Volvo Cars Family Bond Gives All Employees 24 Weeks Paid Parental Leave

Volvo Cars is opting in its 40,000+ employees around the globe, in all plants and offices, into a new all-gender, paid parental leave policy as of April 1, 2021.

The ‘Family Bond’ policy will give all employees with at least one year’s service a total of 24 weeks of leave at 80 per cent of their base pay by default. The policy applies to either parent and the leave can be taken anytime within the three first years of parenthood.

“We want to create a culture that supports equal parenting for all genders,” said Håkan Samuelsson, chief executive. “When parents are supported to balance the demands of work and family, it helps to close the gender gap and allows everyone to excel in their careers. We have always been a family-oriented and human-centric company. Through the Family Bond programme, we are demonstrating and living our values, which in turn will strengthen our brand.”

The global policy is more inclusive and supportive than many existing policies around the world, and includes all legally registered parents, including adoptive, foster care and surrogate parents, as well as non-birth parents in same-sex couples. Some countries do not offer any paid leave to new parents, or exclude certain groups of parents – the latter is particularly true for fathers.

Volvo Cars’ global policy is inspired by national legislation in its home market of Sweden, famous around the globe for its generous parental leave arrangements, which have delivered tangible benefits for parents and children alike in recent decades. It follows a parental leave pilot scheme launched in the EMEA region in 2019, in which 46 per cent of all applicants were fathers.

“This is more than a new parental leave policy for our employees – it is the embodiment of our company culture and values,” said Hanna Fager, head of corporate functions. “We want to lead change in this industry and set a new global people standard. By opting all our employees into paid parental leave we narrow the gender gap and get a more diverse workforce, boosting performance and strengthening our business.”

When studying the outcome of its parental leave pilot, the company found that employees appreciated the policy for being gender neutral, inclusive and adaptable to personal needs. The studies also resulted in important insights on how to encourage even more employees to take parental leave and make parental leave for both parents the new ‘norm’.

Some of the obstacles that limit the uptake of parental leave include parents’ concerns around the potential impact it might have on their team, fear around long-term career opportunities, and a cultural mindset about of what is expected of fathers in the workplace and at home.

To encourage uptake, Volvo Cars has focused on communicating about its parental leave policy more effectively. By presenting the 24 weeks parental leave as a pre-selected option, the company aims to create a ‘default effect’ – essentially, people are highly likely to stick with pre-selected options. Ambiguous language, such as ‘up to 24 weeks’, is avoided as we tend to predict negative outcomes when there is uncertainty.

By using tactics like these, Volvo Cars aim to remove confusion and cultural barriers, and provide parents with certainty.
To further show its commitment to reducing the gender gap, Volvo Cars will share its participation results over time so that other companies can learn from its progress.

------------------------

Notes to Editors:

- In any countries where local regulations offer a more generous parental leave, local regulations will take precedence.
- Volvo Cars has developed a checklist on how the company plans to communicate around the policy to encourage uptake, which can be found by following this link.

Volvo Car Group in 2020

For the 2020 financial year, Volvo Car Group recorded an operating profit of 8.5 BSEK (14.3 BSEK in 2019). Revenue over the period amounted to 262.8 BSEK (274.1 BSEK). For the full year of 2020, global sales reached 661,713 cars (705,452), a decline of 6.2 per cent compared to 2019.

About Volvo Car Group

Volvo Cars was founded in 1927. Today, it is one of the most well-known and respected car brands in the world with sales of 661,713 cars in 2020 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding since 2010.

As of December 2020, Volvo Cars employed approximately 40,000 (41,500) full-time employees. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for APAC is located in Shanghai. The company’s main car production plants are located in Gothenburg (Sweden), Ghent (Belgium), South Carolina (US), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and body components in Olofström (Sweden).

Under its new company purpose, Volvo Cars aims to provide customers with the Freedom to Move in a personal, sustainable and safe way. This purpose is reflected in a number of business ambitions: for example, by the middle of this decade it aims for half of its global sales to be fully electric cars, to sell half of its global volume online and to establish five million direct consumer relationships. Volvo Cars is also committed to an ongoing reduction of its carbon footprint, with the ambition to be a climate-neutral company by 2040.

Keywords:
Volvo People, Corporate, Press Releases

Descriptions and facts in this press material relate to Volvo Cars' international car range. Described features might be optional. Vehicle specifications may vary from one country to another and may be altered without prior notification.

Media Contacts

Volvo Cars Media Relations
Phone: +46 31-596525
media@volvocars.com
Mar 30, 2021 | ID: 280244
Volvo Cars Family Bond Gives All Employees 24
Weeks Paid Parental Leave

Volvo Cars has developed a new all-gender, paid parental leave policy as of April 1, 2021. The Family Bond policy will give all employees with at least one year's service a total of 24 weeks of leave at 80% of their base pay by default. The policy applies to either parent and the leave can be taken anytime within the three first years of parenthood.

To encourage uptake, Volvo Cars has focused on communicating about its parental leave policy and including the 24 weeks option in the pre-selected options available to employees. The company aims to create a 'default effect' – essentially, people are highly likely to stick with pre-selected options. Ambiguous language, such as 'up to 24 weeks', is avoided as we tend to predict negative outcomes when there is uncertainty.

By using tactics like these, Volvo Cars aim to remove confusion and cultural barriers, and provide options. Ambiguous language, such as 'up to 24 weeks', is avoided as we tend to predict negative outcomes when there is uncertainty.

To encourage uptake, Volvo Cars has developed a checklist on how the company plans to communicate around the policy to:  
- Ensure that employees are aware of the policy
- Communicate the benefits of the policy and how it can support employees
- Provide support and training for managers and HR teams

Volvo Cars has also conducted extensive research to understand the potential impact of the policy on employees, their teams, and the company's culture. Studies have resulted in important insights on how to encourage even more employees to take parental leave and make parental leave for both parents the new 'norm'.

Some of the obstacles that limit the uptake of parental leave include parents' concerns around the potential impact it might have on their team, fear around long-term career opportunities, and a cultural mindset about of what is expected of fathers in the workplace and at home.

To further show its commitment to reducing the gender gap, Volvo Cars will share its participation in the Family Bond policy as part of its broader efforts to create a more diverse and inclusive workplace. The company appreciates the policy for being gender neutral, inclusive and adaptable to personal needs.

Volvo Cars is opting in all employees around the globe, in all plants and offices, into a new all-gender, paid parental leave policy as of April 1, 2021. By doing so, Volvo Cars is demonstrating and living its values, which in turn will strengthen its brand.

"This is more than a new parental leave policy for our employees – it is the embodiment of our ambition to be a climate-neutral company by 2040, to achieve our vision of being the most sustainable car company in the world and to be a driving force for change in this industry and set a new global people standard. By opting all our employees into paid parental leave we narrow the gender gap and get a more diverse workforce, boosting performance and strengthening our business," said Hanna Fager, head of corporate functions. "We want to lead by example and show how it can be done.

"For new parents, or exclude certain groups of parents – the latter is particularly true for fathers. With the Family Bond policy, we are demonstrating and living our values, which in turn will strengthen our brand."