

# Parental Leave and Adjustment Costs within Firms: Evaluating Spillover Effects Using Personnel Records

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## Abstract

This paper examines whether and to what extent a female coworker's parental leave increases the workload of employees who remain. Using personnel records from a large Japanese manufacturing firm, we estimate the causal effect on section members' monthly overtime hours with an event study difference-in-differences approach. We find that a leave spell leads to higher overtime among coworkers in the same section, with supervisors facing especially large increases. We also propose that adjustment costs arise not only from reallocating tasks but also from the need to share and communicate job-specific knowledge within the section.

**Keywords:** Parental Leave, Worker Absence Impact, Spillover Effect

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