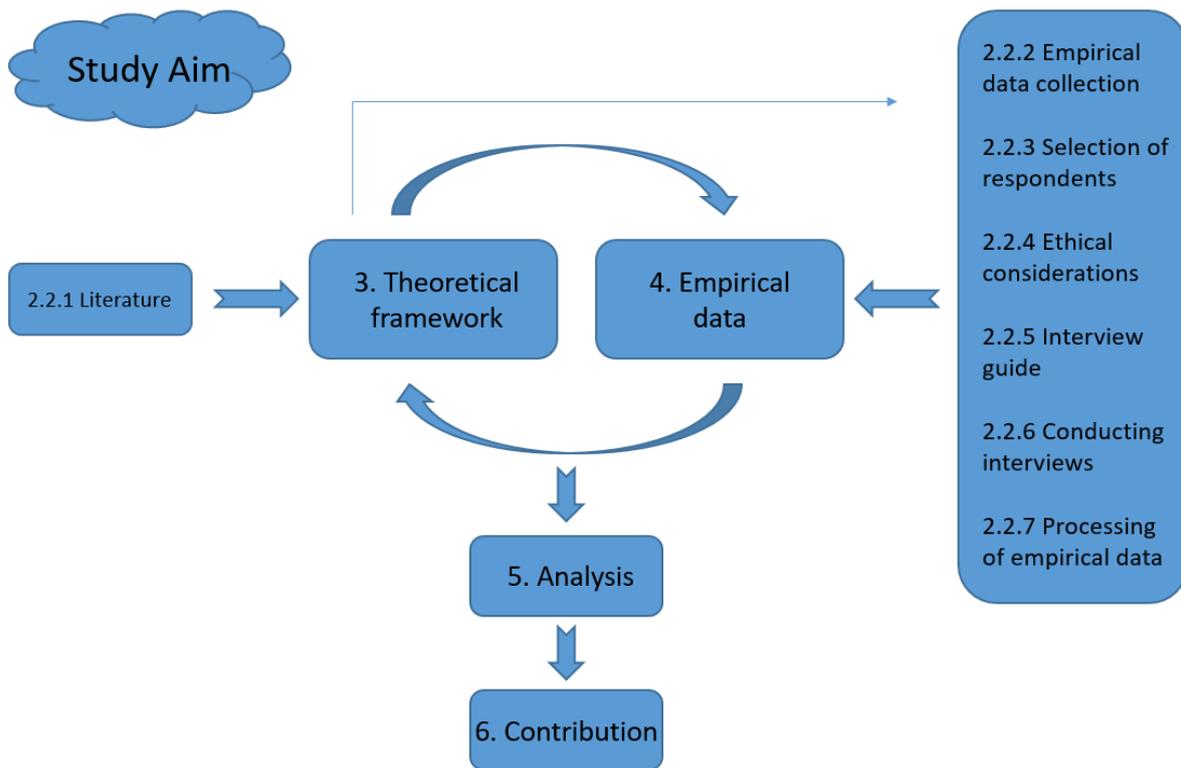
In order to answer the aim of this study, *to increase the understanding about how parental leave influences employee engagement, and subsequent employee retention*, we chose to conduct a qualitative study using semi-structured interviews. According to Gillham (2008), interviews are a key component of studies that aim to increase the understanding of a certain phenomenon (Gillham, 2008). Thus, the purpose of collecting interviews was to obtain broad empirical data in order to gain a deeper understanding about our research area of interest. Additionally, we concluded that an interview setting would provide us with a better opportunity to collect meaningful information about employees' personal experiences and perspectives, which would help us in our interpretation of data and in forming accurate conclusions.

### **2.1.6 Perspective**

It is important for researchers to establish a set perspective in which the reader can expect to interpret the results of the study (Alvesson & Sköldberg, 2017). In the Hermeneutic approach, the interviewee is considered the expert of their own life, and serve as the focus of the research process. Therefore, we utilized the employee perspective in this study. By choosing to study the impact of parental leave on employee engagement and retention from this perspective, we were able to obtain a deeper understanding directly from the sources of information, the employees. Furthermore, we also obtained different employee perspectives based on geographic location, sex, and age which further increased our understanding about our research question (for more details and information, see “2.2.3 Selection of Respondents”).

## **2.2 Research approach**

The model below (see Figure 2. Research Approach) depicts each step of our research method, which we further explain in subsequent sections. The focus of our research model is to display the structure of the study and clearly depict the connection between each component involved in conducting this study.



**Figure 2.** Research approach. Own creation.

The aim of the study was on top of our minds when we were planning this study and remained there throughout the execution phase of the study, illustrated in the figure above as a cloud floating over everything else. In the beginning phase of this study, we modified our aim accordingly, based on the increased knowledge we gained by reading about our subject area. This process involved reading current relevant research articles about our subject area, as well as literature regarding business research methods/qualitative methods. The knowledge we gained by reading about our subject area and relevant research methods was used to create a theoretical framework that we could work within. The theoretical framework we chose guided us in our selection of respondents, helped us to identify the best approach to empirical data collection, and served as the foundation for which our semi-structured interview guide was built upon. We critically reviewed and cross-reference checked the sources we used to construct our theoretical framework to the best of our ability.

In order to find an answer to the aim of our study, which is to obtain an increased understanding about our subject area, we decided to conduct a qualitative interview study and focus directly on the employee perspective.

### **2.2.1 Literature**

The business research method book that we heavily relied on and referred to throughout our study, *Företagsekonomiska Forskningsmetoder*, provided valuable information about qualitative research methods that were helpful in understanding business-based research (Bryman & Bell, 2017). The main source of literature we used as a basis for our theoretical data were peer-reviewed research articles (written in both Swedish and English), in which we searched for articles using the following keywords: “parental leave”, “employee engagement”, “employee retention”, “business management”, “work-life balance”, “rewards” “job satisfaction”, and “employee commitment”. The databases we used to find our articles are Articles+ (accessed through University of Pennsylvania), Scopus (accessed through Gävle University) and Google Scholar. We also used our referenced research articles found in the aforementioned databases to identify and locate other relevant research articles that were applicable to our research topic. Our main focus throughout our search for relevant research articles was to find articles that were recently written, ideally within the last 10 years, when possible. With that being said, we also took advantage of older relevant research articles that were well-cited and provided valuable information on area of research.

### **Source criticism**

We used peer-reviewed research articles and articles referenced by several other authors. Peer-reviewed articles have been reviewed by other experts in their field and are more likely to have a high scientific standard (Thurén, 2013). We also used primary sources and avoided secondary source referencing throughout this study. While reading different research articles, we remained mindful of checking the original source to make sure that we did not base our understanding on how somebody interpreted a text someone else wrote. With that being said, we purposefully used several different sources in this study to increase the credibility of our work. All our sources are referenced in the last chapter of this paper (*see Chapter 7, References*).

Another aspect to increase the credibility for this study was to use research articles and other sources that from the last 10 years, when possible. Given that sources decrease in value over time, time can be an important factor to consider when assessing how credible a source is (Alvesson & Sköldbberg, 2017). Therefore, the articles that we used that were older than 10 years were compared to newer sources to ensure that the information in those articles were still valid. The last thing we did to make sure that our research remained credible was to avoid including sources that we suspected were paid for by certain lobbying groups or written with a preconceived purpose, which according to Thurén (2013) can negatively impact the correctness and credibility of a source.

### **Increased knowledge**

We started out by reading current research articles about our subject area. As previously mentioned, the keywords we used to find these articles included “parental leave”, “employee engagement”, “employee retention”, “business management”, and “work-life balance”. Soon after we started reading about our subject area, we realized that little research has been done to address how parental leave influences employee engagement, specifically. However, we found a lot of information surrounding the relationship between work-life balance and parental leave, the impact that work-life balance has on employee retention, and drivers of employee engagement. This prompted us to look both broader and narrower in regards to our identified research gap and study aim. Broader in the sense that we expanded our search to include “work-life balance” (a concept associated with parental leave) and “rewards” (as work-life balance is considered to be a benefit/reward). Narrower in the sense that we expanded our search to include *specific* concepts related to employee engagement, including “job satisfaction” and “employee commitment”. This increased knowledge led us to also include subsequent factors for employee engagement, such as “relationship with managers”, “salary and career opportunities”, “alignment of values” and “well-being”.

### **2.2.2 Empirical data collection**

In this study we collected our primary data through semi structured interviews and our secondary data through research articles, books and websites (for more details and information about the secondary data used in this study see *Section 2.2.1, Literature and Chapter 7, References*).

We decided to collect our empirical data with semi structured interviews. In qualitative research semi structured interviews are one of the most common ways to collect empirical data (Bryman & Bell, 2017). More specifically, interviews are one of the most important sources of knowledge in qualitative research that can lead to a deeper understanding of the subject being researched (Bryman & Bell, 2017). Interviews often provides content rich answers which makes it easier for the interviewer to find differences between respondents. These differences, among other positive aspects, make interviews a preferred method for qualitative researchers (Trost, 2014).

With that being said, we chose to conduct semi-structured interviews because it allowed us to refer to a script to ask questions that we were interested in learning more about, while simultaneously allowing for follow-up responses. We used our interview guide to ask open-ended questions to our respondents, and asked respondents to elaborate on close-ended questions. By asking open-ended questions, we were able to gain a deeper understanding about the thoughts and feeling of our respondents on the key areas of this study, namely parental leave, employee engagement and employee retention. Open-ended questions also made it easier for our respondents to elaborate about how these key areas were connected to each other; which according to Gillham (2008), is one of the positive aspects of using flexible (or semi-structured) interviews. We also asked follow-up questions during all of our interviews to gain a better understanding of the responses we received. In addition, we intentionally asked our questions in a neutral manner to ensure that our respondents did not feel that we were expecting a certain type of response from them. Overall, we aimed to make our interviews feel more like a discussion, which allowed our respondents to express their points of view more freely.

### **2.2.3 Selection of respondents**

The non-probability sampling technique we used within the Hermeneutic approach was a combination of purposive and convenience sampling. More specifically, interviewees were purposively selected in two culturally and geographically different locations with vastly different parental leave policies (Sweden and United States), and chosen to participate based on convenience or ease of access within each country.

Sweden adopted parental leave relatively early and can be viewed as a predecessor in the field, while the United States is far behind its peers when it comes to parental leave policies. With 480 days of parental leave (of which 90 days are reserved for each parent), Sweden is internationally regarded as having one of the most generous and equal parental leave policies in the world (“Parental Benefit,” n.d.); whereas the United States is currently the only country within the OECD (n=36) that does not offer paid maternity leave at the national level, and is one of nine OECD countries that does not provide paid paternity leave (Adema, Clarke & Frey, 2016; United States Department of Labor, 2019). Our goal was to capture potential differences in the answers we received from our interview respondents based on both the culture they were influenced by and the different reality they experienced surrounding parental leave policies. Therefore, we have interviewed both men and women in Sweden and the United States.

By looking at these two extremes, we believe that we have received a better understanding about the aim of our study. The reason that we believe this is because Sweden and the United States have vastly different approaches to parental leave, which gives us two different perspectives to study how parental leave influences employee engagement, and subsequent employee retention. We also believe that including both genders in this study has given us different perspectives, based on both biological and societal differences between the genders. In Sweden for example, gender equality is the norm; whereas in the United States, caregiving responsibilities, in general, are mainly regarded as a concern for women. Lastly, we did not discriminate between employees based on whether or not they have or are expecting children, or want/do not want children in the future. The purpose of this was to obtain more information on the impact of parental leave policies on employee engagement and retention across all employees, as perspectives, values, and feelings may differ across employees based on their desire to have or not have children.

Both authors utilized personal contacts to identify potential respondents in Sweden. One of the authors has professional and personal ties to the United States, and thus had access to colleagues and friends that could help identify potential respondents. This resulted in 11 semi-structured interviews in Sweden and 7 in the United States, for a total of 18 interviews across both countries. All respondents from the United States were living in or near Philadelphia and

respondents in Sweden were living in or near Stockholm. Both Stockholm and Philadelphia are urban areas of similar size.

Inclusion criteria for respondents is as follows:

- Currently living in Sweden or the United States
- Male or Female
- Ages 20-65 (normative working age)
- Currently employed for at least one year or was employed at the time of childbirth

#### **2.2.4 Ethical considerations**

All data collection from individuals must be subject to ethical considerations (Gillham, 2008). Taking this into account, all respondents that took part in our study were informed about the aim of the study, that their data would be de-identified (and thus their responses would remain anonymous), that they could choose not to answer specific questions, and that they could end the interview at any time. Respondents in the United States were contacted through intermediaries, who we made it clear to that potential respondents were required to approve all of our stated ethic aspects before we would contact them to participate in our study. The Swedish respondents received the same information, but in person without any intermediaries.

It is very important to maintain confidentiality when conducting interviews and to review any citations taken from interviews before being published (Trost, 2014). Prior to the start of all interviews, we informed participants that their responses would be treated with confidentiality – which means that we would not tell anyone who said which response, publish any names, or publish any personal information that could be identified back to them. All of the cited interview response quotes that we use in this paper have been reviewed before publishing according to the ethic aspects above.

#### **2.2.5 Interview guide**

An interview guide is a common tool to use during semi-structured interviews (Bryman & Bell, 2017). The interview guide used in this study was developed in English and interpreted in Swedish for local respondents. The questions in our interview guide were derived from our theoretical framework and are intended to be open-ended in order to analyze our results with

an abductive approach (Ahrne & Svensson, 2015). The main themes for the questions in our interview guide are parental leave, employee engagement and employee retention. The interview guide begins with basic general questions, that become more in depth and open-ended as the interview progresses. The general questions that we asked in the beginning of the interview helped us differentiate between demographic differences when we analyzed and interpreted the data, which in the end also helped increase our understanding of the empirical data.

The general understanding we gained from our theoretical review (see 3.5 Theoretical synthesis) helped us derive our interview questions. Based on our theoretical findings, we could see that work-life balance factors influenced employee engagement and subsequent employee retention. At the same time, we realized that employee engagement also incorporated the concepts of job satisfaction and employee commitment. These realizations helped us derive interview questions, such as questions on how parental leave (an aspect of work-life balance) influenced job satisfaction and commitment (two concepts of employee engagement). Our theoretical synthesis also influenced other questions, such as questions regarding parental leave and salary/career advancement, and also questions on how parental leave might influence employee retention.

It is important to note that our interview guide should be viewed as just that – a *guide*. Follow-up questions, based on responses received during the interviews, are not included in our interview guide (see Appendix 1 & 2). We always made sure that our respondents explained their answers in detail. With that being said, some questions were modified and others were added depending on what we learned in prior interviews (Troost, 2014). In some cases, we had to contact respondents to ask additional questions that were added after their interview.

### **2.2.6 Conducting interviews**

When we had created our interview guide we conducted a few test interviews with relatives/friends to make sure that we were asking relevant questions (relevant in the sense that it helps us answer the aim of this study), and to ensure that respondents understood the concepts we were asking about. We conducted interviews with employees from different companies in Sweden and the United States. Out of 18 total interviews, 11 were conducted

with employees in Sweden and 7 were conducted with employees in the United States. This enabled us to get a broad collection of experiences from employees with different roles, culture, backgrounds and work experience.

When we contacted the identified respondents to complete their interview, we adhered to the following order of operations: 1) introduce ourselves; 2) explain the aim of the study; 3) discuss confidentiality; 4) provide an estimation of how much time the interview takes to complete; and 5) thank them for taking the time to participate. We, as researchers, split the interviews so that each author conducted 9 interviews (18 in total). We refrained from completing interviews via the phone because you cannot see the interviewee, and are unable to observe their non-verbal behavior throughout the interview. Additionally, participants can more easily end their interview via phone, since qualitative interviews can take a long time to complete (Bryman & Bell, 2017). Instead, we chose to complete the interviews with participants in the United States in English via Skype (a cost-effective and feasible approach to meeting with participants “face to face”) at a time that suited our respondents the best (given the 6-hour time difference). As with all interviews that rely on technology, there can be technical issues or interruptions that impacts the interview itself and/or the recording of the interview (Bryman & Bell, 2017). Fortunately, none of the interviews conducted via Skype encountered technological barriers. For participants in Sweden, we chose to complete our face-to face interviews in Swedish at a time that suited our respondents the best – as a courtesy to those willing to participate.

### **2.2.7 Processing of empirical data**

As previously discussed, we used semi-structured interviews to collect our empirical data. A total of 18 interviews were conducted, 11 in Sweden and 7 in the United States. Please read the following sub-sections for details about how we processed our empirical data.

#### **Interpretation of empirical data**

Interpretation and understanding are the two main concepts that we used to process our empirical data. In our semi-structured interviews, we had to interpret *what was being said* and the *context in which it was being said*. We did not view the interview responses we received in the context of “right” or “wrong”, but rather that responses were interviewees’ personal view that would get us closer to an increased understanding of our subject area. We also

realized that our prior knowledge of the subject area could influence how we interpreted what our respondents told us in the interviews, a fact that is important for researchers to be aware of (Thurén, 2007). With that being said, we were also well aware that our prior knowledge could differ between us as authors. Therefore, we often discussed how we interpreted the information that we obtained from our interviews. These discussions helped us come to a consensus in our interpretations, which made the coding of our empirical data easier.

In cases where we were unsure about how to interpret what was said in the interview we always made sure to ask follow up questions to make it clearer. Follow-up questions also helped us to avoid misinterpreting the responses we received. Our goal was to interpret what was being said with the “big picture” in mind, which helped us to get a better general understanding of how parental leave, employee engagement and employee retention was connected to each other.

### **Coding of empirical data**

During each interview we completed detailed notes of the participant’s responses. We also transcribed all interviews, but left out sections of the interview where we discussed anything that was unrelated to the study. When the transcriptions were finished, both authors read the transcriptions while listening to the recorded interview. The reason for this was to ensure that we had transcribed the interviews correctly and that we were in agreement regarding all interpretations. The transcriptions made it easier to compare the interviews to each other and made the overall analysis process smoother (Gillham, 2008).

We read through each interview, one by one, at the same time. After reading through all interviews, we discussed noteworthy responses and tracked them in an Excel tracking sheet. Responses were deemed noteworthy if they could help answer the aim of this study. We then used the Excel tracking sheet to compare all responses with each other, to try and find common themes. We found four recurring themes that the respondents indicated influenced their engagement in relation to parental leave, which were relationship with managers, salary and career opportunities, alignment of values and well-being. Based on these four themes, we developed a case report form (see appendix 3) to track and assess the occurrence of these themes across participants in an organized fashion.

## **Empirical analysis method**

In the beginning of our empirical data collection we used the interview guide based upon our theoretical framework. As we use an abductive approach, our analysis immediately began when we started to collect our empirical data (Alvesson & Sköldbberg, 2017). After we completed transcripts for our interviews, we started to look for patterns and compared our empirical findings with our theoretical framework. After identifying four common themes (i.e., four engagement factors), we chose to create a case report form for each interview (found in appendix 3), to organize and analyze our empirical data that was collected during our interviews. The aforementioned case report forms were used in our empirical analysis to identify notable occurrences, similarities and differences across participants within each theme.

The four themes identified during our qualitative interviews were necessary to gain a deeper understanding in how parental leave policies might influence employee engagement, as our original model (figure 3) only gave us a perspicuous synopsis of the literature studies. The interview guide and case report forms were both very helpful to structure our analysis and to help us answer the aim of this study, as we expanded our theoretical framework. We used the four themes as recurring headings throughout this paper to help us present our combined findings (both empirical and theoretical) in a structured and educational way. Despite the fact that we expanded the theoretical framework based on our empirical findings, the framework fulfilled a significant function in our study by allowing us to acquire knowledge in our area of research – which was necessary for us to be able to ask the right questions through our interview guide (Corbin, 2008).

After all interviews were analyzed and we identified similarities/differences in the answers we received from our respondents, we went back to our detailed interview notes and recordings to select citations that describes our data effectively. With that being said, the quotes included in the empirical data chapter are intended to "back up" our empirical findings, as it is important to provide support for the claims that we make in our empirical analysis (Nyberg & Tidström, 2012).

Overall, our analysis of the combination of theoretical and empirical data in this study aims to present both a theoretical and, practical, contribution to the literature (Dubois, & Gadde 2002).

### **2.2.8 Quality criteria**

Trustworthiness is one of the basic criteria used to assess qualitative research (Bryman & Bell, 2017). Trustworthiness can be divided into four sub-criteria: credibility, transferability, dependability, and confirmability (Bryman & Bell, 2017).

We achieve credibility in this study by accurately describing the social reality that our respondents shared with us (Bryman & Bell, 2017). In other words, the social reality that we describe in this study is based on the information we received from our participants during interviews. In order to ensure that we understood participants' responses throughout the interviews, we used paraphrasing and reflection, and confirmed with participants that we understood their viewpoint(s) correctly.

In order to achieve dependability in this study, we have documented each step of our research process throughout this paper (Bryman & Bell, 2017). More specifically, this paper includes sections devoted to the research design and implementation, collection of empirical data, and analysis. Additionally, we (the authors of this paper) worked together and remained in open communication throughout the study design, literature review, collection and analysis of data.

Transferability involves the generalization or transference of qualitative research results to other contexts or settings. In order to enhance transferability, we purposively included a detailed account of our experience during empirical data collection (Bryman & Bell, 2017). Specifically, we included detailed information regarding the research context, including the location, time, and method of communication used during the interview process. As a result, the reader of this study can determine, based on the information we provided, if the results of this study may be transferable to a different context.

Lastly, we did not allow our personal values/opinions influence our approach to data collection, analysis of data, or the results. Instead, we remained objective throughout the research process – which is how we achieved confirmability in our qualitative research study

(Bryman & Bell, 2017). We ensure credibility throughout this paper by providing a detailed confession surrounding the decisions we made and how we landed upon our final conclusions regarding the data collected and analyzed.

### 3. Theory

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In this chapter we present the theoretical framework of this study. We briefly describe the concept of total rewards as an instrument of business management, focusing on non-financial rewards and work-life balance. We highlight the influence of parental leave policies on employees and organizations and describe how companies can make use of parental leave policies to engage and retain employees.

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#### 3.1 Rewards and work-life balance

Total rewards are defined by the WorldatWork Handbook of Compensation, Benefits, and Total Rewards (2007) as *the financial and non-financial return provided to employees in exchange for their time, talents, efforts, and results*. There are no limitations on what can be described as a reward, but a common theme is that anything that has a positive effect on an employee's behavior can be considered a reward (Zigon, 1994). Moreover, a reward can be described as something that increases the frequency of an employee action and increases the chances that a performance will be reaped (Erturk, 2000). If an organization offers its employees something, with the intention that it will have a certain effect on the behavior of the employees, and that intended effect is achieved – it can be considered a reward (Zigon, 1994). The implementation of rewards is intended to be done with the aim of changing and improving employee performance (Erturk, 2000).

##### 3.1.1 The use of rewards in business management

The role of total rewards in business management is expressed through a designed reward system, built on policies, practices and routines (Armstrong, 2016). Research has shown that there is a connection between an organization's reward systems and employee attraction and retention. Depending on the design of the rewards system, in terms of total rewards, it will attract and retain a certain kind of worker. It is important for companies to understand their employees' needs and expectations in order to keep a functional employee turnover rate (Lawler, 1982; Schlechter et al., 2015). In order to remain attractive to employees, employers should take into consideration the fact that demands of employees change over time. As an example, when employees have children, flexible work conditions may become more important to them than pure financial rewards (Amundson, 2007). The use of rewards as an instrument of business management can also have a positive impact on employees' motivation

and job satisfaction, which are two components of employee engagement. The increase in employee engagement often leads to increased productivity and organizational commitment. (Datta, 2012; Morell, 2011; Korir & Kipkebut, 2016; Born & Molleman, 1996). With that being said, it is also important for organizations to take the costs of rewards into consideration to have a well-designed reward system from a cost/benefit perspective (Lawler, 1982).

Rewards are often divided into two different categories, financial and non-financial. They can also be divided based on whether they are individual or collective, or based on the effects of the rewards, also if they are short term vs long term rewards (Svensson, 2001; Armstrong & Murlis, 2007; Markova & Ford, 2011). Rosanas and Velilla (2005) argue that organizations with a reward system based on financial rewards alone can never motivate employees enough. Financial and non-financial rewards have two inherent differences. Non-financial rewards usually have positive long term effects on employee engagement and subsequent job satisfaction and motivation. Financial rewards, on the other hand, lead to more short term and instant effects (Pregnoiato, 2010; Morell, 2011). Results of a study conducted by Schlechter et al. (2015) that analyzed the concept of attracting talent by offering nonfinancial rewards found that companies that offer non-financial rewards to attract talent had a greater tendency to succeed than companies that did not offer any non-financial rewards. Another interesting find in this study is that non-financial rewards were found to be more attractive for female workers than their male counterparts (Schlechter et al., 2015).

### **3.1.2 Work-life balance**

Researchers have argued that the ability of the employee to find time for both work and family is a crucial factor for engagement and success in the workplace. Work-life balance has, in its broadest sense, been defined as “a satisfactory level of involvement or ‘fit’ between the multiple roles in a person’s life” (Bedarkar & Pandita 2014). Work-life balance is considered to be a non-financial and long term reward that is not only assumed to have a positive impact on employees’ job satisfaction, but is also seen as a key factor in increasing employee engagement, as it leads to organizational commitment and the willingness of employees to stay within the organization. Work-life balance is also one of five key elements that attract, motivate and retain the talented employees required to achieve desired business results (Whitaker, 2009; Beauregard & Henry, 2009; Deery and Jago, 2015; WorldAtWorks, 2015). With that being said, results of a study conducted by Narsee (2012) found that organizations seemed to underestimate the importance of work-life balance, given the imbalance between

how employees value the benefits of work-life balance policies and the importance attached to these benefits by organizations.

Recent demographic changes in the workforce have resulted in more women taking part in the workforce, which has forced many organizations to look into how to support these workers in a better way. As a result of this, and a general increase in the demand for work-life balance policies, managers and leaders in organizations have been forced to look into different ways of encouraging more work-life balance for employees (Beauregard & Henry, 2009).

Moreover, research has shown that employees who have the opportunity to balance work life and family life have a greater desire to remain in the organization. From the employer's point of view, the talent competition in the labor market is an important driving force for the introduction of the working life policy, in order to attract and retain talent (Wise & Bond, 2003).

One aspect of work-life balance policies are family-friendly policies (FFP), which include flexible working hours and parental leave. Family-friendly policies have been considered important tools to obtain a functioning work-life balance among employees (Pregnotato, 2010). Kochanski and Ledford (2001) found that employees value the benefit of paid time off, which include family responsibility leave (e.g., parental leave), the most. In another study by Dex and Scheibl (1999), results suggest that having family-friendly policies in an organization was, in almost all cases, beneficial to the organizations. With that being said, one negative aspect of having FFP in an organization is the increased administration and disruption. Although these disruptions may be considered costly, it is likely that an increase in family-friendly practices will lead to a “know how” which will reduce the costs over time. One might also take into consideration that the cost of not having family-friendly policies can be even higher, given the consequences associated with employee turnover (Dex & Scheibl, 1999).

### **3.1.3 Parental leave policies**

Paid parental leave has been considered to help keep more women in the workforce and contribute to economic growth. In the United States, government policies includes only a short term of unpaid parental leave. Extended policies offered at the state-level, or voluntarily by companies, are often limited and unsatisfactory (Adema, Clarke & Frey, 2015). Sweden, on the other hand, is considered to be one of the top five countries for women to live and

work in, and a big reason for that is the governmental parental policies that benefits work-life balance for men and women in the workforce (Evertsson, 2016).

Sweden, with its 480 days of paid parental leave (in which 90 days are reserved for fathers), is not only considered a role model for many countries to strive for equal gender opportunities, but also for companies that strive to create company policies that invest in talented female workers. Many companies are willing to invest in well-educated employees rather than letting skilled and experienced employees slip through their fingers (“Parental Benefit”, n.d.; Johnson & Tunheim, 2016; Valk & Srinivasan, 2011). In a study conducted by Johnson & Tunheim (2016), they found that Swedes that are working in the United States tend to move back to Sweden in time for the birth of their child. Their study also suggests that the biggest factor guiding this decision is to take advantage of the generous Swedish parental leave policies. These findings suggest that work-life balance is more important than continuing their careers in the United States, for soon to be parents. With that being said, Johnson and Tunheim (2016) also found that most Swedes do not leave their current employer during the time surrounding parental leave.

Alternatively, the implementation of an expanded parental leave policy is not necessarily perceived as positive. In a study conducted in Sweden on how women and men's work situation is affected when they have children, the most prominent difference was the impact on women's career development, wages, and change of workplace (Kennerberg, 2007). While the differences between men who had children and men in a comparative group (that did not have any children) were small, the differences among women in similar comparisons were much larger (Kennerberg, 2007). Women who choose to have children experience a negative impact on their careers and wage development; yet are more likely to stay with their current employer; which is not the case for women who do not have any children (Kennerberg, 2007). A study by Evertsson (2016) indicated that the negative impact on women's wages had a long-term effect and the reason is that women on average tend to take a longer parental leave than men. The direct impact on men's wages were actually higher, as the assumption by employers is that men would not take as long of a leave. The biggest negative impact for men that take long parental leave, if at all possible, can be wage loss as a consequence of being viewed as not being fully committed to their work by their employer (Evertsson, 2016).

In comparison to what's already been found, a comparative study of different work life balance practices in 14 European countries, to test whether work-life balance could enhance the career advancement of women to senior management position found that the only confirmed positive influence of work-life balance practices on women's career advancement was the payment of additional amount for maternity leave, which was also in line with what employers preferred to offer (Straub, 2007). With that being said, the major demographic changes, which entail an increasing number of women in the workforce, will dramatically transform the economic landscape, as women become the world's most untapped resource. Nearly 1 billion women have been estimated to enter the global economy for the first time in the coming decade (Aguirre, 2012).

### **3.2 Employee engagement**

Employee engagement is a wide concept describing an employee's positive attitude towards the organization and its values. Moreover, it is built on the foundation of earlier concepts like job satisfaction and employee commitment (Solomon & Sandhys, 2010). As a description, job satisfaction should not be used synonymous with engagement, as a satisfied employee does not necessary equate to a loyal and committed employee. This means that companies cannot rely on employee satisfaction alone to help retain talent.

Many studies have highlighted the importance of having engaged employees for greater organizational performance and general company success. Employee engagement reflects the sense of passion for the company; in which high engagement means higher work-moral, higher performance and higher productivity (Solomon & Sandhys 2010; Datta, 2012; Maamari & Alameh, 2016). Engagement is about the employees' personal motivation to help their company succeed and their willingness to put in the extra effort required to make that happen. By focusing on increasing employee engagement, managers and leaders in organizations can create an efficient and productive workforce. Engaged employees are more likely to work with colleagues to improve their overall performance that will ultimately benefit the organization (Fernandez, 2007). According to Bates (2004), development and retaining of entirely engaged employees can save U.S. companies an estimated \$300 billion per year in lost productivity. With that being said, it is important that an organization works to develop and nurture engagement, which requires a two-way relationship between the employer and the employee (Solomon & Sandhys 2010; Fernandez, 2007).

### **Job satisfaction**

Job satisfaction is seen as a component of employee engagement and can be described as a person's positive attitude to their job. It is influenced by what expectations the person has in their workplace and their work, and to what degree the work corresponds to these expectations. Job satisfaction is regarded to have a positive impact on job-related behaviors, such as productivity, absenteeism and employee turnover intention (Oshagbemi, 1999). Many researchers have considered job satisfaction to be a part in achieving employee engagement (Solomon & Sandhys, 2010).

### **Employee commitment**

An employee's organizational commitment, is usually described as the employee's desire to belong to an organization and to what extent the employee identifies her-/himself with the organization. Employee commitment is also commonly described as an employee's desire to make an effort to improve organizational performance, for the organization's success. Many researchers view organizational commitment as an important driver for employee engagement (Solomon & Sandhys, 2010).

In the “Handbook of Human Resource Management Practice”, Armstrong (2009) highlights the definition of commitment by Porter, Steers, Mowday and Boulian (1974), which is about attachment and loyalty, and consists of three factors:

1. A strong desire to remain a member of the organization
2. A strong belief in and acceptance of the values and goals of the organization
3. A readiness to exert considerable effort on behalf of the organization

### **Relationship with manager**

Organizations with a highly engaged workforce have been found to have almost 10 times as many committed, high-effort workers as those with a low-engaged workforce (Lockwood, 2007). Managers play an important role in employee engagement and are one of the biggest enablers for employee commitment, as the manager establishes the connection between the employee and the organization. Managers are responsible for several decisions that impact their employees' salary, career development, and advancement. In order to create a supportive working environment, managers may provide rewards and benefits, promote teamwork, and

provide constructive feedback (Popli & Rizvi, 2016; Lockwood, 2007). With that being said, HR specialists report that managers that frequently recognize their employees' work and contributions tend to have a far more engaged workforce. Furthermore, managers' ability to recognize and listen to their employees needs by acknowledging, responding, and acting has also been found to increase engagement in the workforce (Baumruk, 2006).

Since managers connect the employee to the organization, they may also play a major role in employee turnover. Reina, Rogers, Peterson, Byron and Hom (2018) suggest that "*employees leave their managers rather than their companies*". Therefore, managers' behavior has the potential to affect their employees' satisfaction and turnover intention. It is likely that managers that inspire, rather than pressure, their employees will create a better work environment for their team and a stronger bond with their employees (Reina et al., 2018). An established connection between a manager and an employee may have a positive impact on employees' work and increase their desire to remain within the organization. In addition, supportive leadership increases employees' involvement, satisfaction and enthusiasm for work, all of which promote engagement and minimize turnover within a company (Popli & Rizvi, 2016; Reina et al., 2018).

### **Salary & career opportunities**

Many researchers have highlighted pay rewards and benefits as well as career opportunities to be drivers of engagement (Sharma & Krishnan 2012). Moreover, there is a direct link between satisfaction of pay, career opportunities and job satisfaction, as employees that are not satisfied with their payment or career opportunities will not be completely satisfied with their job (Sharma & Krishnan 2012). Career opportunities have, alongside with work-life balance, been identified as two out of five key elements that attract, motivate and retain talent (WorldAtWorks, 2015).

Pay satisfaction has shown to have a positive impact on turnover intentions, absenteeism, and voluntary turnover (Williams, McDaniel & Nguyen, 2006). Pay satisfaction and belief in pay plan effectiveness have also shown to positively affect employees' organizational commitment (Dulebohn, & Martocchio, 1998). Pay satisfaction is not only related to overall job satisfaction, but it also affects employees' motivation and performance, as employees expect to see pay increases that are conditional to performance. Moreover, research has found

that pay cuts can hurt employees' moral since employees perceive this as an insult that impacts their self-worth and sense of value to the organization (Sharma & Krishnan 2012). Employee satisfaction with career opportunities has also been shown to increase organizational commitment, as well as reduced turnover and increased voice behavior (i.e., the open expression of opinions for the greater good of the organization) (Weer & Greenhaus, 2017).

### **Alignment of values**

Organizational alignment is about making individual employees work toward the achievement of shared organizational goals. Alignment is described as a fit, an integration, a bridge or a linkage between individuals, departments, and functions (etc.) within the organization (Alagaraja & Shuck, 2015). Alignment of values is about speaking the same language of values to get everyone within an organization to head in the same direction. It is about getting the individual employee's values to align with the desired values of the organization to achieve these organizational goals. Branson (2008) claims that, *“Until organizations are able to authentically clarify their strategic organizational values and then engender alignment between these strategic values and the personal values of their employees, organizations will be unable to sufficiently change and adapt in order to continue to be successful in the twenty-first century”*.

Values are a fundamental characteristic shared by both employees and organization, in which the “fit” between person-organization values are considered to be a predictor of organizational commitment. Researchers have claimed that placing an employee in a situation where he/she does not “fit” will negatively impact the employee and the organization, as it might have a negative impact on employees' well-being and devotion to the organization, and can result in a less productive employee. As an example, an employee that values honesty and integrity would not “fit” in an organization that views ‘getting the job done at all costs’ as their number one priority (Finegan, 2000). Therefore, an alignment of values is important for gaining employee engagement. This notion is supported by recent studies by Ren and Hamann (2015), which proclaims that value congruence is positively related to employee attitudes and serves as a motivational mechanism that requires less organizational external intervention with employees' effort. As a result, organizations are able to benefit from the effort put forth by better motivated employees. Moreover, research has shown that employees that work for

organizations that share the same values, have a higher level of job satisfaction and organizational commitment (Kalliath, Bluedorn & Strube, 1999).

Research has also found that individuals' values are related to commitment; as values can be a predictor of employees' view on organizational justice, which refers to how employees' view their organization's distribution of rewards to be fair, and that the processes by which organizations decide to distribute these rewards are viewed as fair (Strom, Sears, & Kelly, 2014). A study by Cohen & Keren (2008) showed that there was a significant relationship between the perception of justice and individual values in relation to commitment. Moreover, organizational justice has been identified as a predictor of employee engagement, as it triggers other engagement concepts such as job satisfaction (Strom et al., 2014).

To attract employees with similar values, companies often market corporate values, such as integrity or innovation, in hope of a better alignment of values for organizational benefits and more engaged and well-performing employees (Guiso, Sapienza, Zingales, 2015). A study by Guiso et al. (2015), showed that proclaimed values appear irrelevant for employee performance. Instead a company's performance appeared to be stronger when employees perceives top managers as trustworthy and ethical.

### **Well-being**

The well-being of employees is another factor that plays an important part in employee engagement, as the well-being of employees is essential for their ability to perform. Well-being is also important for employees to be able to maximize their potential, as employees will remain within their area of employment for a longer period of time and it can reduce the time taken from work due to stress-related illnesses (Hillier, Fewell, Cann & Shephard, 2005). As managers are looking at employees as a key factor for gaining and maintaining competitive advantage, a healthy and happy worker is essential for company success. Many employers today are therefore involved in the well-being of their employees (Nielsen, Nielsen, Ogbonnaya, Käsälä, Saari & Isaksson, 2017). With that being said, research have found that while mothers are generally encouraged to return to work after childbirth, little has been done to support them during this transition (Spiteri & Xuereb, 2012).

Stress in the workforce is today a common problem among many companies. A high demand of workload, lack of control and relationships with colleagues or managers has been identified as common factors causing stress. Stress among the employees can have a huge impact on companies as a stressed out workforce could result in a reduced performance which will lower company productivity and good quality outputs are reduced. A workplace with employees not feeling well can result in lack of motivation, high rates of absenteeism, less focused and their innovation might decrease. This might, in the end, result in a less committed employee that has experienced a reduction in job satisfaction. This can negatively impact retention in the workplace, through high and dysfunctional labor turnover, which will create increased costs for the company as they try to deal with increased levels of recruitment (Hillier, Fewell, Cann & Shephard, 2005). In order to enhance well-being amongst employees in the workforce, employers can promote work-life balance, which has been found to not only improves an employee's overall sense of job satisfaction, but helps to improve their mental and emotional well-being, and decreases their risk for burn-out (Cook & Cripps, 2005).

### **3.3 Employee retention**

An important aspect for companies to succeed in their business objectives is by being able to retain talent (Datta, 2012; Pregolato 2010; Hagel 2012; Ton & Huckman 2008; Tracey & Hinkin 2008; Park & Shaw 2013; Bandura & Lyons 2014; Maamari & Alameh, 2016). The relationship between employee retention and employee engagement is strong and influence each other. Employee retention is also positive correlated to work-life balance. In a study by Richman, Civian, Shannon, Hill and Brennan (2008), the results revealed that supportive work-life policies were related to greater employee engagement, as well as a longer than expected retention. Research have shown that companies with engaged employees have higher employee retention (Solomon & Sandhys 2010; Xu & Thomas 2011). An investigating study by Richman et al. (2008) have shown that the influence of work-life balance support increase employee retention subsequently through an increased employee engagement.

Not only does a greater employee engagement have a positive effect on employee retention, employee retention can also have a positive effect on employee engagement. This indicates that the relationship between engagement and retention is mutual (Solomon & Sandhy, 2010). In a study about factors that impacts engagement, Solomon and Sandhy (2010) highlights the importance of attracting, training and retaining talent in order to engage employees. They also

highlight work-life balance as they make the conclusion that managers should let employees has a say in objects that matters for them in both their job and in life overall in order to build engagement in the workforce.

Employee retention has a clear connection to the concept of employee turnover. Employee turnover is the number of employees that leave a company through attrition, dismissal, or resignation during a period compared to the number of employees on payroll during the same period (“Labour turnover”, n.d.). Employee turnover is often categorized as either functional or dysfunctional, depending on whether the employees who leaves are more or less valuable to the company; meaning that employee turnover is either good or bad for the company. If a company is able to retain the more valuable employees over the less valuable employees, turnover is considered to be functional (Johnson, Griffeth & Griffin, 2000).

The positive and negative effects of employee turnover have long been discussed. Many researchers argue that employee turnover can have a positive effect, in the sense that it can add new knowledge and experience to the workforce, but that the negative effects of employee turnover (such as production and operational disruptions, at least in the short term) far outweigh the positive (Park & Shaw, 2013). Losing key talent can have a negative effect on several parts of the business, such as customer relations and overall job satisfaction among coworkers, as they need to take on additional tasks (Park & Shaw, 2013). The loss of human capital and expert knowledge can sometimes be crucial for a company’s business outcome, as losing key talent can result in losing important clients. Globalization has driven the competition for talent and it is therefore important for companies to implement strategies to retain key talents and take control over employee turnover. (Hagel, 2012; Ton & Huckman 2008; Tracey & Hinkin 2008; Bandura & Lyons, 2014). Using strategies, such as rewards or benefits, to keep employees committed can help reduce unwanted employee turnover and increase employee retention (Datta, 2012; Deery and Jago, 2015).

Non-financial rewards are an important incentive that contribute to efficient and functional employee turnover (Vos & Meganck, 2009). These rewards can also increase employee retention by increasing the feeling amongst employees that they are being treated fairly. Employees that feel like they are taken care of will become more emotionally involved in their work and the success of their employer. This increased employee engagement will also

result in a high level of loyalty towards their employers (Griffeth, Hom & Gaertner, 2000; Casper & Harris, 2008). According to Rhoades & Eisenberger (2002), employees that are emotionally attached to their employer generally perform better at work, which reduces the probability that the employee resigns. Moreover, studies have shown that employee engagement is the strongest predictor of organizational performance and that companies with engaged employees have higher employee retention as a result of reduced turnover (Solomon & Sandhys, 2010; Xu & Thomas, 2011). On the other hand, companies with disengaged employees suffer from a waste of effort and bleed talent. Consequently, a domino effect will affect other key factors significantly, such as decreased commitment from employees, increased absence, less customer orientation and less productivity. These are all factors that can have a long term negative impact on the profitability of a company (Solomon & Sandhys 2010; Xu & Thomas, 2011).

### **3.4 Parental leave policies – engagement and retention**

When we take a look at how parental leave policies might influence employee engagement, we must also take into account the impact on employee retention, as there seems to be a positive relationship between the two. Employee retention also seems to be a positive aspect of parental leave policies. As described earlier, employee turnover can have a range of negative effects for businesses. Therefore companies should implement retention-strategies to control the conditions of employee turnover in order to create a more functional employee turnover. Utilizing parental leave policies can work as an effective means to this end, as offering parental leave can prevent employees from resigning. In most cases, it will also make employees return to their current employer after the parental leave period has ended (Wilkinson et al, 1997; Johnson & Tunheim, 2016).

Recent studies have shown that there is a relationship between FFP and organizational attractiveness. In Bourhis & Mekkaouis (2010) study about the relationship between FFP and organizational attractiveness, they made the conclusion that organizations which offer FFP are more attractive to job applicants than those who did not offer such practices. Offering generous personal leave policies above what is legally required, showed a significantly higher result on attractiveness than other practices. Since implementing even one practice increases the likelihood of attracting job candidates, as well as increasing retention among the current employees. Organizations which cannot afford to implement a large variety of FFP would be

well advised to consider implementing personal leaves as it seemed to have the most impact on attractiveness (Bourhis & Mekkaouis, 2010).

Whitehouse and Zetlin (1999) is another pair of researchers which argues that parental leave can be seen as a retention strategy. They argue that parental leave as a retention strategy should be used where training and replacement costs are high and/or when the numbers of employees facing work-family conflict is high. One example of a work-family conflict is when a significant number of employees are of childbearing age. Studies have also shown that employees who worked for organizations that offered parental leave policies had higher levels of organizational commitment and lower intentions to leave, regardless of the extent to which they might personally benefit from the policies (Grover & Crooker, 1995). Research have also found that employers find that the greatest benefit of offering parental leave is to be able to attract and retain female employees (Richman et al, 2008). Introducing parental leave policies can also be an effective means to optimize the development of employee engagement (Richman et al, 2008).

Another aspect of the parental leave policy is that the employees will feel that they are treated fairly and with respect from the employer. If employees feel that their work and effort is not being valued and that the employer doesn't care about the employees' well-being, it can have a negative impact on job satisfaction and organizational commitment, which are aspects of employee engagement. In the long term it can also lead to a dysfunctional employee turnover (Park & Shaw 2013). Bourhis and Mekkaoui (2010) argues that companies that implement family-friendly policies (FFP) appear fair in the way they distribute resources and their employees will appreciate that they feel like their employer cares about their needs. Implementing FFP to promote work-life balance can also lead to improved moral and motivation by creating a supportive working environment (Wise & Bond, 2003). This indicates that implementing management strategies and policies for parental leave is important for employee engagement and employee retention. Implementing FFP is however not enough if the managers aren't on board with the policies (Wise & Bond, 2003).

Another major benefit of parental leave is the increased productivity as a result of reduced stress (Wilkinson, et al., 1997). In a study by Richman et al. (2008), both work-family conflict and stress were found to be significant factors that affected engagement; therefore,

they suggested that introducing work-life policies could serve as a resolution to these problems. Not only does stress have a negative impact on productivity, but it can also lower engagement among employees' if stress in the workplace impacts employees' well-being – as this could result in decreased job satisfaction and subsequent turnover intentions (Hillier et al., 2005; Nielsen, et al., 2017).

Long term downsides associated with parental leave that can impact both employers and employees are human capital depreciation and slower wage growth. This is particularly true for female employees and employees with care taking responsibilities, which can result in less time and emotional input in the job (Evertsson, 2016). There might be negative consequences for employees if parental leave policies and strategies are not in place, or if employers do not see the benefits to the company of offering parental leave. Whitehouse and Zetlin (1999) observed a problem of pregnant women's lack of career development due to parental leave and that women before birth were categorized in the "non-career" selection of employees and weren't able learn any new skills. But at the same time, family friendly policies might also be a solution to increase the level of engagement for parents with caretaking responsibilities (Robinson, Perryman & Hayday 2004).

### **3.5 Theoretical synthesis**

Through our literature review, we found that family friendly policies, which support balance between work and life (work-life balance), have a positive impact on employee engagement. Parental leave policies, an aspect of work-life balance, have been shown to have a positive impact on employee commitment and job satisfaction (two concepts of employee engagement), by reducing stress for employees (Richman et al., 2008). Alternatively, parental leave has also been found to negatively impact salary and career advancement, which may have an effect on employee engagement. Current literature suggests, that a decrease in employee engagement (which includes employee commitment and job satisfaction), can, in return, have a negative impact on employee retention.



**Figure 3.** Theoretical synthesis. Own creation.

The above model indicates that parental leave policies, as an aspect of work-life balance, can influence employee engagement. The model also demonstrates that employee engagement is highly connected to employee retention, as a positive or negative change in employee engagement can have the same effect on employee retention.

## 4. Empirical data

In this chapter we present the empirical data of this study. The data presented here have been processed according to section 2.2.7. *Processing of empirical data* and the headers in this chapter are based on the most relevant concepts of our theoretical framework. The themes presented in this chapter are job satisfaction, work-life balance and employee retention. Only themes that answers the aim of this study have been added in this chapter and the themes themselves are recurring words and sentences expressed by our respondents during our semi-structured interviews. Keep in mind that everything we write about in this chapter is our interpretations of what we discussed with the respondents during our semi-structured interviews sessions.

### 4.1 Respondents

All respondents in this study are anonymous and they will be referred to in codes (i.e. 1001, 1002, etc. for respondents in Sweden; 2001, 2002, etc. for respondents in the United States). If we are referring to a group of respondents, they will just be referred to as “respondents”. All interviews were conducted in April of 2019. Demographic details about our respondents (sex, age, etc.) can be found in Tables 1 and 2 below.

Study ID	Country	Sex	Age	Parental Status
1001	Sweden	Female	42	Parent
1002	Sweden	Male	41	Parent
1003	Sweden	Male	30	No Children
1004	Sweden	Male	31	Parent
1005	Sweden	Male	29	No Children
1006	Sweden	Male	46	Parent
1007	Sweden	Male	32	Parent
1008	Sweden	Female	32	Parent
1009	Sweden	Female	28	Parent
1010	Sweden	Female	31	No Children
1011	Sweden	Female	62	Parent

**Table 1.** Summary of Swedish respondents.

Study ID	Country	Sex	Age	Parental Status
2001	USA	Female	30	No Children
2002	USA	Female	58	Parent
2003	USA	Male	36	No Children
2004	USA	Female	54	No Children
2005	USA	Female	34	No Children
2006	USA	Male	62	Parent
2007	USA	Female	37	Parent

**Table 2.** Summary of U.S. respondents.

## 4.2 Employee engagement

The biggest difference between our respondents in Sweden and the United States was their satisfaction with parental leave policies. In Sweden, the respondents are generally happy and satisfied with the government entailed parental leave; while respondents in the United States are generally very unhappy with the current parental leave policy.

*“I am happy with the amount of time and pay (for parental leave) received from the government”. (Respondent 1007, Sweden).*

*“At each firm that I have worked (total of 4), I have known individuals planning on taking parental leave. All of them expressed negative comments due to the fact that the leave was not long enough.” (Respondent 2003, USA).*

Most of our Swedish respondents could only point to two areas of the Swedish parental leave policy that they slightly unhappy with: 1) not being able to decide how parental leave is split between parents and 2) that parental leave is not fully paid. Not being fully paid refers to the fact that Swedish parents only receive up to 80% of their salary when they are on parental leave, which impacts high-income earners (who don’t receive the full 80%) the most. The majority of Swedish respondents expressed that one reason that women usually take longer leave than men is due to financial reasons, and that forcing men to take some of the parental leave negatively impacts the family’s financial income.

*“My partner (father) makes more money, so if he were to take longer paternity leave our family would lose money.” (Respondent 1001, Sweden).*

Our Swedish respondents expressed different views on whether or not additional parental leave benefits would increase their employee satisfaction. Many parents reported that additional parental leave benefits would only have a small impact, since they consider the existing parental leave policy in Sweden to be generous. A few respondents worked for companies that offered extra benefits, such as covering the gap so that parents receive the full 80% of their salaries, in cases where government pay hit the salary cap. The extra benefits seemed to have a positive impact on overall work satisfaction, and it enabled some respondent to be able to take parental leave without any additional negative financial impact on their family economy.

*“High-income earners lose more in wages from being on parental leave. An additional supplement from the employer promotes that the person who earns more can be at home with their children.” (Respondent 1007, Sweden).*

U.S. respondents expressed that the lack of financial support during parental leave, as well as the short time of unpaid leave offered, negatively impacted their satisfaction at work severely. This lack of support from employers decreased employees’ commitment to their employer(s), according to our respondents.

*“I would feel a decreased satisfaction due to existing FMLA (parental leave) policy, which leads to decreased finances for extended periods of time. Lack of financial support for 12 weeks would add stress to my life and negatively impact both family and work.” (Respondent 2001, USA).*

Our U.S. respondents also indicated that it was common that employees feel forced to use PTO (Paid Time Off, or “vacation days”) as a supplement to parental leave. This further increased their dissatisfaction surrounding the existing parental leave policy in the United States. Not a single one of our United States respondents had anything positive to say about the current parental leave policy, regardless as to whether or not they currently had or were

expecting children. This, in and of itself, was a stark difference in comparison to the responses we received from Swedish respondents.

*“I am dissatisfied that I had to worry so much about accumulating enough PTO (paid time off) in order to get paid while I was on parental leave.” (Respondent 2006, USA).*

Lastly, we have identified an area where the opinions of parents and non-parents in Sweden differ a lot. Swedish parents expressed that they have a lot of power when it comes to deciding when to take parental leave, which they perceived as something very positive that increased their sense of satisfaction at work. Most respondents expressed that their employers accepted requests for parental leave faster, and with less time in advance, than the law requires.

*“I feel very satisfied with how much freedom I have when it comes to taking parental leave. My employer is usually very flexible and doesn’t require me to request parental leave a long time in advance.” (Respondent 1006, Sweden).*

Opposite opinions were expressed by Swedish employees (without children) who felt that they were sometimes negatively impacted by their colleagues taking parental leave. Many non-parents explicitly expressed that this mainly was an issue around summer/winter vacation time. The issue they experienced was that a lot of parents tend to take parental leave during peak vacation times, and if they request it in advance the employers cannot deny it, which leaves the non-parents having to cover for them during their absence. This suggests that aspects of parental leave that parents in Sweden find positive and increase their satisfaction, can have negative consequences for their colleagues.

*“Employees without children are required to cover shifts of employed parents that take parental leave time. I think this is very annoying, especially during peak vacation times.” (Respondent 1003, Sweden).*

#### 4.2.1 Relationship with manger

The employers' attitude toward parental leave was a reoccurring theme that came up in all of our interviews. Managers with a negative attitude toward parental leave had a negative impact on job satisfaction among employees. A lot of respondents felt that their manager's attitude toward parental leave had a big impact on their overall satisfaction at work and this was a universal perspective shared by respondents in both Sweden and the United States. Support from management made respondents feel increasingly loyal to their employers and it gave a sense of commitment towards their employer. This support left respondents with a positive feeling of wanting to "repay" their employer. We found this to be true even amongst respondents in the United States that received minimal or no parental leave benefits.

*"My employer firmly support paid parental leave, but they have not been able to find a way to fund it at this time due to being a non-profit organization. The fact that they are supportive is very important to me." (Respondent 2003, USA).*

How the immediate manager acted in connection to childbirth and the first time during parental leave was also important to our respondents. Many respondents told us that small things like congratulating them on having a child during the first period of their parental leave and/or sending them flowers etc., increased their engagement and commitment to the employer. Small gestures like this showed our respondents that their employer cared about them and in return they showed more loyalty toward the employer. Some even went as far as to indicate that they would stay longer with an employer out of this increased loyalty.

*"They handled my parental leave in a good way. My manager congratulated me. All in all a positive experience. Because of this I remained loyal and became even more loyal toward my employer." (Respondent 1011, Sweden).*

The opposite also seems to be true, in that negative comments by the immediate manager had a clear negative impact on overall satisfaction across both Swedish and American respondents.

*“My employer’s negative attitude toward parental leave negatively impacted my satisfaction at work and the commitment that I felt to my job.” (Respondent 1001, Sweden).*

*“My employer (manager) shows no support for parental leave. My manager dismisses “mommies that work” in comparison to “women with careers who have children”. (Respondent 2001, USA).*

On the topic of employer-employee relationship, many of our respondents told us that they did not plan their parental leave and their return to work together with their manager. Most of our respondents that took a longer period of parental leave (all of whom were Swedish) felt that it would have been better for them if they had a plan in place prior to leaving.

*“Had wanted to be invited to team-building days (for social reasons), and I wanted to know what kind of performance expectations my employer had on my return to work.” (Respondent 1008, Sweden).*

Generally, a plan was not in place prior to their departure, which had, in most cases, a negative impact on employee satisfaction. Respondents expressed that a plan with their immediate manager should have included expectations on how much the employee should keep up to date with work-related matters, if they want to be invited to social/team-building events, and what the performance expectations were upon their return to work. A lot of our respondents felt frustrated by the lack of a plan in place, especially upon returning to work and finding that their expectations and reality didn’t align.

With that being said, we also found that employees that had a plan in place with their manager during their parental leave had a better overall experience that impacted their satisfaction and commitment to their employer, in a positive way.

*“My manager put together a plan with me for my parental leave based on my needs. I felt very satisfied with this plan and it increased my overall job satisfaction.” (Respondent 1009, Sweden).*

Another common theme amongst respondents was the challenges that experienced when they returned from a longer period of parental leave. This, again, was only a common theme among Swedish respondents, due to the fact that Sweden offers parents longer parental leave than what is offered (if at all) in the United States. The challenges Swedish parents often experienced were related to their managers' attitude toward them taking parental leave. Even in Sweden, where parental leave is considered to be a universal right, many managers seem to lack a supportive attitude toward taking parental leave – based on responses received in this study. Respondents that felt like their parental leave was a huge burden for their manager, or in cases where their manager explicitly expressed that it was a burden for the employer, employee job satisfaction was negatively impacted. Respondent 1006 even changed job internally because his job satisfaction was negatively impacted by the lack of support for parental leave by his manager.

*“I was not satisfied with how my manager handled me returning to work and I felt a decreased commitment to my employer in response to his lack of support. I even changed team internally because the situation impacted me very negatively. If my new manager wasn't supportive about me taking parental leave when necessary I would probably have moved on to a new employer.”*  
(Respondent 1006, Sweden).

An interesting finding was that many respondents perceived that managers that had children themselves displayed more support for parental leave than managers without children. U.S. respondents expressed that they would like to see their managers lead by example (i.e. take parental leave themselves to increase acceptability across the company, and to display general support for employees taking parental leave). This view was even shared with one of our U.S. respondents that didn't have any children. In general, we interpret these findings to suggest that a supportive manager (or boss) can have a huge impact on employee satisfaction.

*“I need a boss that is supportive of me taking a leave of absence (parental leave). Bosses need to learn how to display support and flexibility when their employees take parental leave. If I had a supportive boss (in spite of weak policy), I would probably still feel generally satisfied at work.”* (Respondent 2001, USA).

Further evidence that current parents are more supportive towards parental leave came from a parent in Sweden:

*“I am now in a position where other employees come to me to take parental leave (as the team leader) and I always let them know that yes, it is okay to take leave. Even though it is hard for the company to handle the increased workload, I can tell that it makes them feel supported to know that I think work-life balance is important and that it increases their satisfaction at work.” (Respondent 1006, Sweden).*

#### **4.2.2 Salary & career opportunities**

Although all respondents expressed that career advancement and salary are important to them (in various ways), their personal experiences differed. Many respondents in Sweden expressed that their career growth and salary were not impacted by taking parental leave, while others told us that incentives like bonus and promotions were negatively impacted. This was also the case for women in Sweden that generally took longer parental leave than men. Respondents that disclosed that their career growth and/or salary were negatively impacted by taking parental leave expressed a significant decrease in their job satisfaction and engagement. Alternatively, respondents whose career growth and/or salary were not negatively impacted expressed no change in their overall satisfaction or engagement. It is worth mentioning that one Swedish respondent (women) felt that her career was very negatively impacted by taking parental leave. We interpreted that the reason for this may have been impacted by the (fitness) sector she worked in that required a flexible schedule, in which many of her colleagues were younger without children.

*“Taking parental leave negatively impacted my salary and future career opportunities. I didn’t get a salary increase for several years after taking parental leave and I felt that my employer preferred employees without children. I also felt that it was always an inconvenience (for my employer) for me to request days off (parental leave). This was the reason that I changed career path.” (Respondent 1001, Sweden).*

With that being said, parental leave appeared to have a more negative and direct impact on career growth and salary/pay for female employees in the United States. All of our U.S. respondents reported that none of their employers offered any additional benefits outside of the 12 weeks of unpaid parental leave (if this was offered at all). The lack of financial support negatively impacted all U.S. respondents that have taken parental leave during their career. The general view across U.S. respondents was that the lack of support surrounding parental leave negatively impacted job satisfaction, commitment, loyalty and the view of the organization they worked for.

*“A lack of feasible parental leave policy limits career growth for individuals that want to have children. They lose momentum in their career trajectory and it hinders salary development for new parents.” (Respondent 2005, USA).*

This view was surprisingly (for the authors) shared with all U.S. respondents (men and women); regardless as to whether they planned to have children in the future or remained ambivalent if they want to have any children at all. We interpreted this to mean that parental leave is an important subject that engages most people (despite whether or not they have or are planning to have children) and that it can have a big impact on employee engagement.

*“Better parental leave would increase confidence that I can have a child AND continue to excel as a professional woman in the workforce. It would increase my job satisfaction, commitment to work, loyalty to employer, and positively impact my view of the organization.” (Respondent 2001, USA).*

#### **4.2.3 Alignment of values**

Male and female respondents in both Sweden and the USA reported a shift in their values following the birth of their child and becoming a new parent. According to respondents, the degree to which they valued their job, salary, and career growth decreased; whereas their familial values increased. The decrease in respondents' values surrounding their career may be explained by the new addition to their family that requires a significant amount of their time and energy. Overall, most parents agreed that time spent with family is more important than money; however, one parent reported feeling heightened pressure to increase their salary in order to provide for their family following the birth of their child. Based on these findings,

we suspect that a family's financial situation may influence their shift in values; as employees in comfortable financial situations may value their career less following childbirth; whereas employees struggling financially may value their career more in order to bring in extra income to provide for their family.

*“Parental leave and having a child does not alter my commitment toward work or the goals that I want to achieve (career growth and salary development); but family comes first and my loyalty must shift as needed.” (Respondent 1005, Sweden).*

Many respondents expressed that it is important to work for organizations that have values that align with their own. A common value expressed among respondents was the view that it is important for employers to “take care” of their employees by supporting them both inside and outside of the work environment. We interpreted this finding to suggest that employees are interested in working for employers that value work-life balance and flexibility.

Moreover, it appears that employee commitment may be directly impacted by the degree to which employee/employer values align.

*“I am learning that my employer is not everything ... working for a highly successful institution is not everything. I would rather work for an employer that supports me and puts as much into me (as an employee) as I do into my work that benefits them (as the employer).” (Respondent 2001, USA).*

*“If your employer isn't committed to your life outside of work, then in return you won't feel committed to your employer.” (Respondent 2003, USA).*

In addition, several female respondents, across Sweden and the USA, expressed values suggesting that generous parental leave policies are an important factor to consider before applying to jobs, and that they would consider a lateral position change for better parental leave conditions.

*“Companies that offer parental leave were appealing to me and something I considered when I was job searching. Even before applying for jobs, I*

*considered values of the employer first. Serious companies take care of their employees.” (Respondent 1011, Sweden).*

#### **4.2.4 Well-being**

During our semi-structured interviews, we inquired about how parental leave impacted respondents overall level of stress. All respondents that had firsthand experience with taking parental leave, across both countries, expressed that it lowered their stress levels.

Furthermore, non-parents expressed foreseeing that their stress levels would decrease if they were able to take parental leave in the future.

*“After my parental leave, I was eager to get back to work (i.e. to see my colleagues again). Like in any relationship, some time apart can be good. After some time off (parental leave), you get more energy and become “hungry” to work again. My time off (parental leave) increase my engagement and I was more engaged, motivated and creative.” (Respondent 1011, Sweden).*

*“I experienced a greater engagement to my job after the leave period. I was excited to come back and showing the organization what I can do and what I want.” (Respondent 1008, Sweden).*

U.S. female respondents, on the other hand, experienced increased stress from having to take unpaid leave and by the relative short leave they were offered. Most U.S. parents expressed, that taking unpaid leave was very stressful financially and that it negatively impacted their well-being. This increased their feelings of not being taken care of by their employers, which in turn had a negative effect on engagement and commitment.

*“Pregnant females stressed and struggle up until childbirth and again when trying to return from maternity leave after 12 weeks to work. This increases stress and does not promote work-life balance.” (Respondent 2005, USA).*

Based on the responses received from U.S. respondents, we interpreted, that the positive effect parental leave has on employees’ stress levels will likely serve as a positive influence

on employee engagement. Consequently, employees that experience increased stress during parental leave may experience decreased employee engagement as a result.

Respondents that had the ability to take parental leave, experienced decreased stress from knowing that they could take parental leave if they needed to. They also expressed that parental leave was one of the most important factors for them when it came to work-life balance. Parents generally favored spending time with their families, and as a result they felt that their work-life balance was improved, which leads to an increased employee engagement and well-being.

*“Being able to take parental leave means that I don’t have to worry about it, and it makes me experience decreased stress as a result.” (Respondent 1007, Sweden).*

On the topic of stress, and its impact on employee engagement, a common theme among our Swedish respondents (mostly women taking a longer of period parental leave) was issues transitioning back to work after taking parental leave. The first period back at work after a long leave can be overwhelming and it can be a hard transition from only focusing on child caring responsibilities, to shift focus back to work, while at the same time keeping your responsibilities as a parent. Many of our respondents expressed that a “soft start” would have been better. A “soft start” would entail working part time (with full pay) for a short period of time right after a longer parental leave to smoothen the transition, which could have a positive impact on job satisfaction. We interpreted this as parents feeling increasingly stressed when returning to work, with lower engagement as a consequence. Our respondents also suggests that if employers offered things like a “soft start”, it would show employees that the employer cares about their well-being, which in turn can increase their engagement and commitment to the employer.

*“I felt stressed when I returned to work after taking a long leave (parental leave). A “soft start” should be implemented when employees return from parental leave to ease the transition back to work”. (Respondent 1001, Sweden).*

### 4.3 Employee retention

Employee engagement and employee retention are closely connected to each other and the latter is usually highly influenced by the former. The way we interpreted what was told to us in our semi-structured interviews, was that parental leave influenced employee engagement in several ways. The clear “trend” that we found was that, in cases where parental leave wasn’t offered or did not meet the expectations of our respondents, employee engagement was very negatively impacted. The opposite was also true (based on our interpretation), namely that a generous parental leave paired with soft values (i.e. supportive manager) increased employee engagement. In previous sections, we presented some of the themes that negatively impacted employee engagement. In this section we will go deeper in our explanation as to how we interpreted what our respondents expressed regarding employee engagement and employee retention.

When asked outright if they (our respondents) would consider changing employer if they were offered better parental leave policies/benefits somewhere else, the responses were mixed. About half of the Swedish respondents would consider changing employer in pursuit of better parental leave policies/benefits. The consensus was that, while better parental leave policies are important, there are a lot of other factors to also consider. We interpreted that the reason for this view was that Sweden already has generous policies in place, which makes the need for even better policies less important.

*“I would consider a lateral position change to another employer if they offered better conditions for parental leave.” (Respondent 1001, Sweden).*

*“Parental leave is not my top priority when considering an employer, so I would probably not consider to change position or employer.” (Respondent 1002, Sweden).*

U.S. female respondents expressed that they either have changed jobs, or would consider doing so, due to another employer offering better parental leave terms. Respondents without children answered this question hypothetically as if they were to have children in the near future. Respondents that answered this question hypothetically, and current parents, both gave the same responses, which we interpret as parental leave being an important benefit for our

female respondents. None of our U.S. male respondents ever considered changing employer to get increased parental leave benefits, which we interpreted was because of the non-existent paternity leave offered in the United States.

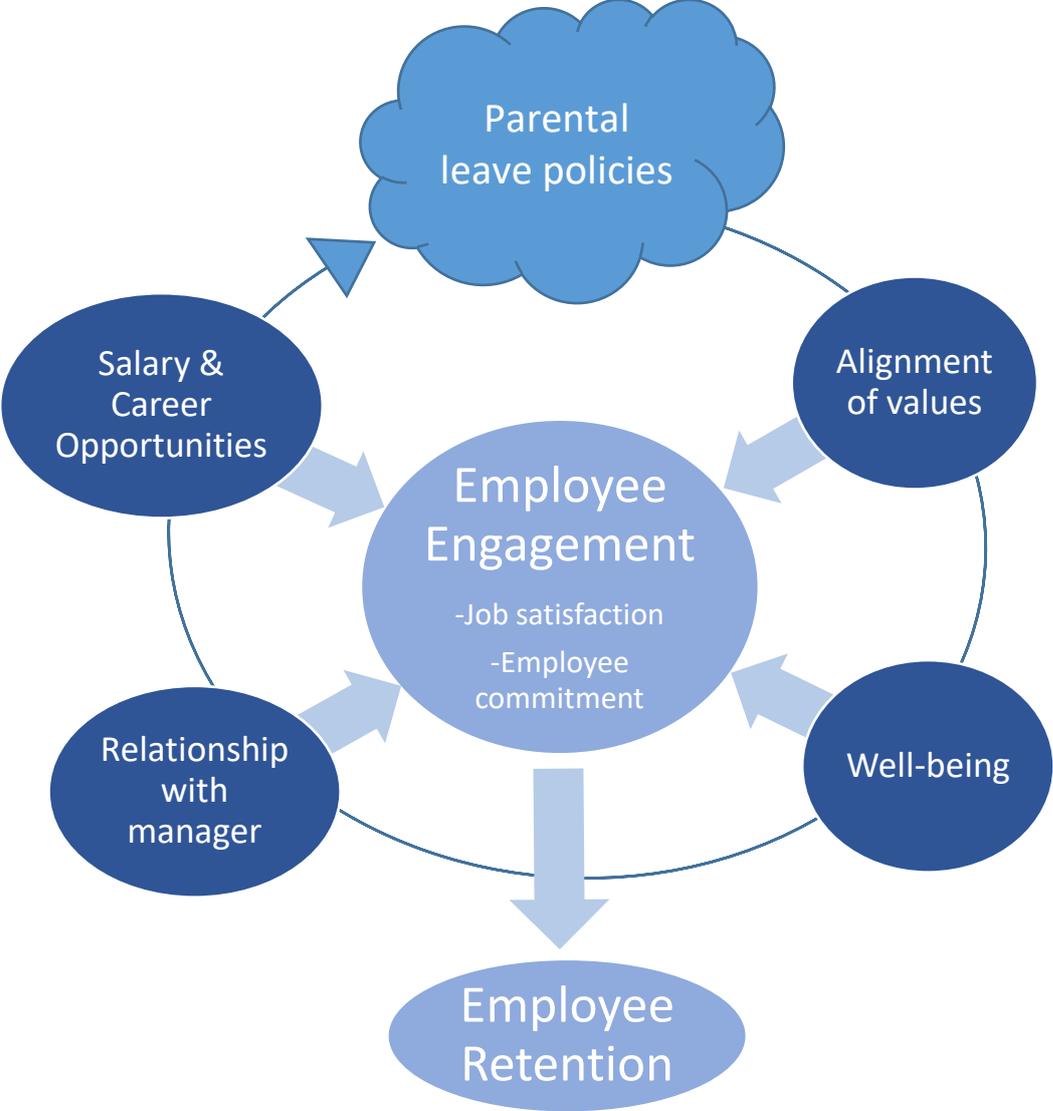
*“I would consider changing employer if someone else offered more in terms of parental leave. You never know if you’re going to need that type of leave. If you did it would be there for you to use, instead of having to worry about how you were going to make ends meet.” (Respondent 2002, USA).*

#### **4.4 Empirical synthesis**

From our semi-structured interviews, we have gathered that parental leave influences employee engagement (and subsequent retention) in different ways. As depicted in the model below (Figure 4), we did not find a straight line (or connection) between parental leave and employee engagement. Rather, we found that parental leave impacts four themes related to employee engagement, and subsequent retention. The four general themes we identified in our empirical data surrounding how parental leave influences employee engagement are as follows: 1) relationship with manager; 2) salary and career opportunities; 3) alignment of values; and 4) well-being.

First and foremost, we found that manager’s attitude toward parental leave and how managers support their employees before, during and after parental leave, had a significant impact on employee engagement across both Sweden and the USA. More specifically, employee engagement increased with managerial support and decreased in the absence of managerial support. Another important theme that influenced employee engagement across both countries was the alignment of values between employer and employee. Notably, both employees with and without children across Sweden and the United States expressed that offering parental leave is a way for employers to provide support to parents as employees; and that it is important for their employers to be supportive both inside and outside of the work environment. We generally found that parental leave has a positive impact on overall employee well-being due to stress reduction, but that shorter leave policies can negatively impact employee well-being by increasing employee stress. Additionally, negative impacts of parental leave that decreased employee engagement entailed missed opportunities for salary increases or career advancement. Each of the aforementioned themes related to employee

engagement influenced employee retention in various degrees, as illustrated in the model below (Figure 4).



**Figure 4.** Empirical synthesis. Own creation.

Given the cultural and political differences between the United States and Sweden, notable differences were found to impact employee engagement across countries. In Sweden, our empirical data generally suggests that “soft vales” are most related to employee engagement, such as employees’ relationship with managers and issues related to returning to work after a long period of parental leave. The reason for this may be related to the generous parental leave policies offered in Sweden; whereas in the United Sates, generous parental leave is very rare, which makes the ability for employees to even be able to take parental leave one of the

biggest influences on employee engagement. This could also explain why our U.S. respondents were more susceptible to considering changing employers based on parental leave policies and experiences.

With that being said, we will end this chapter with two quotes that summarize the general view of parental leave and employee engagement for respondents in Sweden and the United States. Although the quotes are only two personal views, they accurately summarize what we interpreted as the general view of our respondents. They also help to increase understanding regarding different situations employees experience when it comes to parental leave across countries. With that being said, it is important to note that we do not consider either of the following statements to be an absolute truth regarding this subject matter.

*“After having watched some of my female colleagues become pregnant and take FMLA (parental) leave, it has started to open my eyes to what the future may entail for me. I’ve watched my career driven (female) colleagues struggle at work up until the point of their water breaking and then watching them struggle to come back after 12 weeks. Not only do their values as employees change (given that they now have a small human to care for) ... but their entire schedule changes as well. Some of my colleagues have to pump (breast milk) and call into team meetings. I remember driving to a school meeting with my colleague who was a post-doc at the time, and she had to pump breast milk in my passenger seat while I drove. Another colleague’s funding effort on a grant was reduced by her male boss while she was out on FMLA (parental) leave. Of course this impacts your engagement at work.” (Respondent 2001, USA).*

*“The parental leave offered in Sweden is good for society as a whole, good for individuals, and it is also good that you are not forced to choose between working and having children (you can combine both). In the end, the parental leave offered in Sweden gives you the opportunity to live your life on your own terms.” (Respondent 1010, Sweden).*

## 5. Analysis

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In the following chapter, we will compare and analyze our theoretical framework together with our empirical data.

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### 5.1 Employee engagement

#### 5.1.1 Relationship with manager

In our semi-structured interviews, we found that managers play an important role in increasing employee engagement. Areas where the manager plays a vital role for increased employee engagement are recognition, appreciation, support and feedback (Popli & Rizvi, 2016). This was further confirmed by Lockwood (2007), with the addition that manager-employee relationships are the most important factor that impacts commitment and engagement. Furthermore, research has shown that organizations with an engaged workforce also have more committed employees. Research findings suggest that, because managers create the connection between the organization and the employee, one way to increase employee engagement is to have managers show respect and care for their employees as individuals (Lockwood, 2007).

The aforementioned research findings align with several of our respondents, who reported that they felt that their manager's attitude toward parental leave had a significant impact on their overall satisfaction at work. More specifically, responses received from participants in this study suggested that they want to feel valued, appreciated, and supported by their manager in regard to their parental leave. These were universal findings across both Swedish and American respondents, which suggests that the manager-employee relationship plays an important role in job satisfaction for parents as employees. Given that job satisfaction is a component of employee engagement, we interpreted these findings to suggest that managerial support surrounding parental leave enhances employee engagement, which aligns with Popli & Rizvi's (2016) research findings.

Based on our semi-structured interviews, we interpret 'support from managers' to include things such as congratulating employees on having a child during the first period of their parental leave, and/or sending them flowers, etc. Some of our respondents stated that their commitment to work increased by receiving this form of support and compassion from their manager, which aligns with Lockwood's (2007) research findings, and suggests that engaged

employees also are committed employees. Thus, our interpretations of responses regarding the manager-employee relationship is in line with existing literature.

Many of our Swedish respondents informed us that they did not set up a plan with their managers before taking parental leave, which often led to a mismatch in expectations that negatively impacted their job satisfaction and engagement. Having a plan in place did not appear to impact American participants, which may or may not be due to the significantly shorter leave policy. This is an area that we were unable to locate any current research on (expectations specifically surrounding parental leave – not regarding expectations, in general). Although research has found that a manager's ability to listen to their employees needs is important for creating employee engagement, our empirical findings suggest that establishing plans for parents that are planning to take parental leave has not been prioritized accordingly by managers (Baumruk, 2006).

An interesting find during our interviews was that many respondents perceived that managers that also had children showed more support for parental leave than managers without children. Although this seems logical (in that managers with children may have a better understanding of what it takes to be a parent in the workforce), we could not find any research to support this claim. However, this notion is in line with existing research surrounding 'inspirational' managers. More specifically, managers that inspire employees tend to increase employee engagement (due to the increased emotional bond) and make their employees feel supported (Reina et al., 2018).

### **5.1.2 Salary & career opportunities**

Career opportunities and salary (along with benefits) are two areas that have been found to be drivers of engagement (Sharma & Krishnan, 2012; Weer & Greenhaus, 2017). Moreover, research has found that pay cuts can hurt employees' engagement and commitment to the organization. Pay cuts are perceived by employees as an insult that impacts both their self-worth and sense of value to the organization (Sharma & Krishnan, 2012). This view was shared by our respondents across both countries as they expressed that salary and career opportunities are important for their engagement and commitment. In a study conducted in Sweden that analyzed how men and women's work situations are affected when having children, the most prominent difference was the effect on women's career development and

salary (Kennerberg, 2007). While the differences between men who had children and men in a comparative group (that did not have any children) were small, the differences among women in similar comparisons were much larger (Kennerberg, 2007). Another study by Evertsson (2016) reported similar findings, in that the negative effect on women's wages had a long term effect, which they concluded was due to women taking (on average) longer parental leave than men.

Our empirical data, in this regard, was mixed. Many respondents in Sweden expressed that their career growth and salary weren't impacted by taking parental leave; while some respondents told us that incentives, such as bonus and promotions, were negatively impacted. This was the case across both men and women in Sweden, despite the fact that women generally took longer parental leave than men; which goes against the findings of Evertsson (2016). The reason for this could be that our respondents didn't realize the extent to which their salaries were impacted, since it can be hard to recognize if you are not living paycheck to paycheck. Another reason could be the relative small sample size in this study, which can explain why only one of our Swedish respondents actually reported that parental leave had a negative impact on her career. In the event that we utilized a larger sample size, results may have differed. In the United States, parental leave had a negative impact on career growth and salary for female employees, which aligns with the current research. Career growth and salary did not negatively impact male respondents in the United States, which is likely due to the fact that paternity leave is typically not taken among men in this country.

### **5.1.3 Alignment of values**

Our empirical findings suggest that it is important for employees to work for employers that share their values. With regard to parental leave, this means that employees prefer to work for employers that take care of and support them inside and outside of the work environment. This form of support, typically associated with work-life balance, is a driving factor of employee engagement and commitment (Finegan, 2000). Research by Kalliath et al. (1999), suggest that if the values of an employee and the organization align it will increase job satisfaction and commitment, both factors of employee engagement. A study by Robinson et al. (2004), indicated that family friendly polices might increase the level of engagement for parents with caretaking responsibilities, which is in line with the empirical data of this study. Bourhis and Mekkaoui (2010) argues that companies that implement family-friendly policies

(FFP) are fair in their approach to distributing resources, and that their employees will appreciate feeling as though their employer cares about their needs. Implementing FFP also creates a supportive working environment (Wise & Bond, 2003). We found that this also was the general view of our respondents. Some respondents even mentioned that the values of an employer, including parental leave, FFP, and work-life balance, are considered before applying to a job. Guiso et al. (2015) claims that organizational values are a part of attracting (and retaining) employees due to an increased employee engagement, resulting from alignment of values between the employee-employer.

#### **5.1.4 Well-being**

The well-being of employees is another factor that plays an important role in employee engagement, which has been confirmed in both our theoretical framework and our empirical data (Hillier et al., 2005). Many of our respondents described that they experienced a decrease in stress during parental leave, which led to an increase in overall well-being. We identified the relationship between work-life balance and how it enhances employee well-being (i.e. work-life balance increases parents ability to continue on a successful career path and fulfil familiar values). Parental leave increases work-life balance and allow parents as employees to be present while at work, and at the same time, to be present while at home with their families. We interpreted that parental leave was the most important factor for work life-balance among parents, which highlight the importance parental leave for this group of employees.

Some respondents expressed that it was very important for the mother to be home with the baby (especially in the beginning, due to breastfeeding etc.) and that this increased their well-being. Mothers in particular expressed in cases where they had a very short period of parental leave, that their engagement was very negatively impacted, in part by a decrease in overall well-being as a consequence of the short parental leave offered to them. The literature supports this view and emphasizes that this is the reason (to increase well-being) for many employers to be involved in the well-being of their employees (Nielsen et al., 2017).

As mentioned earlier in this chapter, the employee-manager relationship is important for employee engagement. Relationship with manager can also be a source of stress for employees if the relationship is dysfunctional, or if the employee feels unsupported (Hillier et

al., 2005; Nielsen et al., 2017). This was also something that we identified as a theme during our semi-structured interviews. Respondents that felt unsupported by their manager before, during or after taking parental leave, experienced an increase in stress and a decreased overall well-being as a result.

Lastly, a common theme that we identified among our Swedish respondents (mostly women taking a longer period of parental leave), was the issue transitioning back to work after taking parental leave. The first period back at work after a long leave of absence (parental leave) can be overwhelming and it can be a hard transition from only focusing on child caring responsibilities. There wasn't much in the literature that specifically addressed this issue. With that being said, research by Spiteri & Xuereb (2012) concluded that mothers are usually encouraged to return to work after parental leave, but that very few attempts have been made to support them during this transition.

## **5.2 Employee retention**

Current research has identified a positive relationship between employee engagement and employee retention (Wilkinson et al, 1997; Johnson & Tunheim, 2016). In a study by Richman et al., (2008), the results revealed that supportive work-life policies were related to greater employee engagement, as well as a longer than expected retention. Research has also shown that companies with engaged employees have higher employee retention (Solomon & Sandhys 2010; Xu & Thomas 2011). The literature also suggests that employers that offer family friendly policies appear to be more attractive for prospective employees (Bourhis & Mekkaouis, 2010). Our own empirical data suggest a positive relationship between parental leave and employee engagement. This assumption, together with further empirical observations, suggest that parental leave also influences employee retention.

In cases where parental leave wasn't offered or did not meet the expectations of our respondents, employee engagement was negatively impacted. The same respondents also expressed this to be the reason that they had, or would at least, consider changing employers. This was also true for respondents that did not feel supported by their manager before, during, or after taking parental leave. This was also the case for every instance where employee engagement was negatively impacted by something (relationship with manager, career opportunities, well-being, etc.) surrounding parental leave. Many of our respondents did

however express that a decrease in employee engagement, due to factors surrounding parental leave, wasn't the only reason they would consider changing employer (or stay with their current employer).

The way we interpret most of our respondents are that there are a lot of different factors that play into employee retention. In general, it seems that not offering parental leave, or not meeting the expectations of employees surrounding parental leave, can result in decreased employee engagement and retention. Interestingly enough, this decrease in employee engagement due to insufficient parental leave policies, can be offset if the employees still feels supported by their employer. We had for example one respondent in the United States that worked for a non-profit organization that couldn't afford to offer paid parental leave (even if they wanted to, which apparently they did), but the fact that they supported parental leave in the first place was enough to offset the negative effect on this particular respondents engagement. This seems to be in line with research by Popli & Rizvi (2016), in which they identify support as one way of increasing employee engaging (or in this case offset).

### **5.3 Synthesis of analysis**

In our literature review, we found that family friendly policies have a positive impact on employee engagement through work-life balance (Robinson et al., 2004). We also found that parental leave can have a positive impact on job satisfaction, by reducing stress for employees. At the same time, parental leave can have a negative impact on salary and career opportunities that will negatively impact employee commitment (Sharma & Krishnan, 2012). This indicated that parental leave policies, as an aspect of family friendly policies and work-life balance, could influence employee engagement. Previous research also showed that employee engagement is highly connected to employee retention (Wilkinson et al, 1997; Johnson & Tunheim, 2016).

In our empirical studies, we did not only receive evidence that strengthened the indicated connection between parental leave, work-life balance, engagement and retention, we also found arguments that relationship with managers and alignment of values can influence employee engagement in connection with parental leave. Both of these concept are based on how employers (or managers) support their employees in connection with parental leave. Even though we could not find any (or very little) previous research on how parental leave

specifically influences employee engagement, we did find support for it in the literature as an aspect of work-life balance.

As a result of our empirical findings, we have developed a new model based on the model in our theoretical synthesis (Figure 3). The new model also incorporates the 4 themes that we presented in our empirical synthesis (Figure 4). We present the new model (Figure 5) in chapter 6. Contribution.

## 6. Contribution

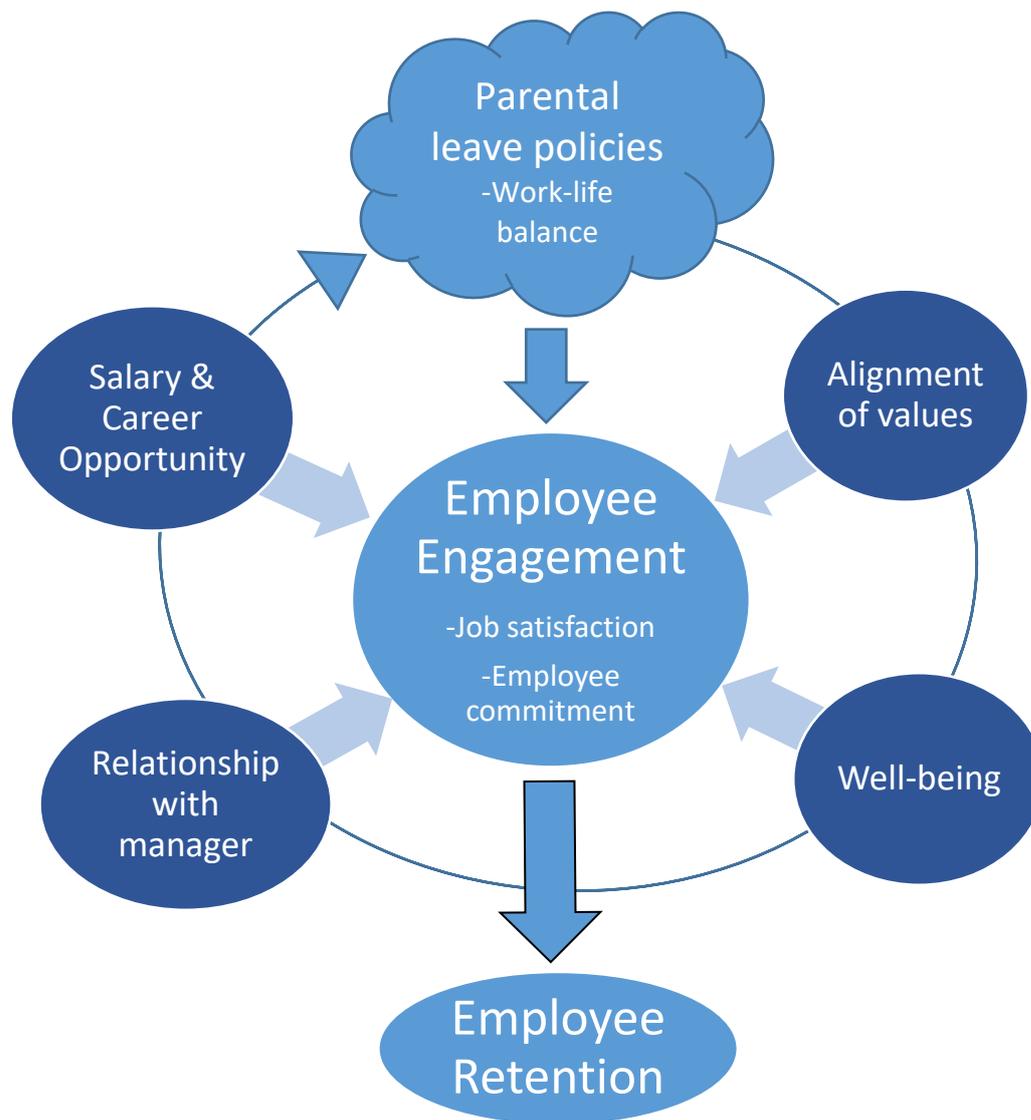
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In the following chapter, we present the contribution of this study based on our aim. We also present the theoretical and practical contributions of the study. To conclude the chapter, we present our proposals for further research based on what we have achieved in this study.

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The aim of this study is to increase the understanding about how parental leave policies influence employee engagement, and subsequent employee retention. This study shows that parental leave is influencing employee engagement and subsequent retention in four ways (themes), which are relationship with manager, salary and career opportunities, alignment of values and well-being.

The below model is the main contribution of this study and corresponds to the purpose of the study by illustrating the main factors that influence employee engagement through parental leave policies.



**Figure 5.** Contribution. Own creation.

### 6.1 Theoretical contribution

This study supports previous research that has found that family-friendly policies positively impact employee engagement through work-life balance (Pregolato, 2010; Bourhis & Mekkaoui 2010; Bedarkar & Pandita 2014). The role managers play in coordinating and supporting parents when they take parental leave is one of the most important aspects that this study found. Reina et al. (2018) suggests that managers' behavior has the potential to affect their employees' satisfaction and turnover intention, which is a view that the findings of this study supports. Solomon and Sandhys (2010) claim that organizations develop and nurture employee engagement by having a two-way relationship between the employee and the

employer. The results of this study adds to this notion by demonstrating that the relationship between the immediate manager and the employee influences employee engagement.

Weer and Greenhaus (2017) suggest that career opportunities and salary are drivers of employee engagement. This study found that career opportunities and salary, in the context of parental leave policies, influences employee engagement, which further strengthens the connection between employee engagement, career opportunities and salary. This study also confirms former studies, in that employers who support shared values will be able to satisfy, engage and retain current employees (Kalliath et al., 1999; Wise & Bond, 2003). Previous studies have also shown that reduced stress has a significant impact on employee engagement. Our study confirms previous research, which shows that employee well-being is enhanced by reduced stress as a result of parental leave, leading to a better balance between work and life (Hillier et al., 2005; Cook & Cripps, 2005; Beaugard & Henry, 2009).

## **6.2 Practical contribution**

The findings of this study may benefit managers and leaders in organizations worldwide that are looking to understand drivers of employee engagement and how to increase employee retention. This study shows that strong parental leave policies can increase employee engagement, while weak policies can decrease employee engagement. Based on what our respondents expressed, the contributions below may help improve employee engagement in all organizations.

- Organizations should (if possible), offer generous parental leave policies that benefits employees to increase employee commitment and engagement.
- Managers should be supportive when it comes to all aspects surrounding parental leave. (For example, setting up a plan with the employee before he/she takes parental leave. This will show the employee that the manager cares and help manage expectations for the employee, such as requirements to stay up to date with things at work; as well as when and how to return from parental leave.)
- Provide a “soft” transition for parents when they return to work after taking a long parental leave. (For example, the ability to work 75% the first few weeks back with full pay in order to reduce financial stress and increase employee well-being).

### **6.3 Suggestions for further research**

This study was developed for and based off of the employee perspective. For future research, this model can be tested from the manager or management perspective, which could identify new components that can be added to the model. Alternatively, we recommend that future researchers look into how managers and leaders in organizations perceive offering parental leave as a benefit/reward, as well as how they handle employees taking parental leave (see 6.2 Practical contribution). Finally, to test the model and to find out to which extent these themes influence employee engagement, it would be interesting to do a quantitative study based on the four themes identified in this study.

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## 8. Appendix

### Appendix 1.

## INTERVIEW GUIDE: UNITED STATES

### ALL RESPONDENTS

1. How old are you? \_\_\_\_\_
  
2. What is your sex (identified on your birth certificate)?
  - Male
  - Female
  
3. Are you employed? (Choose One)
  - Yes, I am employed full-time
  - Yes, I am employed part-time
  - No, I am not employed
  - a. IF YES, who is your employer?  
\_\_\_\_\_
  
  - b. IF YES, please describe your full or part-time job position:  
\_\_\_\_\_  
\_\_\_\_\_
  
4. Please rank on a scale of 1-5 how important the following are to you when selecting an employer (1=least important, 5=most important):
  - \_\_\_\_\_ Parental Leave
  - \_\_\_\_\_ Career Opportunities/Advancement
  - \_\_\_\_\_ Salary
  - \_\_\_\_\_ Flexible work hours
  - \_\_\_\_\_ Other: \_\_\_\_\_
  
5. Does your employer have a parental leave policy?
  - Yes
  - No
  - I don't know
  - a. IF YES, what does your employer's parental leave policy entail?  
\_\_\_\_\_  
\_\_\_\_\_

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b. If NO, do you know why your employer does not provide parental leave?

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6. Do you have any children?

- Yes, Age(s): \_\_\_\_\_
- No

➔ **If YES, Proceed to CURRENT PARENTS (question 9)**

7. Are you or your partner pregnant or expecting to have a child in the next 9 months?

- Yes
- No

➔ **If YES, Proceed to PROSPECTIVE PARENTS (question 20)**

8. If you do not have any children and are not pregnant or expecting a child in the next 9 months, do you plan to have any children in the future?

- Yes, I plan to have children in the future
- No, I do not want or plan to have children
- I am not sure if I want or plan to have children in the future

➔ **If YES, Proceed to PROSPECTIVE PARENTS (question 20)**

➔ **If NO or NOT SURE, Proceed to AMBIVALENT PARENTS (question 29)**

### **CURRENT PARENTS**

9. Were you employed when your children were born? (Choose One)

- Yes, I was employed full-time
- Yes, I was employed part-time
- No, I was not employed

a. **IF YES**, who were your employer(s)?

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b. **IF YES**, please describe your full or part-time job position(s):

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10. Did your employer(s) have a parental leave policy when your child was born?

- Yes
- No
- I don't know

a. **IF YES**, what did your employer's parental leave policy entail? How does this policy compare to the statutory leave policy under FMLA (i.e., length of leave, compensation amount)?

**NOTE: U.S. Policy** = The Family and Medical Leave Act (FMLA) applies to all public agencies, all public and private elementary and secondary schools, and companies with 50 or more employees. These employers must provide an eligible employee with up to 12 weeks of unpaid leave the birth and care of the newborn child of an employee

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b. **If NO**, do you know why your employer did not have a parental leave policy?

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11. What are your thoughts on the parental leave policy offered (or not offered) by your employer (i.e., are you satisfied, would you want to change anything, etc.)?

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12. Did you take advantage of the parental leave you were entitled to?

- Yes
- No

**IF YES, you took parental leave:**

a. Did you discuss how parental leave will affect your work with your employer prior to taking leave (i.e., what to expect when you return from parental leave)?

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b. Were you satisfied with how your employer handled your leave of absence and return to work? Please explain ...

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**IF NO, you did not take parental leave:**

c. Please explain why:

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d. Are you satisfied with how your employer handled the situation?

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e. Do you think you would feel a greater commitment to your work if your employer had provided and/or encouraged you to take parental leave?

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13. Please explain your employer's attitude toward parental leave ...

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14. Have your values at work and-or your attitude toward your employer changed after you had children? Please explain ...

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15. Please explain the positive or negative effect(s) that parental leave (or lack thereof) has had on the following:

a. Work-Life Balance

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b. Overall stress

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c. Satisfaction at work

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d. Commitment to your work

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e. Career opportunities / Career growth

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f. Salary development

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g. Loyalty to your employer / View of the organization

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16. How would your experiences (Questions # 12 a-g) differed if you had been offered different terms for parental leave (better or worse)?

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17. Are you aware of anyone else in your company receiving more favorable parental leave policy terms (i.e., policies differing by state)? If yes, how do you feel about it (i.e., has it affected your job satisfaction, commitment to the work, loyalty to employer, view of the organization, etc.)?

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18. If your employer were to enhance their existing parental leave policy (i.e., offer more favorable terms for employees as a reward for work productivity and contribution to the company), do you think it would impact your job satisfaction, commitment to work, loyalty to employer, and view of the organization? Please explain...

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19. Have you, or would you consider, a lateral position change (that is equivalent to current position) with a new employer that offers better conditions for parental leave? Why or why not?

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- a. If yes, would you consider changing employers for better parental leave in spite of other negative aspects (such as strict work hours or loss of other benefits that are of particular importance to you)? Please explain ...

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### PROSPECTIVE PARENTS

20. What are your thoughts on the parental leave policy offered (or not offered) by your employer (i.e., are you satisfied, do you want to change anything, etc.)?

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21. Do you plan to take parental leave in your current position?

- Yes  
 No  
 I don't know

**IF YES, you plan to take parental leave:**

- a. Have you discussed how parental leave will affect your work with your employer prior to taking leave (i.e., what to expect when you return from parental leave)? Are you satisfied with your conversation?

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**IF NO, you are not planning to take parental leave (OR DON'T KNOW):**

- b. Please explain why:

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- c. Do you think you would feel a greater commitment to your work if your employer provides or encourages you to take parental leave during your discussion?

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- 22. Please explain your employer's attitude toward parental leave ...

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- 23. Have your values at work and-or your attitude toward your employer changed now that you are expecting children? Please explain ...

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- 24. Please explain the positive or negative effect(s) that the parental leave policies your employer provides (or lack thereof) has had on the following:

- a. Work-Life Balance

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- b. Overall stress

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- c. Satisfaction at work

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d. Commitment to your work

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e. Career opportunities / Career growth

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f. Salary development

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g. Loyalty to your employer / View of the organization

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25. How would your perspectives (Questions # 24 a-g) differ if you were offered different terms for parental leave (better or worse)?

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26. Are you aware of anyone else in your company receiving more favorable parental leave policy terms (i.e., policies differing by state)? If yes, how do you feel about it (i.e., has it affected your job satisfaction, commitment to the work, loyalty to employer, view of the organization, etc.)?

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27. If your employer were to enhance their existing parental leave policy (i.e., offer more favorable terms for employees as a reward for work productivity and contribution to the company), do you think it would impact your job satisfaction, commitment to work, loyalty to employer, and view of the organization? Please explain...

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28. Have you, or would you consider, a lateral position change (that is equivalent to your current position) with a new employer that offers better conditions for parental leave? Why or why not?

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a. If yes, would you consider changing employers for better parental leave in spite of other negative aspects (such as strict work hours or loss of other benefits that are of particular importance to you)? Please explain ...

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**AMBIVALENT PARENTS**

29. What are your thoughts on the parental leave policy offered (or not offered) by your employer (i.e., do you consider them fair, helpful, a barrier to parents as employees, etc)?

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30. Do you know anyone that is planning to take parental leave in your company? If yes, have they discussed with you any positive or negative aspects to the existing parental leave policy? Please explain ...

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31. Please explain your employer's attitude toward parental leave ...

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32. Please explain the positive or negative effect(s) that you think the existing parental leave policies your employer provides (or lack thereof) have on parents as employees:

a. Work-Life Balance

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b. Overall stress

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c. Satisfaction at work

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d. Commitment to work

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e. Career opportunities / Career growth

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f. Salary development

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g. Loyalty to your employer / View of the organization

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33. If your employer were to enhance their existing parental leave policy (i.e., offer more favorable terms for employees as a reward for work productivity and contribution to the company), do you think it would impact job satisfaction, commitment to work, loyalty to employer, and view of the organization for parents as employees? Please explain...

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**Appendix 2.**

**INTERVIEW GUIDE: SWEDEN**

**ALL RESPONDENTS**

1. How old are you? \_\_\_\_\_
  
2. What is your sex (identified on your birth certificate)?
  - Male
  - Female
  
3. Are you employed? (Choose One)
  - Yes, I am employed full-time
  - Yes, I am employed part-time
  - No, I am not employed
  - a. IF YES, who is your employer?  
\_\_\_\_\_
  
  - b. IF YES, please describe your full or part-time job position:  
\_\_\_\_\_  
\_\_\_\_\_
  
4. Please rank on a scale of 1-5 how important the following are to you when selecting an employer (1=least important, 5=most important):
  - \_\_\_\_\_ Parental Leave
  - \_\_\_\_\_ Career Opportunities/Advancement
  - \_\_\_\_\_ Salary
  - \_\_\_\_\_ Flexible work hours
  - \_\_\_\_\_ Other: \_\_\_\_\_
  
5. Do you have any children?
  - Yes, Age(s): \_\_\_\_\_
  - No

**➔ If YES, Proceed to CURRENT PARENTS (question 8)**
  
6. Are you or your partner pregnant or expecting to have a child in the next 9 months?
  - Yes
  - No

➔ *If YES, Proceed to PROSPECTIVE PARENTS (question 21)*

7. If you do not have any children and are not pregnant or expecting a child in the next 9 months, do you plan to have any children in the future?
- Yes, I plan to have children in the future
  - No, I do not want or plan to have children
  - I am not sure if I want or plan to have children in the future

➔ *If YES, Proceed to PROSPECTIVE PARENTS (question 21)*

➔ *If NO or NOT SURE, Proceed to AMBIVALENT PARENTS (question 30)*

### CURRENT PARENTS

8. Were you employed when your children were born? (Choose One)
- Yes, I was employed full-time
  - Yes, I was employed part-time
  - No, I was not employed

a. **IF YES**, who were your employer(s)?

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b. **IF YES**, please describe your full or part-time job position(s):

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9. What are your thoughts on the parental leave policy offered in Sweden and/or by your employer(s) (i.e., are you satisfied, would you want to change anything, etc.)?

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10. Did you take advantage of the parental leave you were entitled to?

- Yes
- No

a. **IF YES**, how much parental leave time (in months) were taken for your children?

**Maternity Leave**

Child 1: \_\_\_\_\_

Child 2: \_\_\_\_\_

Child 3: \_\_\_\_\_

**Paternity Leave**

Child 1: \_\_\_\_\_

Child 2: \_\_\_\_\_

Child 3: \_\_\_\_\_

Additional (Please Elaborate):

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11. Did your employer(s) offer any extra benefits on top of Sweden's existing parental leave policy when your child was born?

**NOTE: Sweden Policy** = 480 days of paid parental leave (of which 90 days are reserved for each parent).

- Yes
- No
- I don't know

a. **IF YES**, what did extra benefits did your employer provide?

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12. Did you discuss how parental leave would affect your work with your employer prior to taking leave (i.e., what to expect when you return from parental leave)?

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13. Please explain your employer's attitude toward parental leave ...

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14. Were you satisfied with how your employer handled your leave of absence and return to work? Please explain ...

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15. Do you think you would feel a greater commitment to your work if your employer had provided additional benefits on top of Sweden's existing parental leave policies?

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16. Have your values at work and/or your attitude toward your employer changed after you had children? Please explain ...

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17. Please explain the positive or negative effect(s) that parental leave has had on the following:

a. Work-Life Balance

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b. Overall stress

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c. Satisfaction at work

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d. Commitment to your work

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e. Career opportunities / Career growth

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f. Salary development

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g. Loyalty to your employer / View of the organization

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18. How would your experiences (Questions # 12 a-g) differed if you had been offered different terms for parental leave (better or worse)?

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19. If your employer were to alter their existing parental leave policy, do you think it would impact your job satisfaction, commitment to work, loyalty to employer, and view of the organization? How so? Please explain ...

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20. Have you, or would you consider, a lateral position change (that is equivalent to current position) with a new employer that offers better conditions for parental leave? Why or why not?

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a. If yes, would you consider changing employers for better parental leave in spite of other negative aspects (such as strict work hours or loss of other benefits that are of particular importance to you)? Please explain ...

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### PROSPECTIVE PARENTS

21. What are your thoughts on the parental leave policy offered in Sweden and/or by your employer(s) (i.e., are you satisfied, do you want to change anything, etc.)?

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22. Do you plan to take parental leave in your current position?

- Yes
- No
- I don't know

a. **IF YES**, please explain how you plan to divide allotted time between parents:

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b. **IF NO**, Please explain why:

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23. Do you think you would feel a greater commitment to your work if your employer were to provide additional benefits on top of Sweden's existing parental leave policies?

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24. Please explain your employer's attitude toward parental leave ...

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25. Have your values at work and-or your attitude toward your employer changed now that you are expecting children? Please explain ...

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26. Please explain the positive or negative effect(s) that the parental leave policies provided by both Sweden and your employer have had on the following:

a. Work-Life Balance

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b. Overall stress

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c. Satisfaction at work

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d. Commitment to your work

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e. Career opportunities / Career growth

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f. Salary development

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g. Loyalty to your employer / View of the organization

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27. How would your perspectives (Questions # 26 a-g) differ if you were offered different terms for parental leave (better or worse)?

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28. If your employer were to alter their existing parental leave policy, do you think it would impact your job satisfaction, commitment to work, loyalty to employer, and view of the organization? How so? Please explain ...

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29. Have you, or would you consider, a lateral position change (that is equivalent to current position) with a new employer that offers better conditions for parental leave? Why or why not?

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a. If yes, would you consider changing employers for better parental leave in spite of other negative aspects (such as strict work hours or loss of other benefits that are of particular importance to you)? Please explain ...

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### AMBIVALENT PARENTS

30. What are your thoughts on the parental leave policy offered by Sweden, and if applicable, your employer (i.e., do you consider them fair, helpful, a barrier to parents as employees, etc)?

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31. Do you know anyone that is planning to take parental leave in your company? If yes, have they discussed with you any positive or negative aspects to the existing parental leave policy? Please explain ...

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32. Please explain your employer's attitude toward parental leave ...

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33. Please explain the positive or negative effect(s) that you think the existing parental leave policies provided by both Sweden and your employer have on parents as employees:

a. Work-Life Balance

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b. Overall stress

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c. Satisfaction at work

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d. Commitment to work

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e. Career opportunities / Career growth

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f. Salary development

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g. Loyalty to your employer / View of the organization

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34. If your employer were to enhance their existing parental leave policy (i.e., offer more favorable terms for employees as a reward for work productivity and contribution to the company), do you think it would impact job satisfaction, commitment to work, loyalty to employer, and view of the organization for parents as employees? Please explain...

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**Appendix 3.**

**Case report form/Interview notes**

Participant ID#: \_\_\_\_\_

Initials: \_\_\_\_\_

Date: \_\_\_\_\_

**Respondent Group** (circle one as primary – can underline additional if they commented from multiple perspectives):

Current Parent	Prospective Parent	Ambivalent Parent	English
Employed FT	Employed PT	Not Employed	Swedish

**Relationship with Managers**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Salary & Career Opportunities**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Alignment of Values**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Well-being**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Other notes related to interview (e.g., how respondent’s experiences may relate to their perspective, any feelings about the interview in general or how engaged the subject was, etc.):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_