

Parental leave length, social norms, and female labor market re-entry¹

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Abstract

Using a controlled correspondence field experiment we investigate how the length of parental leave affects job search prospects of women returning to the labor market. By experimentally manipulating quality and parental leave length of fictitious female job candidates we identify the role of employers in creating potential employment gaps among mothers returning to the labor market after leaves of different length. We find that mothers with high quality CVs receive more interview invitations when looking for employment after a short parental leave, while mothers with low quality CVs receive more interview invitations when looking for employment after a long parental leave. To better understand the underlying motives behind the switch in employers' behavior, we complement the experiment with a survey among human resource managers. The survey results suggest that the difference in interview invitations between short and long leave treatments among high quality job candidates can be explained by human capital depreciation. In contrast, since employers worry much less about human capital depreciation among low quality job candidates, they rather seem to follow a social norm that mothers should stay home with children younger than three. The differential treatment of low and high quality candidates potentially widens the gap between these groups' employment prospects.

Keywords: correspondence experiment, parental leave length, social norms, family gap

1. Introduction

A growing literature analyzes the relationship between time spent on parental leave and mothers' labor market outcomes. The consensus is that longer leaves are associated with reduced labor force

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participation and lower wages. This effect is, at least partially, attributed to human capital depreciation during time spent off the labor market. Policy recommendations following this finding range from setting optimizing the length of statutory parental leave to designing a flexible system under which mothers can choose how much time they spend on leave. This paper asks whether a flexible system allows mothers to optimize over the lost productivity margin.

Using a correspondence experiment this study identifies the relationship between the actual time spent on parental leave and job search prospects of young mothers in a setup where mothers can spend up to three years on job-protected parental leave following each childbirth. The experimental method allows disregarding the self-selection of mothers to different parental leave lengths and focusing on the reaction of employers to mothers' job applications. The human capital theory suggests that shorter time spent on leave corresponds to higher level of human capital. Thus, mothers with shorter employment breaks should be more attractive as potential employees. But there are also other sides to the story. Shorter time spent on leave means having a younger child, which might translate to higher absence rates and lower dedication to work because of the higher value of home time. Moreover, within a society there usually exists a "typical" leave length (Prozanto 2009) and not adhering to such norm can send specific signals to prospective employers. Taking a shorter-than-usual parental leave might signal a strong commitment to one's career (Albrecht et al. 1999). Alternatively, taking a shorter parental leave might suggest that the applicant is a nonconforming employee. The correspondence experiment results complemented by a survey among human resource specialists presented in this paper shed some light on these channels.

The experiment was administered in the Czech Republic — a country where mothers can choose how much time to spend on leave,² but there is a strong social norm suggesting that a child younger than three should ideally stay at home (Hašková et al. 2012). The experiment monitors employer reactions to receiving a job application from a mother spending three years on parental leave (long leave treatment, LL), and a job application from a mother spending two years on leave (short leave treatment, SL). Job applicants with shorter leave durations were not considered as these are rare in the Czech Republic. The control group was composed of mothers with four years of labor market experience following their last parental leave (after leave treatment, AL). Two resumes from different treatments were randomly sent to each of the 900 organizations advertising low- and mid-level administrative positions around Prague, the capital of the Czech Republic, between December 2015

² This is supported by the possibility of collecting the parental allowance at a faster rate until the child's second birthday, or a slower rate until the child's third birthday.

and July 2016. Also, the qualification of previous work experience (low or high quality, LQ and HQ) was randomized to allow for heterogeneous effects. All other applicants' characteristics remained unchanged, on average. The researchers recorded all attempts of employers to contact the fictitious job applicants and compared the rates at which invitations to a job interview arrived across the treatments.

This experimental design allows overcoming the issues faced by many empirical studies analyzing the effects of a parental leave length on mothers' labor market outcomes. First, the supply side choices are effectively shut down by sending applications to randomly selected positions, thus eliminating individual sorting into employment (Polachek 1981, Datta Gupta and Smith 2002, Nielsen et al. 2004, Bender et al. 2005), shying away from applying for certain types of jobs (Niederle and Vesterlund 2007), dynamically changing labor market preferences after childbirth (Pertold-Gebicka et al. 2016), or endogenously choosing the time spent on parental leave. This allows focusing solely on the responses of the demand side — the employers — to job applicants re-entering the labor market after parental leaves of different length. Second, the inclusion of the comparison group of mothers already active in the labor market for a few years after the birth of their youngest child gives a benchmark. The researchers can observe whether mothers re-entering the labor market after a parental leave are treated similarly, worse, or better than mothers already established in the labor market. Third, by manipulating the quality of applicants (signaled by previous job positions), the experiment design allows studying heterogeneous effects of parental leave length.

Indeed, the experimental results reveal important heterogeneity. While HQ applicants benefit from shorter parental leaves in the form of increased interview invitation rates, LQ-SL applicants are punished by experiencing lower interview invitation rates. In both cases LL applicants receive interview invitations at the same rate as AL applicants.

To uncover the motives driving employers' decisions, a survey among human resource (HR) specialists was administered. The researchers collected responses from 354 Czech HR specialists who evaluated fictitious job candidates in terms of their expected performance, absenteeism, retention rates, or time until requesting a promotion. Further, the survey contained a question regarding the appropriateness of a mother with a young child resuming work, while manipulating the age of a child between 0.5 and 5.5 years. HR specialists' evaluations do not reveal any consistent productivity-related differences between LL and SL job candidates that could explain the observed difference in interview invitation rates. However, responses to the last question are suggestive of the existence of a social norm regarding early maternal employment. Only about 60% of HR specialists would find it appropriate that

a mother of a 2.5-year-old child (SL treatment) works, while over 95% approve of a mother working when her child is 3.5 years old (LL treatment). Although the survey design does not allow observing if the social norm applies differently to women with different qualifications, this component might play an important role in driving the interview invitation rates pattern observed in the correspondence experiment. Given that human capital depreciation rates during the time spent on parental leave are lower in low-skill occupations (Polachek, 1981), the social norm component might outweigh potential gains from employing a LQ-SL candidate relative to alternative candidates. In contrast, the productivity gain from employing a HQ-SL applicant might outweigh the social norm component, thus resulting in their higher interview invitation rates as compared to HQ-LL candidates. It remains to be understood if this effect is driven by employer preferences or by employers foreseeing that co-workers or firm's customers may react negatively to the presence of an employee not following a norm.

These findings are closely related to the growing literature on social norms and the economics of identity. Akerlof and Kranton (2000) already argued that social norms influence the actions and payoffs of individuals through one's own norms-driven behavior and through others who correct individuals' behavior to be in line with the established norm. Social norms related to specific gender roles have been linked to female labor force participation (Fernández et al. 2004, Olivetti et al. 2017), although it is not clear whether it is driven by selection on the supply side or through restrictions to access from the demand side. Bertrand et al. (2015) provide evidence on the supply side in terms of self-selection of women into jobs paying salaries lower than their husbands'. This paper argues that social norms related to female family roles may affect the demand-side by influencing employers' hiring decisions.

While the finding that social norms violation provokes the actions of second or third parties has been documented in other domains (e.g., Fehr and Fischbacher 2003, 2004), there is no study pointing towards a link between gender norms violations and hiring decisions. Furthermore, there is emerging evidence that policies shape social norms and attitudes (Sjöberg 2004, Kotsadam and Finseraas 2011, Bauernschuster and Rainer 2012, Unterhofer and Wrohlich 2017). These studies are mainly exploiting shifts in family policies and show that these changes subsequently trigger changes in social attitudes towards the role of women in the labor market and at home. This implies that policies may affect labor market outcomes not only directly, through intended incentives, but also indirectly, through manipulating norms and attitudes in broader society.

This paper complements the existing literature in several ways. While correspondence experiments were recently used to investigate the position of mothers or mothers-to-be in the labor market (Baert 2014, Bartoš 2015), none of them addressed the issue of parental leave length that is otherwise largely

discussed in the recent literature. By exogenously varying job applicants' characteristics and the time they have spent on parental leave, this study abstracts from supply side selection issues faced by many empirical studies and only observes the reaction of employers. The observed pattern of employer behavior – preference towards SL mothers when hiring a HQ candidate and preference towards LL mothers when hiring a LQ candidate – has not yet been documented in the literature. Moreover, by showing that by not exhausting the full parental leave length mothers send employers a specific signal, this study suggests that parental leave legislation has an additional effect that policy-makers do not consider: It establishes a norm for mothers' appropriate behavior. This finding is in line with recent studies discussing the potential of public policies to affect social norms.

2. Correspondence Experiment Design

A correspondence field experiment was used to investigate how employers respond to job applications sent by female candidates with different parental leave histories and of different qualifications. Fictitious resumes were sent in response to actual job advertisements between December 2015 and July 2016. The authors recorded all attempts by the employers to contact the fictitious job candidates.

2.1. Institutional Setting

The experiment was conducted in the Czech Republic—a country with generous parental leave policies. Czech parents are entitled to three years of job-protected parental leave and can collect parental benefits for the whole period of leave. While parental leave can be shared, the usual practice is that solely mothers take advantage of the parental leave and they collect parental benefits. The system of parental benefits is flexible. Parents can collect a fixed total amount of 220,000 CZK (\approx 8,150 EUR) in monthly installments until the child reaches two, three, or even four years of age. Monthly installments cannot exceed 70% of the so-called assessment base, which is a nonlinear function of pre-leave income. This results in a setting where low-income mothers have to collect parental benefits for three to four years to receive the full amount, while middle- and high-income mothers can collect the full amount until the child's second birthday.³ While the parental leave system in the Czech Republic is flexible and allows parents to choose how much time to spend on leave and for how long to collect benefits, a great majority of mothers spend at least three years off the labor market after each childbirth. This is partially driven by the availability of childcare (Mullerova 2017) and partially by a

³ To be eligible for the shortest scheme of parental benefits collection parents have to earn at least 16,500 CZK/month before birth. The median monthly salary of women in the Czech Republic in 2016, when the experiment was run, was 22,573 CZK. In 2013, when the youngest children of the fictitious job applicants were born, the median monthly salary of women in the Czech Republic was 20,271 CZK.

strong belief prevailing in Czech society that a child should be exclusively with its mother until the age of three (Hašková et al. 2012). This prevailing social norm could be to a large extent actually driven by parental leave policies, as recent studies suggest (Unterhofer and Wrohlich 2017, Kluge and Schmitz 2014).

The Czech Republic is a country with strong labor market attachment of both men and women. Labor market activity rates for prime-aged men and women well exceed the European Union average (Eurostat). However, the labor market participation of Czech women features long breaks during the childbearing period with the lowest rate observed among 30-year-olds (Kalíšková and Munich 2012). While the labor market participation rate among Czech women aged 40–44 is 90%, among women aged 30–34 the rate does not exceed 67% (Eurostat). We thus observe long career breaks associated with childbirth and a return to the labor market when children get older.

Fertility in the Czech Republic is on the level of the European Union average (1.57 children per woman in childbearing age in 2015). The fertility rate has been growing for the last 10 years after its low in the early 21st century. At the same time the average age of women at their first birth has been growing and reached 28.2 in 2015 (up from 27.3 in 2009) (Eurostat).

2.2. Identities of Job Applicants

Fictitious resumes of college-educated, married, female job candidates with two children born four years apart were used. Having two children should send a strong signal about likely completed fertility, as the typical number of children in a Czech family is two. Expectations of future career breaks are minimized and importantly, the positive probability for potential to remain employed is constant across treatments. Among college-educated Czech women the usual age difference between children is three to four years. The latter is chosen to allow for work experience between the two births.

All fictitious job applicants are born in 1982, which means they are 33 to 34 years old at the time of sending the job application. They have a Bachelor's degree from a well-known business school in Prague and they all live in the capital city.

2.2.1. Manipulating Parental Leave Histories

Three types of resumes with respect to parental leave histories were used. The baseline group of job applicants has a job experience of four years following their last employment break due to childbirth (After leave, AL). The typical (long) parental leave treatment consists of job applicants at the end of a three-year parental leave (Long leave, LL). The short parental leave treatment consists of job applicants at the end of a two-year parental leave (Short leave, SL). Sample resumes from each of these groups

are presented in the ~~online~~ Appendix B.⁴ Figure 1 summarizes the three parental leave and work experience histories used in our experiment.

[Figure 1 here]

2.2.2. Manipulating Quality of Applicants

Additionally, the qualities of fictitious job candidates were manipulated. While the education level was kept constant across all sent resumes, the type of work experience was varied. High quality (HQ) job candidates have two independent job experiences at high positions (corresponding to ISCO categories 33 — Business and administration associate professionals — or 24 — Business and administration professionals). Low quality (LQ) job candidates have two independent job experiences at low positions (corresponding to ISCO categories 41 — General keyboard clerks — or 43 — Numerical and material recording clerks). Firms that ceased to exist in recent years were chosen so that the job experience reported in a resume is credible, but at the same time firms advertising the vacancies cannot contact an applicants' past employers.

2.3. Sample Selection and Data

Job openings in business, administration, and clerical positions were targeted. These job categories were chosen to minimize the costs for employers of reviewing applications and to assure a sufficient flow of new openings that are similar enough. Job openings were classified into high- and low-skilled based on the advertised occupational title — occupations belonging to ISCO categories 2 and 3 were classified as high-skilled, while occupations belonging to skill category 4 were classified as low-skilled. Job advertisements for higher- or lower-skilled positions were disregarded. Only job openings in Prague and the nearest surroundings were considered due to low labor mobility in the Czech Republic and the fictitious applicants living in Prague. Given the design of the experiment, job advertisements to which one could apply online requiring just a cover letter and a resume were chosen. If a firm had more than one job opening during the course of our experiment, we considered only one advertisement.

⁴The Appendix is available online at <http://vojtechbartos.net/wp-content/uploads/Papers/CZ-Parental-leave-Online-Appendix.pdf>

2.3.1. Procedures

All relevant job advertisements that appeared on the largest Czech online job portal between December 15, 2015 and July 8, 2016 were contacted. Two resumes from different treatments, but not necessarily of different qualities, were randomly assigned to a job opening. The two responses were sent to each job advertisement in random order and at least two hours apart. The randomly assigned cover letter was kept short and differed between the two responses. All invitations for job interviews were politely declined within two days.

Randomization was based on a system of six possible combinations of treatments (three treatment types where order of responding matters). Within each combination of treatment the applicant names, resume templates, and the qualities of applicants were randomized. Naturally, applicant names and resume templates had to differ within the two responses sent to one job advertisement, but we allowed for all possible combinations of applicant qualities. Thus, within each combination of treatments, 16 further combinations of applicant characteristics were possible.

The job candidates were given two out of three most frequent Czech female first names (Czech Statistical Office, 2010)—Petra and Lenka. These names are also among five most frequent names given to baby girls in 1982, the year when fictitious job candidates were born. For the surnames, two of the most-often reported names—Procházková and Dvořáková—were chosen. In the experiment, Lenka Procházková and Petra Dvořáková were used as names for randomization. Real e-mail addresses (lenka.prochazkova241@gmail.com , petra.dvorakova812@gmail.com) were used to apply for job advertisements. Real mobile phone numbers were used and muted during the course of our experiment. Any attempt to contact a job applicant was recorded.

Two resume templates with different layouts but the same order of information were used. Beyond name of the candidate, exact birth date, birth years of a candidate's children, and work experience, the information on a candidate's contact address, high school and college education, language knowledge, soft skills, and hobbies were provided. All candidates have a Bachelor's degree from a well-known business school in Prague, from the same faculty but in a different specialization (either finance or accounting, randomly assigned). The high school information is also randomly varied. Both high schools are general academic high schools and are ranked slightly above the median in Prague. The two contact addresses to be randomized were chosen in Prague's two largest living districts with similar average apartment rental prices. Each candidate reports to have a good knowledge of English and basic knowledge of either German or French. All resumes report knowledge of MS Office applications and of the accounting system SAS. All applicants have a driver's license, good

communication skills, and are familiar with double accounting. Hobbies randomly list one sport and one cultural activity.

2.3.2.Data

1,800 resumes were sent to 900 job advertisements. For each job advertisement the job title, its requirements, and the time each application was sent were recorded. Table A1 in [the online Appendix A⁵](#) shows that the means of observable characteristics of job openings are comparable across the three treatments and the two quality levels. The breakdown of applicant characteristics also suggests successful randomization (available upon request).

To measure responses to the job applications, any attempts by the employers to contact the applicants were recorded. The baseline analysis considers only direct invitations for a job interview in an e-mail addressed to a job candidate. An alternative analysis considers all positive responses, i.e. invitation for an interview, inquiry about further information, or an attempt to reach a candidate by phone. In each case, a direct rejection of applicants or no contact from the side of employer are coded as negative responses.

The fictitious job applicants were successful in attracting an employer's interest. On average our applicants had a 15% chance of an interview invitation. Employers also seemed to respond to varying characteristics of resumes accordingly. LQ applicants applying for highly-qualified positions scored only 11.8% in invitation rates as compared to 15.8% for the HQ applicants. Conversely, LQ applicants had higher chances than HQ applicants when applying for less qualified positions.

As in every correspondence type of experiment, final hiring decisions are not observed. Nevertheless, going through an interview is usually a necessary step before getting a job offer and thus any gap between treatment groups in interview invitation rates (or positive response rates) would translate to further gaps in job offer rates.

3. Survey Design

To get a better understanding of how the HR specialists form their beliefs about applicants based on the information provided in applicants' resumes, a survey with a subset of HR specialists different from those contacted in the correspondence experiment was conducted. The survey contained nine questions presented in three sections, and two questions on demographics. The survey was kept short

⁵The Appendix is available online at <http://vojtechbartos.net/wp-content/uploads/Papers/CZ-Parental-leave-Online-Appendix.pdf>

to reduce the costs to the respondents, who were not remunerated for their participation (Median response time: 12 minutes). To further reduce indirect costs, responder anonymity was maintained.

3.1. Manipulating Length of Parental Leave and Quality of Applicants

The respondents were presented a combination of one resume and one job advertisement. The resumes were randomized with respect to the parental leave history (SL, LL, and AL) and quality (LQ and HQ), while the remaining information was kept constant. Two job advertisements of different qualifications, representative of the sample of the positions applied to in the correspondence experiment, were picked and randomly assigned to each survey respondent. The less qualified position was a receptionist (ISCO 4), while the more qualified position was a chief accountant (ISCO 2). Position descriptions were taken from actual job postings at the job portal through which our fictitious applicants applied, although identifying details of the firm were removed. The ad looked exactly as if a screenshot from the job portal website was taken. Also, to prevent re-entry under different treatments that might confound our results by socially desirable responses, the website made sure that if the person logs in from the same IP address, he or she would only be allowed to fill the survey once.

3.2. Questions Asked

First, the respondents were asked to evaluate the applicants based on their resumes from the perspective of the company hiring for the particular position within the following categories: 1) overall quality and satisfaction with the applicant, 2) likelihood of absenteeism relative to other employees, 3) retention potential of the applicant, and 4) time it would take until the applicant asks for a promotion. Next, the respondents were redirected to a new page without the possibility of revising their first set of answers. Here, respondents' attention was drawn to the fact that the applicant has gaps in her professional career. The respondents were then asked to, 5) compare the applicant with an otherwise comparable applicant, but without any career gaps, and to 6) assess the reasons for the applicants' job search in an open ended unprompted question. In order to allow for uncertainty in responses to questions 1 to 5, rather than asking the respondents to select one answer from a menu of options, we allow them to allocate 10 tokens among five potential answers. Each token represents

10 percentage points.⁶ Questions 1, 2, and 5 are typical likert-scale questions, while questions 3 and 4 specify time-frames ranging from less than one year, all the way to infinity.

On the third page, again preventing changes to already-saved responses on previous pages, two questions about general social norms considering childrearing and one question about barriers in access to preschool care were asked. To minimize social desirability or demand effects, and not to confound the social norm with individual preferences, the survey asked about the norm in an indirect way, asking about respondents' best guess about the responses of 10 of their HR colleagues in Czech companies.⁷ The survey finished on a fourth page inquiring about respondents' gender and city of residence. The full wording of questions is presented in [the online Appendix C](#).⁸

3.3. Sample Selection and Data

The sample of HR specialists was obtained by parsing 5,791 email addresses from most recent job postings at a job portal in the Czech Republic different from the one used in the experiment, and sending an invitation to participate in an online survey to all of them. Overall, 354 HR specialists completed the survey. This is the sample used in the analysis.

4. Results

4.1. Correspondence Experiment Results

The analysis starts by comparing interview invitation rates (for short named invitation rates hereafter) across the three treatments. These are computed using pooled data or treatment-paired subsamples where each subsample consists of job advertisements to which the same pair of treatments was sent. Alternatively, positive replies that include both interview invitations and more general interest in the applicant by requesting additional or clarifying information are analyzed. The results are robust across the approaches.

[Table 1 here]

The results for the pooled data are reported first. Panel A of Table 1 reveals that, on aggregate, there are no differences among the three treatments. However, this aggregate non-result masks important differences between applicants of different qualities. Panel B reports invitation rates for HQ

⁶ Delavande et al. (2011) show that this method is superior to a simple use of the likert scale and can be deployed even in the context of low-literacy subjects.

⁷ This is similar to Krupka and Weber (2013), although not incentivized.

⁸ ~~The Appendix is available online at <http://vojtechbartos.net/wp-content/uploads/Papers/CZ-Parental-leave-Online-Appendix.pdf>~~

candidates. Here, SL candidates have significantly higher interview invitation rates than both LL and AL candidates

The story is very different for the LQ candidates. Panel C in Table 1 shows that SL candidates receive interview invitations in significantly fewer cases than both LL and AL candidates.

The results presented above further strengthen when the sample is restricted to applicants whose qualifications match those required for a given position. Panel D focuses on HQ applicants applying for highly-qualified positions. In this subsample, SL candidates report twice as high invitation rates as LL candidates. Interestingly, the SL candidates' interview invitation rate is statistically indistinguishable from the AL candidates. It seems that employers punish HQ mothers searching for employment after a lengthy parental leave of three years, preferring candidates terminating their parental leave.

Panel E shows results for LQ applicants applying for less-qualified positions. It reveals a reverse pattern. The invitation rates are the lowest for SL candidates, while both LL and AL candidates report invitation rates at similar levels. One observes that LQ mothers looking for employment earlier than after the end of job-protected parental leave are punished by prospective employers by lower invitation rates.

In response to a single job vacancy a pair of resumes from different treatments was always sent. Due to successful randomization it is unlikely that there would be systematic differences in unobservable characteristics across treatments or treatment pairs. The authors also expect that if the total number of real applicants responding to a single job advertisement is high, the experimental candidates are evaluated independently of the combination of treatments sent to a job advertisement. This hypothesis is verified by checking whether the pooled results also hold within the specific treatment pairs.

[Table 2 here]

Table 2 reports invitation rates observed within subsamples matched by the combination of treatments sent to a single job advertisement. Panel A shows that when disregarding heterogeneity in candidates' qualities, no difference across treatments is observed. Yet the subsequent Panels B and C show the same pattern as the one observed for the pooled sample. Namely, HQ-SL candidates receive more invitations than the HQ-LL candidates, while the reverse is true for LQ applicants, although among the LQ candidates the SL-LL difference is not statistically significant (Columns 1 and 2). The

results are again stronger when the quality of applicants matches that of the advertised vacancy (Panels D and E).⁹

Interestingly for the methodology of correspondence experiments, treatment-specific invitation rates differ by treatment-pairs (Columns 10-12). This suggests that employers directly compared the two fictitious job applications and their actions depended on the combinations of the received treatments. The authors thus suggest that to verify the hypothesis that the length of parental leave affects job search prospects of mothers, one should compare Columns 1 and 2 of Table 2.¹⁰

In sum, different patterns of employer behavior are observed in response to receiving job applications from candidates at the end of statutory job-protected parental leave and one year before the end of such leave, depending on the quality of the applicant. While employers considering HQ applicants prefer mothers with shorter parental leave durations, employers considering LQ candidates prefer applicants exhausting the full length of parental leave.

The authors propose that the message transmitted through parental leave history presented in job candidates' resumes might reveal more than just how much time the candidate spent out of the labor market.

- 1) Shorter parental leave means that the applicant has younger children. This might result in increased absenteeism.
- 2) Mothers seeking employment earlier than the majority might send a specific signal about their motivation and career orientation. This signal might be viewed positively by employers requiring highly-skilled workers. At the same time this signal might be translated to lower retention rates or possibility of tougher wage bargaining by employers filling low-skilled positions.
- 3) Employers might dislike workers not following established norms, as norm-breakers in one domain might engage in violation of other norms and rules too. Alternatively, employers might be afraid of the reaction of other employees or firm's customers to hiring a nonconforming individual. The social norms effect may be present only among employers offering low-qualified positions, which would explain the main results. Or, the social norm effect could be present among all employers, but the potential benefit from hiring a SL applicant might be greater than the cost of norm violation for HQ applicants, while the opposite might be true for

⁹ Note that within consistent treatment-pairs the comparison of both the SL and LL with AL (Columns 3–6) yields different results than within the pooled data.

¹⁰ The authors thank an anonymous referee for this suggestion. It is reassuring that the conclusions based on this comparison are both qualitatively and quantitatively similar to those based on Table 1. Moreover, we observe that employers' preferences are transitive across treatment pairs.

LQ applicants. Since the observed effects are mainly driven by companies with above-median size in the sample (between 50 and 99 employees) that offer both more and less qualified positions, the latter explanation is more plausible.¹¹

4.2. Understanding Invitation Decisions: Survey Results

The survey conducted among HR specialists was designed to help explain the motives driving the correspondence experiment results. The analysis starts by examining the survey results in aggregate. In line with the relatively high interview invitation rates, the survey respondents view the presented applicants as prospective employees with whom their companies would be satisfied. The recruiters also noticed that the applicants have young children and hence are more likely to be absent from work relative to other workers. When comparing the applicants to otherwise comparable but childless applicants, the recruiters ranked the fictitious applicants slightly worse. The recruiters seem to have screened the applicants' resumes carefully for their characteristics.

[Table 3 here]

4.2.1. Perceived Prospective Employee Quality

Table 3 summarizes the views of surveyed recruiters on the presented job candidates' qualities separately for each of the three treatments. Even though the averages of the expected overall satisfaction with the prospective employee across the treatments are in line with the human capital depreciation story, neither of the between-treatment differences is close to being statistically significant (Panel A). On the other hand, LL applicants are evaluated as the worst among all treatments when judging their quality relative to similar childless applicants. This result is in line with the hypothesis that LL candidates are expected to have the lowest levels of human capital due to its depreciation during parental leave.

4.2.2. Perceived Prospective Employee Costs

Women with younger children are expected to be absent more often than the AL applicants, but there is no difference in expected absences between SL and LL candidates. Also retention rates do not differ across treatment groups. Interestingly, the SL are expected to actually take longer in asking for promotions relative to the AL and marginally significantly longer than the LL, even though the point

¹¹ This result, however, cannot be explained as causal, as the HR specialists are not randomly assigned across companies and selection effects might confound the finding.

estimates suggest that the expected difference is no higher than several months, on average. This might be driven by different expected job search motives discussed later.

4.2.3. Respondents' Applicant Perceptions by Quality

Panels B and C of Table 3 turn to the heterogeneity analysis by the quality of applicants.¹² There are very few differences between HQ and LQ applicants. The most striking difference is in the comparison of the applicants to otherwise comparable childless applicants. There are no differences and slightly negative coefficients for each treatment among HQ applicants, but there is a significant negative evaluation of the LQ-LL, both relative to the LQ-SL and the LQ-AL. While in line with direct comparison of LQ-LL and LQ-AL candidates as presented in table 2, this finding does not help explain the mechanism driving the difference in direct comparison of SL and LL candidates between LQ and HQ treatments.

4.2.4. Motivations for Job Search

How do the respondents view applicants' motivations for a job search? An open-ended question asked the recruiters what they think, "was the main reason for the candidate to apply for a job?" The research assistants classified their responses.¹³ Five main, non-exclusive, motivations were identified. The applicant:

- 1) had just finished her parental leave,
- 2) is financially constrained,
- 3) is seeking a flexible working environment,
- 4) has difficult job prospects, and
- 5) is motivated by career concerns.

Table 4 presents the results of this analysis.

¹² This section only analyzes the aggregate results and results by quality of applicants. Due to limited power, the results when matching applicant quality with desired qualification are not reported and are available upon request.

¹³ All applicant characteristics beyond unique identifiers that allowed the research assistants to match the classification to the main database were concealed.

[Table 4 here]

First, the respondents paid attention to treatment differences: While 6% reported the end of parental leave as a reason for the AL, about 36% of respondents mentioned this for both SL and LL. This result holds regardless of whether the applicants are LQ or HQ (Panels B and C). Panel A also shows that there is a difference in perceived career-driven motives. These are reported by a higher share of respondents when evaluating the SL and AL relative to LL. This result is the strongest when examining LQ applicants (Panel C). Although it is difficult to assess whether career concerns should be advantageous for the company or not, the fact that there are no differences in the expected motivations between the two qualities of job candidates does not help in conclusively pinning down the mechanism driving the switch for LQ applicants in terms of a lower share of invitations for the SL relative to the HQ applicants.

4.2.5. Social Norms and Appropriateness of Terminating Parental Leave Early

The final explanation explored is that employers might dislike applicants terminating parental leave earlier than commonly considered appropriate. The potential disadvantage from hiring a worker not adhering to norms might be greater for LQ applicants, as their productivity contribution to the firm is not as high as a potential productivity contribution of a HQ applicant. This might result in the invitation rates switch observed between the SL and LL with HQ and LQ, respectively. This social norm hypothesis might explain the patterns observed in the correspondence experiment.

[Table 5 here]

The HR respondents were asked the following question: “Based on your best estimate, how many out of 10 colleagues working in HR for Czech companies answer the question, ‘Is it OK if a woman with an X-year-old child works?’ would respond that the decision to return to work is appropriate?” The X ranges from 0.5 years in increments of one year up to 5.5 years. The summary of answers to this question is presented in Table 5. Panel A considers consistent, or monotonic, responses. These only include responses that are non-decreasing in the increasing age of a child, as it is difficult to justify the reverse pattern. Exactly 50% of responses can be classified as consistent.¹⁴ Panel B presents the results for the full set of responses, including those violating consistency. Both panels show that the number of approving recruiters increases with the child’s age with a visible shift between the ages of 2.5 and

¹⁴ Out of the inconsistent choices, 25% are choices that include positive approval rates for a 0.5 year-old child, while this number drops to 0% for all of the subsequent ages. Since the questions were presented in an ascending order by age, such choices might be due to respondent fatigue rather than reflecting individual preferences.

3.5 and subsequent leveling-off. This suggests that HR managers agree with the social norm that children should be with their mother till the age of three.

The existence of parental-leave-related norms is further supported by data from the International Social Survey Programme (ISSP) 2012 Family and Changing Gender Roles. This survey was administered to a representative sample of adult Czechs. Unfortunately, the survey does not ask about respondents' views about parents working by age of their children. It only asks questions about appropriateness of parents working with children under school ages. Yet even these questions provide revealing answers. This study focuses on five questions mostly related to the social norms hypothesis, namely on:

- 1) how long a paid parental leave should be,
- 2) who should stay home with children during parental leave,
- 3) whether mothers should work full-time when having children under school age,
- 4) whether a child under school age suffers when his or her mother works, and
- 5) whether mothers want to stay at home with children rather than work.

Answers to all these questions support the existence of a strong social norm that women with young children should not work.

The mean reported desired duration of parental leave is three years. Over 72% of Czechs believe that paid parental leave should be at least three years. This is long compared to other European Union (EU) countries represented in the ISSP database (simple average is less than 21 months). Moreover, 88% of Czech respondents believe that the mother should take all or most of the parental leave, while 67% think that mother should be responsible for the entire duration. This is compared to 58% and 26% for the other EU states, respectively. Further, the optimal arrangement for a family with a child under school age is a father working full-time, and the mother staying at home (88% of respondents) or at most working part-time (58%). The respondents in other EU countries think the same in 71% and 31% of cases, respectively. Interestingly, in a question on whether an under-school-age child would suffer when a mother is working, the Czechs are actually 0.05 standard deviations less likely to say that the child would suffer relative to the EU average. However, when women evaluate whether they agree with the statement, "A job is all right, but what most women really want is a home and children," Czechs are 0.46 standard deviation more likely to agree with the statement than the rest of the EU. Overall, while the Czechs do not necessarily see working mothers as having more adverse effects on children under school age than the rest of the EU, they are more likely to believe that it is a mother who should take a parental leave, that she should take full advantage of it, and that the parental leave should be at least three years long. This is consistent with the results of the survey among recruiters presented earlier.

5. Conclusions

This paper analyzes employers' responses to job applications of women re-entering the labor market after a parental leave of various lengths. The authors use a correspondence experiment complemented with a survey among HR specialists not involved in the experiment designed to better understand the motives behind employers' decisions observed in the experiment.

The correspondence experiment results reveal an interesting pattern: while the high quality applicants are punished for taking the longer parental leave, the low quality applicants are punished for taking the shorter parental leave. The human capital depreciation theory suggests that workers spending less time out of the labor market are more productive. This is consistent with observing lower invitation rates for long leave candidates as compared to short leave candidates in the high quality treatment; however, this cannot explain the reverse pattern observed in the low quality treatment.

The survey results reveal that employment-related costs such as absenteeism, retention rates, or promotion requests, as viewed by HR managers are also not able to fully explain the results of the correspondence experiment. Supported by the evidence from the survey and the ISSP, the authors suggest that the experimental results can be explained by a combination of the human capital depreciation and the social norms hypotheses. The latter adversely affects applicants violating the norm prevailing in the Czech Republic that mothers should provide full-time care to their children until they reach the age of three. The design of the survey does not allow, however, for making any statements regarding the magnitude of the norm violation disutility parameter, nor whether the parameter differs by quality of the applicant, but the evidence provided so far implies that the parameter is relevant in employers' decisions.

What remains to be understood is whether this behavior is driven by employers' preferences internalizing the norm, or by employers' beliefs about potential reactions of other employees or customers to hiring a norm-violating candidate. The authors can only offer suggestive evidence speaking against the former.

The results presented in this study suggest that the observed regularities, namely that (1) women exhaust the full duration of paid parental leave (e.g., Lalive and Zweimüller 2009, Schönberg and Ludsteck 2014), and (2) women end up in lower-paying and less-qualified occupations after parental leaves (Albrecht et al. 1999, Datta Gupta and Smith 2002, Fernández-Kranz et al. 2013) are to some extent driven by the demand side and can be caused by different mechanisms depending on women's career histories and qualifications. Although some less-qualified mothers apply for jobs earlier than at the end of the statutory parental leave, most of them are motivated to stay home until the end of the

parental leave by low chances of finding a job. Conversely, if high-qualified mothers follow the generally-acceptable behavior and stay out of the labor market for the full duration of a parental leave, they may lose access to higher-qualified occupations. Further examination of the role of social norms on the demand side's decisions in the labor market offers an interesting direction for future research.

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