

Long Parental Leave Encourages Women to Start Businesses

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In Sweden, a growing number of mothers are starting a new venture when their children are young. This is surprising in a country where the welfare system with its family policies favors employees, not entrepreneurs. Because the Scandinavian welfare systems promote employment over entrepreneurship, we were curious why so many mothers of young children still choose to launch ventures of their own.

Going into this research, we were expecting that motherhood played a similar motivational role to what we know about women entrepreneurs in other countries. The dominant Anglo-Saxon literature on women's entrepreneurship asserts that women, particularly those with caregiving responsibilities, engage in entrepreneurship as a fallback option to traditional employment, since entrepreneurship provides more flexibility to combine childcare with work while considering the needs of others. However, our research turned up some surprising findings: Work/life balance was not a deciding factor with the women we surveyed. Instead, a long parental leave gave them time to think about what they really wanted for their careers, and entrepreneurship became an attractive option.

What We Studied

To investigate why mothers of young children in settings with family-friendly policies and employment as a norm become entrepreneurs, we studied life stories of 18 mothers who became entrepreneurs. We followed these women for three years and interviewed each of them three times. While the initial interview focused on their life story told in their own words, the second interview focused on the role of motherhood and their decisions to start a business when their children were young; the third interview focused on the role and use of parental leave and partner/family support in child-rearing.

When selecting participants, we looked for

entrepreneurs who created a business after becoming mothers but before their youngest child was 4 years old, and for women who actively owned and managed their businesses. Our participants represented a variety of sectors and varied in number of children as well as in the type and size of the businesses. The majority were married, two were cohabitating, and one was divorced. All had at least postsecondary education, and many had postgraduate education. All but one were employed prior to starting their businesses, and given their education and social backgrounds they would be described as middle class.

We also studied the setting with its formal and informal institutions to understand the design of the family policies and their impact on women entrepreneurs who are mothers. We were particularly interested in the impact of the generous shared parental leave in Sweden, which gives women 18 paid months off from work per child.

What We Found

The women we interviewed told us they became entrepreneurs for different reasons from we had expected. While some always dreamed of being an entrepreneur, others saw entrepreneurship as a mode of performing their professions, and for some entrepreneurship was never their goal. What united their narratives is that children actually were not a factor in their reasoning. This was surprising. We expected that the stories would mention entrepreneurship as a way in which work and family obligations could be combined. We expected that participants would relate motherhood with entrepreneurship, but instead, they emphasized that Sweden's parental leave policy gave them the time they needed to make important career-related decisions, like starting a venture.

In short, women started businesses after becoming



mothers because parental leave gave them the time and space they needed to pursue entrepreneurship. Relatedly, we found that time is seen by our participants as a valuable resource. When analyzing the material, we saw that they valued the time to reflect ("me time"), time to search for and/or create opportunities, and time to plan their next steps. Parental leave offered the women time that otherwise is very scarce and thus gave them an opportunity to break their daily behavior patterns. Women had time to reflect; time to scan the environment; and time to identify opportunities, make plans and execute them.

Finally, we also discovered that timing mattered, and that the timing of the decision to start a business was primarily affected by the design of family policies. Most started after the birth of their last planned child. Our participants were very aware when it was suitable and when it was not to start a venture.

Takeaways for Employed Mothers

Seize the opportunity. Having the chance to turn off the auto-pilot mode of doing things and break daily routine can help you reflect on where you are in your life and whether what you do is meaningful. It can also help you see opportunities.

Don't rush. Taking time to think through, plan, prepare, and execute increases your chances of success.

Share responsibilities. Engage your partner in the childcare and household chores.

Timing matters. It is important to understand the nuances of family policies to be able to synchronize family and career expectations with the design of welfare system.

Time is a critically valuable resource. Making sure to carve out time for reflection and take a break from everyday activities can be an enabling process.

For parents of young children, this is easier done in a country with family-friendly welfare policies - we observed that how policy is designed is important because women adapt their decisions to the welfare system and to rhythms of their professional and family lives. It is the interplay between the formal family policies and informal egalitarian social norms and values that in practice enables business start-up among mothers.

Explore the Research

Markowska, M., Ahl, H., & Naldi, L. (2023). Timeout: [The Role of Family-Friendly Policies in Business Start-Up Among Mothers](https://journals.sagepub.com/doi/10.1177/10422587221126493). *Entrepreneurship Theory and Practice*, October 2022

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