

Japan Labor Review

Volume 4, Number 4, Autumn 2007

Special Edition

Current State of Work-Life Balance Measures and Bottlenecks to the Stabilization of Measures

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NEXT ISSUE (Winter 2008)

The Winter 2008 issue of the Review will be a special edition devoted to **Regional Employment**.

Introduction

Current State of Work-Life Balance Measures and Bottlenecks to the Stabilization of Measures

Today, many firms are making the effort to introduce the so-called “work-life balance measures” to allow employees to balance their work and life, correct long working hours, and enable workers to manage both employment and their roles in their families, such as their role in parenting, etc. Consequently, the introduction of the measures has progressed to a certain extent.

In particular, the “child care leave system,” which is a main focus of this feature, is one of the major work-life balance measures that was introduced to allow workers to balance work and family life (parenting). As Takeishi describes in detail in the feature, over 10 years have already passed since companies were obligated under a series of legal frameworks to make the system available to workers, and much has been achieved in terms of spreading this system. According to figures quoted by Sakai, the Basic Survey on Women’s Employment Management conducted in 2005 found that more than 60% of companies had introduced the child care leave system. Yet, as Takeishi points out, even though the percentage of female workers who take child care leave is on the increase, it still remains at around 10%, which is a small percentage even considering that about 40% of firms have not introduced the system.

Under these circumstances, can it be said that the system has taken root within companies after more than 15 years since it was first introduced? If taking root is considered as a state where the system is accepted as a natural measure by those concerned within companies, is smoothly utilized in workplaces, and generates favorable results for both the management and workers, then it must be said that the system is far from having taken root. And for this very reason, government-related organs claim further efforts are needed to ensure that the system, as a major work-life balance measure, take root.

In this feature, we compiled papers that clarified, through detailed research,

the key points that need to be considered for child care leave to take root. These studies all try to identify the bottlenecks that when clarified would contribute to the stabilization and utilization of the measure. The findings from the papers are summarized below.

The first point is the role that the understanding and support of supervisors to the intent and importance of work-life balance measures introduced by personnel departments play in helping to promote the utilization of such measures at workplace. On this point, Wakisaka shows that when compared with the willingness of the management and personnel departments to implement child care leave, supervisors have little understanding of the system and are less inclined to actively support it. For example, even at companies that replied that their personnel departments were actively assisting in work-life balance, only about half of all supervisors at those companies replied that they would “actively support” employees who apply for a child care leave.

The second point is how workers who take advantage of work-life measures and child care leave (mostly female workers) are affected as regards their performance rating and career prospects. The negative effect on a worker’s performance rating and career development may be one of the factors inhibiting the use of the system. Wakisaka provides us with data suggesting that when supervisors appraise women who took child care leave, they often regard taking child care leave as a negative point in the appraisal.

From the point of view of career development, Takeishi shows that child care leave and other work-life balance measures promote employment of female employees and subsequent long-term employment facilitate their promotion to managerial posts. Atsumi also reports similar results.

Takeishi, and more directly, Kodama, however, report that results indicate that while introduction and administration of the child care leave system promotes long-term employment of female workers who are already employed by companies, it decreases recruitment of new female workers as companies have to bear the costs of employing women who have entered the period of parenting. Kodama, in particular, looks at measures for child care leave as well as the percentage of employees taking child care leave and makes it clear that companies where the percentage is high, in other words, where progress is

being made in the utilization of child care leave, are reducing the number of women they recruit. It can be said that while it is favorable to the careers of those women who are already employed, the findings are problematic for employment of women as a whole.

It must be added, however, that Takeishi also shows that even when companies bear the parenting costs of their employees, such reduction in the demand for female labor as mentioned above will be less pronounced when female employees are given sufficient opportunities to develop their careers and skills. Kodama also reports of results that indicate that reduction in the recruitment of women will not occur at companies where there is significant wage disparity based on individual workers' performance. These results suggest that work-life balance measures will take root only when they are integrated into comprehensive strategies for effective utilization of both female and male human resources.

The third point is the benefits that work-life balance measures bring to companies. Many have argued, from the point of view of the management, that unless this point is elucidated, there can be little expectation for full-fledged implementation of such measures and for those measures to take root. On this point, Wakisaka shows that companies with both a high degree of family friendliness (an indicator of the degree to which work-life balance measures are made available) and a high degree of equal opportunity (an indicator of the degree of equal treatment between men and women) have larger sales (surrogate indicator for productivity) and ordinary profit per employee. Atsumi also indicates that companies that are more advanced in providing support for work-life balance have faster sales growth compared with other companies.

Moreover, from interviews conducted on more than 300 companies, Atsumi suggests that companies actively promoting measures for work-life balance induce short-term benefits of recruiting competent individuals and retaining employees, mid-term benefits of having their employees align their viewpoints more closely to those of their clients (because they understand consumers' viewpoints), and long-term benefits of bringing about reform of corporate culture and review of organizational and operational systems, which will in turn enhance the companies' competitiveness. These findings should act as

incentives for managers to introduce systems for work-life balance.

The fourth and last point is the question related to whether work-life balance measures, which were introduced mainly as measures for helping women, would be expanded to cover male employees. When work-life balance measures and particularly the child care leave system are no longer measures simply for supporting women but are applicable to men as well, it might be possible to say, for the first time, that the concept of work-life balance as a reform in the way people work has taken root. In this respect, it is important to explore factors behind the extremely low percentage of men who take child care leave (around 1% at best).

On this point, Sakai shows that more than a third of male employees who have entered the period of parenting or who are about to start parenting wish to take advantage of the child care leave system, and suggests that the factors preventing them are the long working hours and the rigidity of the child care leave system itself. The results show that if the system is designed to allow employees to take leave more flexibly, many men would be willing to participate in parenting even if it meant sacrificing work a little.

In the above, I have extracted from the papers compiled for this feature the key points that need to be considered in having work-life balance measures and particularly the child care leave system take root within companies and in promoting the use of such measures by male and female workers. Each of these points has important implications in terms of policy and companies' personnel management (particularly in bringing about change in the perceptions of people at the workplace). By identifying each bottleneck that prevents work-life balance measures from taking root and overcoming it, these measures will actually take root not only as personnel measures but also as a basic concept in the utilization of human resources within companies in Japan. In closing this introduction to this feature, I would like to express my sincere hope for continued effort to be made in carrying on with detailed analysis for work-life balance measures to take root.

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Implementation and Status of Work-Life Balance Viewed from Matching Data

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Gakushuin University

I. Advancement of WLB Research

Studies on work-life balance (hereinafter referred to as “WLB”) have rapidly advanced in Japan for these two years. The status of “win-win,” which is the essence of WLB, is indispensable in terms of productivity in a sense that it not only satisfies employee needs but also benefits a company for increased profit. Studies have newly appeared focusing on it. Many studies have recently been conducted from different angles by the Workshop Related to WLB Support and Business Performance (2006). The studies include Takeishi (2006), Abe and Kurosawa (2006) and Wakisaka (2006). Abe and Kurosawa (2006) point out that the introduction of programs for child care leave and short-time work decreases sales on a short-term basis but has a positive effect on ordinary profit on a long-term basis.

Moreover, an increasing number of studies have focused not only on companies but also on how managers and staff members understand WLB programs and how they react. The complete analysis of it requires the data matched with companies, managers and staff members. Some such data have become available. Mitani (1995) is the pioneering study analyzing matching data concerning human resources management systems and salary disparity between male and female workers. This study was followed by Abe (2005), which began using matching data for WLB. The three data used in this paper are all matching data.

The following are reasons why matching data are required. Three levels can be considered as the subjects of WLB studies, namely (a) companies, (b) managers and (c) general staff members. Mainly studies (a) have been so far accumulated. For example, a study discusses whether the establishment of child care leave program has an effect on the continuous work service of female workers. The Workshop Related to WLB Support and Business Performance (2006) has specifically introduced the angle of company performance, discussing whether WLB-oriented companies generate good business results, whether employees’ willingness to work is high from the company’s point of view, and

whether the retention rate is high. However, how employees feel about WLB programs and react accordingly is also important. Studies (c) have traditionally accumulated information related to “willingness to work” and “job satisfaction.” WLB studies, however, are such that they not only discuss the reactions to WLB support programs but also review the programs from the angle of productivity increase. This sufficient analysis definitely requires the studies focusing on (b) managers. This is because it is managers that define and allocate jobs, determine business objectives and evaluate employees. How they understand WLB and act accordingly is an important study theme. What makes it easier to identify issues and problems are not the studies that survey and analyze these three levels at random but the studies that identify how managers and staff members working in the companies where the implementation of WLB programs are advanced (or delayed) feel about WLB programs. To achieve this objective, matching data are indispensable.

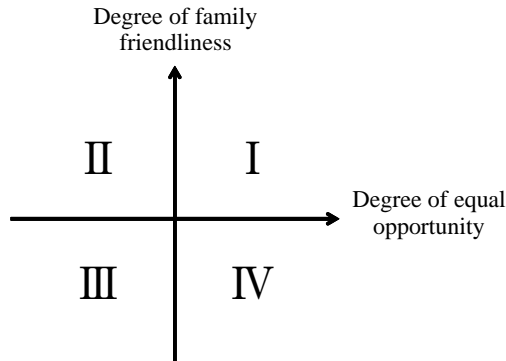
II. WLB and Company Performance

1. Equal Opportunity and Family Friendliness

For these years I have pointed that the strategies of business firms vary depending on the relationship between their degrees of the equal opportunity and family friendliness, because the expansion of employment of women requires equal opportunity for men and women as well as family friendliness (Wakisaka 2001a, 2001b, 2001c). In the US and UK, an increasing number of researches have also taken up the relationship among the equal opportunity, family friendliness and high-involvement management (Wood=De Menezes [2007]) for prospect). I have developed a 4-quadrant-division concept on the basis of the degrees of equal opportunity and family friendliness and conducted 4-quadrant analysis (Figure 1).

The recent enrichment of data has enabled extensive experimental studies. According to the 4-quadrant analysis using the data of the survey conducted by NLI Research Institute in 2005 (NLI data: valid responses from 446 of 3,464 listed and unlisted companies with 301 to 2,000 employees, which were chosen from the Company Handbook and were subject to this postal mail survey), the companies showing higher degrees of equal opportunity and family friendliness generated larger ordinary profits (Wakisaka 2006).

Figure 1. Sketch of degree of employing female workers



2. Data

The data of Japan Institute for Labour Policy and Training (JILPT) used in this section far exceed the NLI data in terms of the number of samples, and are designed to match details of the company responses by manager class and general staff class. The “Survey on Support for Balancing Work and Family” conducted by JILPT in 2006 consists of a survey covering the companies classified by industry and scale and selected at random (6,000 companies having no less than 300 employees in Japan) and a survey on the employees of these companies. In order to conduct the employee survey, JILPT requested to distribute survey scripts to 30,000 managers working in the companies (which represent 5 managers in each of the companies) and 60,000 general staff members working in the companies (which represent 10 staff members in each of the companies). Valid responses were collected from 863 companies (response ratio of 14.3%) during the company survey, 3,299 managers (response ratio of 10.9%) during the manager survey and 6,529 staff members (response ratio of 10.8%) during the general staff survey. (Refer to Wakisaka [2007b] for details of the following analysis results.)

I first identified the degrees of equal opportunity and family friendliness on the basis of the company survey data (refer to Appendix), set average figures of equal opportunity and family friendliness as x-axis and y-axis, respectively, and then made four quadrants as illustrated in Figure 1 above. In this paper, let me call the company that is located in the 1st quadrant scoring high degrees of equal opportunity and family friendliness as a “gender-equal” company, the company that is located in the 2nd quadrant scoring a low degree of equal

opportunity and a high degree of family friendliness as a “family-friendliness-oriented” company, the company that is located in the 4th quadrant scoring a high degree of equal opportunity and a low degree of family friendliness as an “equal-opportunity-oriented” company, and the company that is located in the 3rd quadrant scoring low degrees of equal opportunity and family friendliness as a “male-oriented” company. Identifying the characteristics of companies located in each quadrant, I will analyze which quadrant shows a greater effect on company performance and to what extent WLB policies have an effect on company performance.

3. Effect on Company Performance

Table 1 shows effects on financial performance.

Wakisaka (2006), using NLI data, indicates that the “gender-equal” companies in the 1st quadrant increased only ordinary profit per head, while the JILPT data indicate that the companies increased both sales per head and ordinary profit per head. Seeing variances with coefficient of variance, you will notice that the variance of sales per head of “gender-equal” companies is similar to the average but the variance of their ordinary profit per head is quite small. You are now aware that the company scoring high degrees of both equal opportunity and family friendliness secures larger profits. The scores compared with 5 years ago (average of 3.83 and 1.74 for the 1st quadrant) also indicate that the “gender-equal” company achieved best results in both sales and ordinary profit. The subjective performance compared with other companies in the same industry shows that the “gender-equal” company achieved top scores in all of the items. Regarding the items in which the “gender-equal” company achieved top scores, I conducted t-test in order to confirm whether its scores are significantly high in a statistical sense comparing with other companies. As a result, as indicted in the right end column of Figure 1, these scores have proved to be significantly high except for sales compared with those of other companies in the same industry.

To what extent the degrees of equal opportunity and family friendliness have an effect on performance has been estimated by OLS under the control of business scale and kind of industry. As a result, the degrees of family friendliness and equal opportunity have no effect on sales per head but have a significantly positive effect on ordinary profit per head. In other words, the company scoring a higher degree of family friendliness (in the level of 10%)

Table 1. Company performance by quadrant (large samples)

		Gender-equal	Equal-opportunity-oriented	Family-friendliness-oriented	Male-oriented	Total	t-test
		1st quadrant	4th quadrant	2nd quadrant	3rd quadrant		
		High degree of equal opportunity High degree of family friendliness	High degree of equal opportunity Low degree of family friendliness	Low degree of equal opportunity High degree of family friendliness	Low degree of equal opportunity Low degree of family friendliness		
N		232	118	119	246	715	
Total		32.5	16.5	16.6	34.4	100	
Financial data	Sales per head (million yen)	102.29	85.4	67.34	62.1	78.89	*
	Ordinary profit per head (million yen)	3.98	2.25	3.36	1.45	2.66	**
Scores compared with 5 years ago	Sales	3.47	2.86	3.17	3.23	3.23	**
	Ordinary profit	3.48	2.87	3.22	3.21	3.24	***
	Productivity	3.54	3	3.57	3.26	3.35	
Scores compared with other companies in the same industry	Sales	3.28	3.1	3.05	3.2	3.18	0
	Ordinary profit	3.15	3.03	2.75	3.02	3.02	*
	Productivity	3.15	2.95	2.92	3.02	3.03	*
No less than 10% increase from 2000	Regular employees	27.6	19.5	11.7	19.5	20.8	
	Temporary employees	41.3	43.5	41.8	40.7	41.5	
	Dispatched workers	40.9	31.9	47.1	34.5	38.1	
	Contracted workers	16.6	9.5	15.8	12.4	13.7	

Note: T-test of figure of top item in the 1st quadrant comparing with figures of companies in the other quadrants.

***Significant at 1%, **significant at 5%, and *significant at 10%.

and a higher degree of equal opportunity (in the level of 1%) earns higher ordinary profit per head. The comparisons with 5 years ago and with other companies in the same industry have been made based on the estimation by ordered profit. According to the comparison with 5 years ago, the degree of equal opportunity has no relation with productivity, but the degree of family friendliness has a significantly positive effect on it. Namely, the company scoring a high degree of family friendliness enjoys high productivity. The “gender-equal” company increases all sales, ordinary profit and productivity from 5 years ago. The comparison with other companies in the same industry reveals that there are less indices showing significance. The company scoring a high degree of equal opportunity earns high ordinary profit. Moreover, the company scoring a high degree of equal opportunity is ahead of other companies in the same industry in terms of sales, ordinary profit and productivity. As a whole, almost all coefficients are positive, and it is unthinkable that high degrees of equal opportunity and family friendliness have any negative impact on performance.

4. Differences in Awareness of Actual WLB Status among Persons Responsible for Human Resources Management, Managers and Staff Members

I have analyzed how a company (persons responsible for human resources management), managers and staff members are aware of the status of equal opportunity and family friendliness of their company. I have made 5-point method scores based on the assumption that 5 points is for the case of being “applicable,” 4 points is for the case of being “more or less applicable,” 3 points is for the case of being “unable to say applicable or not applicable,” 2 points is for the case of being “not much applicable” and 1 point is for “not applicable.”

Consequently, the recognition scores of company, managers and general staff members become lower in all of the items in the order of company, manager and staff member. Significant differences are found especially in the items, “your company is requesting your boss and colleagues to cooperate with you at the time of your absence or short-time work related to child care,” “your company is striving to let all employees know its system of child care leave and other systems for supporting the balancing of work and family” and “your company is trying to train its employees regardless of gender.” According to

**Table 2. Perception score on employment of female workers
(equal opportunity and family friendliness)**

		Company (1)	Manager (2)	Staff (3)	(1)-(2)	(1)-(3)	(2)-(3)
Extensively employing and adopting female employees.	Gender-equal	4.38	3.55	3.46	0.82	0.92	0.09
	Equal-opportunity-oriented	4.22	3.55	3.47	0.68	0.75	0.08
	Family-friendliness-oriented	3.63	3.16	3.00	0.48	0.63	0.15
	Male-oriented	3.24	3.06	2.88	0.18	0.36	0.18
	Total	3.83	3.34	3.18	0.49	0.65	0.16
Nurturing and training employees regardless of gender	Gender-equal	4.80	3.72	3.49	1.08	1.31	0.23
	Equal-opportunity-oriented	4.66	3.63	3.39	1.03	1.26	0.23
	Family-friendliness-oriented	4.33	3.48	3.12	0.85	1.21	0.36
	Male-oriented	3.81	3.17	2.85	0.64	0.96	0.32
	Total	4.35	3.49	3.17	0.86	1.18	0.32
Letting female employees engage in creative jobs rather than routine jobs	Gender-equal	4.50	3.65	3.46	0.85	1.03	0.18
	Equal-opportunity-oriented	4.33	3.40	3.25	0.93	1.09	0.15
	Family-friendliness-oriented	3.99	3.39	3.05	0.60	0.94	0.34
	Male-oriented	3.38	3.06	2.77	0.33	0.61	0.29
	Total	3.99	3.38	3.10	0.62	0.89	0.27
Employees are fully aware of the measures to be taken if they suffer damage such as sexual harassment and bullying.	Gender-equal	4.54	3.77	3.32	0.77	1.22	0.45
	Equal-opportunity-oriented	4.28	3.61	3.15	0.67	1.12	0.46
	Family-friendliness-oriented	4.36	3.76	3.19	0.60	1.17	0.56
	Male-oriented	3.78	3.43	2.94	0.35	0.84	0.49
	Total	4.20	3.62	3.12	0.58	1.08	0.50
Letting all employees know the company system for supporting the balancing of work and family	Gender-equal	4.72	3.69	3.27	1.03	1.45	0.42
	Equal-opportunity-oriented	4.21	3.38	2.90	0.83	1.31	0.48
	Family-friendliness-oriented	4.61	3.63	3.13	0.98	1.48	0.50
	Male-oriented	3.87	3.15	2.75	0.72	1.12	0.40
	Total	4.31	3.44	2.98	0.88	1.33	0.45
Asking employees to continue to work in the workplace after their marriage and child birth	Gender-equal	4.51	3.64	3.27	0.87	1.24	0.37
	Equal-opportunity-oriented	3.91	3.39	3.02	0.52	0.89	0.37
	Family-friendliness-oriented	4.18	3.50	3.03	0.68	1.15	0.47
	Male-oriented	3.47	3.13	2.80	0.34	0.67	0.34
	Total	3.99	3.41	3.01	0.58	0.98	0.40
Recommending even male employees to positively take child care leave	Gender-equal	3.53	2.49	2.20	1.04	1.34	0.30
	Equal-opportunity-oriented	2.75	2.22	1.94	0.53	0.80	0.27
	Family-friendliness-oriented	3.35	2.52	2.02	0.83	1.33	0.50
	Male-oriented	2.36	2.13	1.79	0.23	0.57	0.34
	Total	2.95	2.30	1.97	0.65	0.98	0.34
Requesting bosses and colleagues to understand employees' responsibilities for family care	Gender-equal	3.83	2.86	2.62	0.97	1.21	0.24
	Equal-opportunity-oriented	3.20	2.70	2.45	0.50	0.75	0.25
	Family-friendliness-oriented	3.68	2.90	2.43	0.78	1.25	0.46
	Male-oriented	2.84	2.63	2.33	0.21	0.51	0.30
	Total	3.34	2.76	2.44	0.58	0.90	0.32

Implementation and Status of Work-Life Balance Viewed
from Matching Data

		Company (1)	Manager (2)	Staff (3)	(1)-(2)	(1)-(3)	(2)-(3)
Requesting bosses and colleagues to cooperate with employees for absence and short-time work related to child care	Gender-equal	4.33	3.11	2.79	1.21	1.54	0.33
	Equal-opportunity-oriented	3.73	2.82	2.51	0.91	1.22	0.32
	Family-friendliness-oriented	4.23	3.15	2.66	1.09	1.57	0.49
	Male-oriented	3.16	2.63	2.36	0.53	0.80	0.27
	Total	3.79	2.90	2.55	0.90	1.25	0.35
Employees are in a position to take child care leave freely.	Gender-equal		3.11	3.21			-0.10
	Equal-opportunity-oriented		2.82	2.81			0.02
	Family-friendliness-oriented		3.15	3.17			-0.02
	Male-oriented		2.63	2.65			-0.02
	Total		2.90	2.92			-0.02
Employees are in a position to freely choose short-time work, etc. for balancing work and family.	Gender-equal		2.95	2.69			0.25
	Equal-opportunity-oriented		2.57	2.30			0.27
	Family-friendliness-oriented		2.81	2.61			0.21
	Male-oriented		2.38	2.21			0.18
	Total		2.66	2.43			0.23
In the company, there are good examples of female employees balancing work and family.	Gender-equal		3.41	3.23			0.18
	Equal-opportunity-oriented		3.14	2.91			0.23
	Family-friendliness-oriented		3.34	3.19			0.16
	Male-oriented		2.91	2.83			0.08
	Total		3.18	3.01			0.17
In the company, there are good examples of male employees engaged in child care.	Gender-equal		2.11	2.05			0.06
	Equal-opportunity-oriented		1.96	1.93			0.03
	Family-friendliness-oriented		2.10	2.01			0.08
	Male-oriented		1.80	1.81			-0.02
	Total		1.98	1.94			0.04
Employees believe that they can continue to work in their company after their marriage and child birth.	Gender-equal		3.71	3.40			0.31
	Equal-opportunity-oriented		3.43	3.05			0.38
	Family-friendliness-oriented		3.80	3.44			0.36
	Male-oriented		3.18	2.95			0.24
	Total		3.49	3.17			0.33
	Number of samples	Manager	Staff				
	Gender-equal	784	1522				
	Equal-opportunity-oriented	432	843				
	Family-friendliness-oriented	374	703				
	Male-oriented	846	1565				
	Total	2959	5755				

Notes : 1 The above figures are the results of 2,959 managers and 5,755 general staff members. Valid responses are from 3,299 managers and 6,529 general staff members. When indices are calculated, the companies that did not reply to each item are excluded. Therefore, the number of samples has become smaller.

2 Results by 5-point method. No response is zero point.

III. Workers of Japanese Electrical Electronic & Information Union and WLB

1. Data

The data used in this section are from the questionnaire survey conducted in 2006 by “the 21st-century Life Vision Workshop” (project manager: Wakisaka) organized by Japanese Electrical, Electronic & Information Union (hereinafter referred to as “Union” and hereinafter this data being referred to as “Union Data”). This survey covered not only 4,388 Union members (hereinafter referred to as “valid responses”) but also 101 companies of the Union, 504 Union members who returned to their original company from their child care leaves within 5 years (according to system usage survey), and 501 persons who were the members’ bosses when the members returned from the leave (according to manager survey). The Union had endeavored to construct systems for supporting the balancing of work and family, including a diversified working system, before relevant laws and regulations were established. For example, mainly large companies already established and introduced the child care leave system in 1990, two years before the Child Care Leave Act was enacted, the family-care leave system in 1992, 7 years before the system was obligated by an act, as well as the system of extending employment period up to the age of 65 in 2000, 6 years before the enforcement of the revised Act concerning Stabilization of Employment of Older Persons. Thus, various systems were already established and introduced ahead of the times. Therefore, the issues of family friendliness and WLB are focused on the specific operation of the systems rather than the introduction or enrichment of the systems.

Union Data reflect many survey items across the entire WLB, including questions about personnel appraisal. My analysis will focus on the personnel appraisal. Before starting the analysis, I will introduce two theses using these data. The WLB helps improve company performance partly because it boosts employees’ motivation to work. According to Takeishi (2007), “in the companies striving to have WLB measures well accepted in the workplaces, employees’ motivation is bolstered,” and “high performers (those who are quickly promoted) are encouraged to work hard but are dissatisfied with the present status of WLB.” The fact that the stance of companies toward WLB is found to have a relationship with employees’ motivation to work suggests the importance of not only introduction of WLB-related systems but also positive evaluation and

systematic operation of the systems in an entire company.

Sato (2007) reveals that working form is vital to consider the degree of employees' WLB satisfaction. The degree of employees' WLB satisfaction is based on the reply made to the question, "Are you satisfied with your present balance of work and private life (time allocation)?" Generally, short-time work contributes to the WLB satisfaction but flexible working-time systems such as the flextime system and free-time system do not necessarily contribute to the WLB satisfaction. The WLB satisfaction rather depends on the degree of the flexibility that employees are provided with in selecting the volume of their assignment. This flexibility will become increasingly important for discretionary workers as well as Union workers in the future. The fact that not only "work procedure" but also "work volume" are important suggests the importance of human resources management and job management at the level of workplaces. For example, how a manager sets objectives for his/her staff members, allocates assignments to them or evaluates their performance will have an impact on improvement in the WLB satisfaction.

2. Child Care Leave, Child Care Short-time Work and Personnel Appraisal

We now analyze the relationship between taking child care leave and child care short-time work, and personnel appraisal. (For further details, refer to Wakisaka [2007a].) Most of the companies replying to questionnaires have introduced a performance-based personnel pay system.

(1) Appraisal Policy and Actual Status

According to the policies adopted by companies in relation to the first personnel appraisal conducted after a child care leave taker returns to its workplace (especially the period subject to appraisal), 49.5% of the companies apply "achievements during the period including child care leave," and 32.7% of the companies apply "the period after his/her return, excluding child care leave." Only 6.9% of the companies apply "capabilities at the present time," and quite a few companies apply "average appraisal of all employees," or "lowest points of appraisal for child care leave period." Meanwhile, how do the managers who have a child care leave taker as their staff member actually evaluate the member? "Achievements during the period including child care leave" is applied by 26.1% of the managers, the second largest number, while "the period after his/her return, excluding child care leave days" is applied by

Table 3. Evaluation of “child care leave takers”

(%)

Company Manager	Evaluate on the basis of achievements after return to workplace	Evaluate on the basis of achievements during the total period including child care leave	Evaluate on the basis of capabilities at the present time
Evaluate on the basis of achievements after return to workplace	38.9	29.5	42.9
Evaluate on the basis of achievements during the total period including child care leave	20.4	31.8	23.8
Evaluate on the basis of capabilities at the present time	24.1	15.0	23.8
Adopt average of all employees	0.9	2.3	4.8
Adopt the appraisal made just before taking the leave	4.6	5.8	4.8
Adopt the lowest appraisal during the leave period	6.5	8.1	
Others	4.6	7.5	
Total	100.0	100.0	100.0
N	108	173	21

35.4% of the managers, the largest number. According to the matching data of Table 3, the companies in which appraisal policy and actual appraisal method are consistent with each other represent 38.9% in the case of the companies applying “the period after his/her return, excluding child care leave,” 31.8% in the case of the companies applying “achievements during the period including child care leave,” and 23.8% in the case of the companies applying “the capabilities at the present time.” Thus, in an overwhelming number of cases, at no less than 70%, the company appraisal policy and actual appraisal method are inconsistent with each other.

It appears that the reason for generating such a big difference is that there is insufficient communication between human resources department and line managers.

According to the company survey asking about appraisal policy adopted by companies and actual appraisal method adopted by managers, a little less than

60% of the companies also adopt the policy of “evaluating (child care) short-time workers on the basis of ‘achievements per hour.’” As a policy, 15% of the companies apply “minus points to reduction in work volume,” but a little more than 20% of the companies adopt a policy of applying minus points to the reduction in work volume that includes “no flexibility” and “making job assignments easier.” On the other hand, when managers actually evaluate their staff member who has returned to his/her workplace, a little more than 60% of the managers apply the method of “evaluating the member on the basis of achievements per hour,” approximately 12% of the managers apply “minus points to reduction in work volume” and “no flexibility,” and approximately 30% of the managers apply “minus points to reduction in work volume,” “no flexibility” or “making job assignments easier.”

The cases where the same appraisal method is applied according to the matching data represent 62.0% for “evaluating on the basis of achievements per hour,” 20.8% for “applying minus points to reduction in work volume,” and 9.0% for “others.” Of the companies adopting the policy of “evaluating on the basis of achievements per hour,” approximately 30% of managers apply minus points to reduction in work volume. Adversely, of the companies adopting the policy of “applying minus points to reduction in work volume,” 45.8% of managers “evaluate on the basis of achievements per hour.”

(2) Guiding Appraisal Method and Providing Information

According to the company survey, the companies guiding the method of appraising child care leave takers and providing information (hereinafter collectively referred to as “providing information”) account for 79.2% of all companies, while the companies providing no information account for 20.8%. According to the manager survey, however, the companies providing information account for 41.1%, while the companies providing no information account for 58.9%. Only 37.1% of the managers of the companies providing information reply that they were provided with such information, while as many as 52.5% of them reply that no information was provided. Moreover, 22.2% of the managers of the companies providing no information reply that their company provided information (Table 4).

According to analysis on short-time workers, only 30.5% of the managers of the companies providing information reply that “their company provided information,” while as many as 61.1% of the managers reply that “their company

Table 4. Providing information related to appraisal of child care leave takers

(%)

Manager \ Company	Providing information	Providing no information
Information provided	37.1	22.2
No information provided	52.5	59.3
No reply	10.4	18.5
Total	100.0	100.0
N	413	27

provided no information.” On the contrary, 32.4% of managers of the companies providing no information reply that “their companies provided information.”

(3) Results of Appraisal of Child Care Leave Takers

The manager survey asks how a manager actually evaluated child care leave takers. The results show that 2.6%, 48.9% and 32.1% of the managers reply that their appraisal results became “higher than average,” “almost in the level of average,” and “lower than average,” respectively.

On checking if the fact that the employees subject to this appraisal returned to their workplace as either full-time workers or short-time workers is related to appraisal results, it was found that the results do not much vary depending on the working style, and that they are only a little in favor of short-time workers as indicated in Table 5.

Table 6 shows the relationship between appraisal results and the satisfaction level of the above workers. The child care leave takers who obtained higher scores tend to be satisfied with the appraisal results, but the satisfaction level of those who obtained higher scores and the satisfaction level of those who obtained “average” scores are almost the same. One-fourth of those who obtained lower scores are satisfied but naturally a majority of them are dissatisfied. The managers who give them high scores evaluate them on the basis of “performance after return” and “capabilities at the present time,” while the managers who give them lower scores evaluate them on the basis of “the period including child care leave.”

Table 5. Taker appraisal results

	(%)	
	Short-time worker	Full-time worker
Higher than average	3.3	2.6
Almost average	52.3	46.8
Lower than average	30.0	34.0
No reply	14.4	16.7
Total	100.0	100.1
N	243	156

Table 6. Appraisal results and satisfaction level

Taker appraisal results	First appraisal after return to workplace			
	Satisfied	Medium	Dissatisfied	Total
Higher than average	45.5	36.4	18.2	100.0
Almost average	43.2	38.5	18.2	100.0
Lower than average	25.8	34.4	39.8	100.0
No reply	48.0	28.0	24.0	100.0
Total	37.9	36.1	26.0	100.0

(4) Effect on Workplace

We now examine how managers consider the positive or negative effect of short-time work system on their workplaces and how short-time work affects their actual appraisals. We also consider which issues or problems adversely affect their appraisals.

The managers who consider positive effect to be greater, negative effect to be greater and both effects to be “almost equal” account for 14.0%, 22.6% and 62.1%, respectively, indicating that negative effect is a little greater. According to actual appraisals, 8.8% (or three) of the managers who consider there is a positive effect provide scores higher than average, while only 14.7% of them provide scores lower than average. On the other hand, 40.0% of the managers who consider negative effect to be greater provide scores lower than average.

According to Table 7 on relationship between personnel appraisal and the specific effects considered by managers (plural answers from 10 items), 46.7% of the managers who reply “there were problems related to dealing with customers and suppliers,” mark lower scores, and 40.0% of the managers who reply “other members have worked more efficiently,” also mark lower scores.

Table 7. Specific effects of short-time work on workplaces and appraisal
(%)

	Taker appraisal results					N
	Higher than before	Almost average	Lower than before	No reply	Total	
No particular effect	3.3	58.3	28.3	10.0	100.0	60
Other colleagues have borne increased burden.	1.7	49.2	35.8	13.3	100.0	120
There were problems related to dealing with customers, etc.	0.0	53.3	46.7	0.0	100.0	15
Communication becomes less smooth in the workplace.	0.0	61.3	22.6	16.1	100.0	31
Feeling of unfairness is among section members.	5.9	52.9	35.3	5.9	100.0	17
Good opportunity to review the way of working	4.8	61.9	19.1	14.3	100.0	21
Good opportunity to review assignments	5.3	51.6	25.3	17.9	100.0	95
Members have worked more efficiently.	5.0	42.5	40.0	12.5	100.0	40
Members assigned additional jobs have demonstrated greater capability.	0.0	54.2	29.2	16.7	100.0	24
Members are more conscious about the time of closing meetings.	6.1	45.5	21.2	27.3	100.0	33
Others	0.0	33.3	50.0	16.7	100.0	12

This can be understood as the case that managers mark lower scores for the child care leave taker but the short-time work has a positive effect on the taker's colleagues. A relatively larger number of managers who mark lower scores reply "colleagues have borne increased burdens" and "feeling of unfairness is among section members." As small as 22.6% of the managers who reply "communication becomes less smooth in the workplace" mark lower scores.

Meanwhile, only 19.1% of the managers who reply "our staff members have an opportunity to review their lifestyles and their way of working" mark lower scores. Also, 21.2% and 6.1% (two) of the managers who reply "our

section members become more conscious about the time of closing meetings” mark lower scores and higher scores, respectively. Similarly, 25.3% and 5.3% (five) of the managers who reply “our section members have an opportunity to review the methods of allocating assignments and proceeding with these,” mark lower scores and higher scores than average, respectively.

(5) Level of Satisfaction with Appraisal Results and Desired Appraisal Method

The survey asks child care leave takers if they are satisfied or dissatisfied with the results of first personnel appraisal made after their return to their workplaces. The results show that 14.5% and 16.5% of them reply, “I have not yet had personnel appraisal” and “I do not know,” respectively. Meanwhile, 25.4% of them reply “satisfied” and 18.5% of them reply “dissatisfied,” showing that satisfied persons are a little more than dissatisfied persons.

I have made satisfaction scores using 5-point method, except for samples of “having no personnel appraisal” and of “I do not know.” According to the analysis by work style after return, short-time workers are more satisfied (58.5%) than full-time workers (39.8%). The former is 3.17 and the latter is 2.93. By the workplace to which child care leave takers returned, the satisfaction level was low when the leave takers returned to a different workplace from before or when the leave takers were assigned to different work from before.

According to Table 8 on changes in content and volume of jobs assigned to child care leave takers after their return, the changes vary from one person to another so largely that it is difficult to identify any pattern from the changes. The table shows that 47.6% of the short-time workers are assigned the almost same volume of jobs as before. The numbers of short-time workers who are assigned the same content of jobs and the different content of jobs are almost equal. Meanwhile, 23.6% of the full-time workers are assigned reduced volume of jobs. Two-thirds of them are assigned the same content of jobs.

As for short-time workers, those whose job content is changed but whose job volume is almost the same are more satisfied with their appraisal results (3.26), while those whose job volume is reduced are not so satisfied (3.20 for same content and 3.22 for changed content). As for full-time workers, those whose “job content is changed and whose job volume is reduced” are most satisfied (3.33), but those whose job content is changed and whose job volume is the same are most dissatisfied (2.52). Short-time workers and full-time workers show different satisfaction results.

Table 8. Comparison of content and volume of jobs between before and after child care leave

	Short-time worker		Full-time worker	
	N	%	N	%
The content and volume of jobs are both almost the same.	73	25.4	91	44.8
Job content is the same but job volume is reduced.	65	22.6	23	11.3
Job content is changed but job volume is the same.	64	22.2	49	24.1
Job content is changed and job volume is reduced.	61	21.2	25	12.3
Others	25	8.7	15	7.4
Total	288	100.0	203	100.0

I have conducted ordered probit analysis in order to identify factors of determining the five levels of child care leave takers' satisfaction with appraisal results. Those who reply "I do not know" and "I do not have personnel appraisal" are excluded from survey samples. Positive coefficient means that the satisfaction level is high, while negative coefficient means that the dissatisfaction level is high.

First, according to the estimation using only workplace return dummy, workplace change dummy and job content and volume change dummy, which are workplace return coefficients, as explanatory variables, full-time workers seem less satisfied than short-time workers but the coefficient is only a little less significant. The only significant coefficients are for the stronger dissatisfaction of six child care leave takers who return and are transferred to "other workplaces" in comparison with those who return to "the same workplaces as before."

According to the estimation using additional information such as gender dummy, age (including the squared term), job tenure (including the squared term), educational background, job title, job rank, working style and salary, the workplace return coefficients are for the strong dissatisfaction of those who return and are transferred to "other workplaces." The strong dissatisfaction of the six male workers has nothing to do with their age, job tenure and working style. According to the analysis by educational background (junior high school as standard), the level of satisfaction of vocational school graduates is high.

According to the analysis by job title (product assembly as standard), the level of dissatisfaction of those engaged in system engineering, technical development or designing is high. According to the analysis by job rank (general staff as standard), the level of dissatisfaction of group leaders and managers is high. According to the analysis by annual salary (less than 1.3 million yen as standard), the level of dissatisfaction of those who earn 4 to 5 million yen is high. Those whose annual salary coefficient is at a 4-million level may be more nervous about appraisal results, considering greater impact on their household budgets including the education of their children, or it may be that the coefficient is a surrogate variable for other variables.

Concerning the bases of appraisal that those who return to workplaces consider desirable to be used in the first appraisal after their return, only 10.1% of them vote for “results during the period including child care leave,” 39.7% for “the period after return and excluding child care leave,” and 31.9% for “capabilities at the present time” but 9.3% for “appraisal results just before child care leave.”

As a result of checking to what extent managers’ actual appraisal method is coincident with takers’ desirable method, the coincident ratio proves to be as low as a little less than one-third.

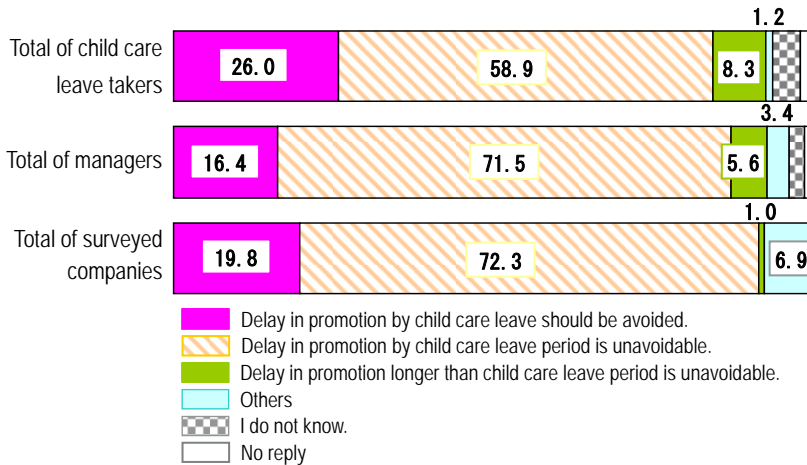
(6) Effect on Promotion

Companies’ views concerning the effect of child care leave on takers’ promotion is that: as many as a little more than 72.3% of companies consider that “delay in promotion by child care leave period is unavoidable” and 19.8% of companies consider that “delay in promotion should be avoided.” Meanwhile, managers’ views are a little more severe than the companies’ human resources departments’ views as a whole (Figure 2). The results show that 5.6% of managers consider that “delay in promotion longer than child care leave period is unavoidable.”

As for takers’ view, the number of takers who consider that “delay in promotion by child care leave should be avoided” is larger than the numbers of companies and managers who consider so. The former number represents 26.0%, around one-fourth. Approximately 60% of takers reply “delay in promotion by child care leave period is unavoidable,” as well as 8.3% of them consider that even longer delay is unavoidable.

Concerning the effect of short-time work on promotion, nearly 40% of

Figure 2. Ideas on promotion associated with child care leave



companies think “delay in promotion should be avoided,” and half of the companies think that “delay in promotion by child care leave period is unavoidable.” In the case of managers, the situation is almost the same as that of companies. Approximately half of managers think “delay in promotion by child care leave period is unavoidable,” and 35% of them think that “delay in promotion should be avoided.”

In the meantime, how is the view of child care leave takers? I will analyze the responses from 284 employees who returned to their workplace as short-time workers after child care leave. They include two male employees. The number of employees who reply “delay in promotion should be avoided” is larger than those of companies and managers, accounting for 40%. However, a slightly larger number of employees reply “delay in promotion by the period of reduction in working hours is unavoidable,” accounting for 47%. This trend of replies remains the same when you check their replies by the period worked as a short-time worker and difference between the contents or volumes of jobs assigned before and after their return to workplaces.

General Union members were given a question, “if in your workplace” there was a child care leave taker or a short-time worker, it would affect his/her promotion or not. Since the question does not ask for replies, separating the case of child care leave from the case of short-time work, you cannot compare it with Figure 2 directly.

According to their replies, the members who reply “delay in promotion should be avoided” have a share of 43.3%, while those who reply “delay in promotion by child care leave period or accumulated short-time working time is unavoidable” have a share of 46.2%, almost the same percentage. According to the analysis by gender and single/married, the single female members who reply “delay in promotion should be avoided” make up a small share of 33.3%, but the single male members who reply so make up a relatively greater percentage. The former trend is almost applicable to married members and even to female married members.

According to the analysis by experience of Union executive, many of the members who have experience of being an Union executive reply “delay in promotion should be avoided,” but the percentage is almost the same, namely 50 to 50. The largest number of those who are presently Union executive officers reply “delay in promotion should be avoided,” but the percentage is still 45.5% only. This percentage is almost the same as that of those who are presently Union executive officers who reply “delay in promotion by child care leave period or accumulated short-time working time is unavoidable.”

3. Summary of Union Data Analysis

- (a) There are large differences in companies’ policies and managers’ actions regarding personnel appraisals of child care leave takers and child care short-time workers.
- (b) There are also large differences in companies’ and managers’ replies regarding guidance and information provision concerning personnel appraisal.
- (c) There are no significant differences in personnel appraisal results between those who return to workplaces as short-time workers and those who return to workplaces as full-time workers. Those who are given higher scores are more satisfied with appraisal results, but it does not mean that those who are given scores higher than average are very satisfied with the appraisal results.
- (d) When the effect of a short-time worker on the workplace is positive, his/her appraisal score becomes higher. Especially, when staff members become conscious about the time of closing meetings or there is a review of job allocation and way of proceeding with jobs, managers mark high scores. On the contrary, when there are “problems related to dealing with

customers” or “other colleagues having to bear additional operational burden,” managers mark low scores.

- (e) Those who return to workplaces after taking child care leave and are satisfied with first personnel appraisal results are a little more than those who return to workplaces after taking child care leave and are not satisfied with first personnel appraisal results. Their work styles after their return have no relation to such satisfaction levels.
- (f) Concerning the effect of child care leave on promotion, many companies and managers consider that “delay in promotion by child care leave period is unavoidable;” and many child care leave takers consider that “delay in promotion should be avoided.” However, a certain number of both companies and managers consider that “delay in promotion should be avoided,” while a certain percent of child care leave takers also consider that “delay in promotion is unavoidable.”
- (g) Regardless of gender and single/married, the number of general Union members who think that “delay in promotion should be avoided” is almost equal to that of those who think that “delay in promotion by child care leave period is unavoidable.”

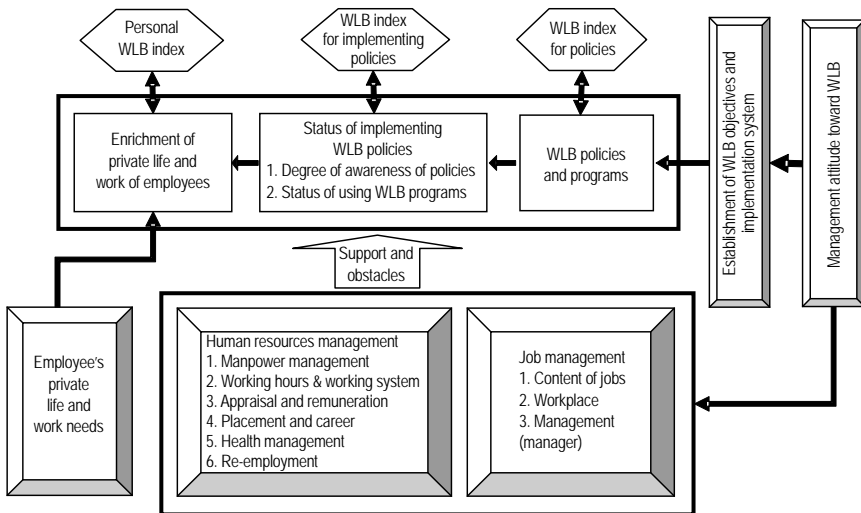
IV. Development of WLB Indices

WLB indices were jointly developed in 2007 by a voluntary company group (work-life balance association) and Gakushuin University Research Institute of Economics and Management (GEM). It is called WLB-JUKU INDEX. These organizations have referred to our earlier studies for developing the indices.

The reason why it is important to develop indices for family friendliness and WLB is that these matters are of nature that it is not easy for any government, labor union or company management to oppose. They all tend to agree with the plan in general but not to compromise on details. However, with indices developed, you will be able to discuss matters objectively, specifically and constructively, based on the results derived from the indices.

In order to construct policies and programs adequate to implement WLB, it is important to proceed with such construction based on “hypothesis and test.” In this case, it is indispensable to accurately assess in what situation company’s own WLB is as a result of introduction of the policies and programs, namely

Figure 3. Framework of analysis by WLB indices



“the actual status of WLB.”

It is “WLB-JUKU INDEX” that has been developed on the basis of such concept as the indices that are used by companies to voluntarily assess the current status of how WLB is promoted. The indices have been made under the framework of Figure 3. The WLB indices are based on the company survey and employee survey. An important point is that data is designed as matching data. We have developed indices for approximately 200 items, and have confirmed the effectiveness of the indices when conducting surveys on 9 voluntary companies and 2,871 employees of the companies.

The following is a summary concerning the effectiveness of the indices:

- (i) A newly developed “WLB index for implementing policies” and “personal WLB index” can be used as indices that allow for assessing the process of implementing WLB policies and programs.
- (ii) The strength and weakness of companies can be assessed systematically from the WLB point of view by using the “WLB index for policies,” “WLB index for implementing policies” and “Personal WLB index” as benchmark indices.
- (iii) The developed indices covering the entire WLB implementation process make it possible to analyze relationship among the development and

application of policies and programs, the awareness of all employees on such policies and programs, employee WLB improvement and its effect on company performance, to assess the policies and programs from viewpoints of employee WLB and company performance, and to identify the direction for further improvement.

WLB is a very important theme to consider a desirable relationship between a company and its employees as well as the method of managing human resources in the future. I hope that the WLB-JUKU INDEX will be utilized by many companies and contribute to the advancement of WLB.

V. Summary

This paper shows that family friendliness combined with equal opportunity has resulted in good effects, including improvement in financial performance, and that the relationship of the so-called “win-win” will probably be seen in Japan as well.

In addition, various perception gaps have been found among companies (persons responsible for human resources management), managers and staff members. Such gaps are bigger than expected especially in terms of the awareness of policies and programs, appraisal method and the ideas on promotion associated with child care leave. This suggests that forcing companies to introduce WLB policies and programs by law will not help to solve the issues at all.

The companies of which survey data are used in this paper are considered relatively ahead of average companies throughout Japan in respect of family friendliness and WLB. Even in the former companies, there exist such big gaps. It is, therefore, necessary to promote family friendliness and equal opportunity based on the assumption that these gaps do exist.

What I have mentioned above is confirmed with matching data. I expect that this kind of research and study will be conducted on a continuous basis in the future.

These discovered facts will encourage people to review company theories that are a base for discussion of various matters. The method of analyzing behaviors taken by companies before and after legislation and the method of comparing companies in respect of introduction of a specific program are

based on the model in which relevant persons in the company act in accordance with the instructions of their top management. These methods, therefore, are the orthodox economic models that consider companies as a “black box” and were effective until certain years ago. Thereafter, “organizational economics” and “the science of business management based on economics” developed but probably not to the extent that these can theoretically explain what has been discussed here. What seems important is not to criticize company behaviors directly but to refine company theories from any various fields, including social science, economics and business management.

Lastly, I would like to refer to the points for implementing and promoting family friendliness. It is important to discuss the matter at workplaces, using the “discussion bases” such as labor unions, labor-management meetings and similar other meetings, not only to introduce the programs but also to let all related people know and understand the matter. Specific discussion materials (themes and points) are in such WLB indices as briefly introduced in Section IV. First know where weak points are in a relevant workplace and let managers and workers, who know the workplace very well, discuss and determine how to overcome the weak points.

The above procedure has been daily put into practice in most companies in Japan. Discussions are being held presently in these companies about how to allocate or relocate human resources, materials and money on the basis of the results of survey on market environment changes, aiming to provide customers with planned products at planned costs.

This procedure is also applicable to the fields of “family friendliness” and WLB. For example, if an employee wishes (or is supposed to wish) to take a child care leave, what should be done is just to try to obtain agreement on the method of reviewing job assignments and the salary and promotion of the taker. If this was merely an unreturned company cost that results in no profits, only a few people would be serious about discussing the matter. However, since the “win-win” relationship, which leads to company profits, is made clear, the effort will never be fruitless but will certainly result in company development.

Appendix: Indices of Equal Opportunity and Family Friendliness in JILPT Survey

❖ Equal Opportunity Index

Attitude and policies

- Four items for management policies announced by top management concerning human resources management of regular employees
- Ten items for efforts related to affirmative actions

Actual status

- Ten items on employment of female regular employees
- Regarding regular employees who have worked for the company for about 10 years, difference between male and female employees in the ratio of the number of male/female employees who had to change their residence due to a job transfer to the total number of the male/female regular employees.
- Difference between male and female employees in the ratio of the number of newly recruited male/female regular employees who work in their companies until their early 30s to the total number of the newly recruited male/female regular employees.
- Female employees ratio: the number of female employees ÷ total number of male and female employees
- Difference in average age between male and female employees
- Difference in job tenure between male and female employees

❖ Family Friendliness Indices

Efforts and policies

- Five items for management policies announced by top management concerning human resources management of regular employees
- Programs to encourage male employees to take child care leave

Programs

- Availability of child care leave programs, year of introduction of child care leave programs and details of current child care leave programs
- Twelve support programs (including practices) related to child birth and child care

Actual status

- Status of continuous service of female workers
- Twelve support programs (including practices) related to child birth and

child care (results of utilization of the programs during the past three years)

Note: The above indices are based on the scoring in which equal opportunity and family friendliness are given 105 points (50 for efforts + 55 for actual status) and 89 points (30 for efforts + 30 for programs + 29 for actual status), respectively. The number of samples is 715.

Additionally, I have tried to make indices for the following items to which replies decrease in number (the number of samples: 376). Shown below are items with large samples:

Additional Items

❖ Equal Opportunity Index

- Difference in initial annual average income between male and female employees
- Difference in annual average income at age 35 between male and female employees
- $(\text{The number of female assistant managers} \div \text{the number of male assistant managers}) / (\text{The number of female employees} \div \text{the number of male employees})$
- $(\text{The number of female managers} \div \text{the number of male managers}) / (\text{The number of female employees} \div \text{the number of male employees})$
- $(\text{The number of female general managers} \div \text{the number of male general managers}) / (\text{The number of female employees} \div \text{the number of male employees})$
- Ratio of newly recruited female graduates to total of newly recruited graduates
- Ratio of female workers recruited in mid-career to total of workers recruited in mid-career

❖ Family Friendliness Index

- The number of female employees who delivered a child during the past three years
- $\text{The number of female employees who took a child care leave during the past three years} \div \text{the number of female employees}$
- The number of male employees who took a child care leave during the past

three years ÷ the number of male employees

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Work-Life Balance Strategies for Advanced Companies

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I. Introduction

One of the major issues related to countermeasures for low fertility, is reevaluating the way of working. However, the number of companies who are actually promoting work-life balance by encouraging fathers to participate in raising children or by cutting overtime is still rather small. The attitude that supporting childrearing yields little return is still prevalent in the business world, meaning that any ideas about changing the way people work have been put on the back burner.

I conducted interviews at 300 companies in Japan and 70 western companies who are known as supporting work-life balance. I also did a survey of 3,000 companies in Japan and 500 companies overseas. I identified the top 120 Japanese companies in terms of work-life balance, based on their financial status and did an analysis of this.

In this paper I will point out some work-life balance strategies for overcoming the problem of fewer children, based on research conducted both in Japan and abroad. Firstly, I will comment on the current situation of companies supporting work-life balance in Japan. Secondly, I will explain the situation of work-life balance in companies overseas. Thirdly, I will mention things we can learn about work-life balance in the workplace from small and mid-sized companies.

II. What We Can Learn from Companies Promoting Work-Life Balance in Japan

Although I have had more and more opportunities to give lectures about work-life balance, I have noticed many people still do not realize that promoting work-life balance can be good for business. Even in Japan, however, many companies who have tackled this as part of their business strategies have found that their businesses have grown. Top business managers are beginning to realize that promoting work-life balance has good results. With this in mind, I will comment on the current situation of companies supporting work-life

balance in Japan by considering the following questions:

- (i) What were the circumstances leading to the introduction of work-life balance policies in Japanese companies?
- (ii) How can Japan's work-life balance policies be classified?
- (iii) What are the benefits of Japan's work-life balance policies?

1. Circumstances Surrounding the Introduction of Work-Life Balance Support in Japanese Companies

Various factors prompted Japanese companies to begin to address the issue of work-life balance. Interestingly, a downturn in business was one such factor. As businesses floundered under conventional means of personnel management, they began to think of innovative ways to change their systems. One issue they tackled was support for work-life balance. This met with great success, improving business performance. Three such companies were Matsushita Electric Industrial Corporation, Nichirei and Benesse. They experienced extremely poor business results and were forced to completely reevaluate their management policies. Inclusion of support for work-life balance and working women in the important pillars of reform led to a dramatic improvement in business results.

There are more cases of working mothers in managerial positions, particularly in firms who trade with foreign companies or are foreign owned. By industry, the companies in Japan who are most advanced in terms of work-life balance are those in the electrical and automotive industries. One explanation for this trend could be that top managers in these fields tend to have a global outlook. Companies who deal in goods related to women and children are more likely to promote work-life balance from a sense of CSR. They also tend to consider the viewpoints of consumers and users when developing products. Public utility companies such as gas, electric and telephone tend to promote work-life balance because of their vested interest in the public.

2. Growth of Business as a Result of Tackling Work-Life Balance

Companies who began to promote work-life balance in earnest in the 90s saw a rise in sales of nearly 30% compared to other companies who saw a drop of nearly 20% in sales. The same trend can be seen in current profits. Thus, it can be said there is a correlation between the introduction of work-life balance

policies and business results. However, there are two ways of thinking as to the cause and effect of this relationship. Some say, “Business improved because work-life balance support,” while others say, “Because business was good, support was given for work-life balance.”

Most managers at ordinary companies tend to have the view that, “Because business was good, support was given for work-life balance.” However, interviews conducted by Fujitsu Research Institute (FRI) at companies promoting work-life balance both in Japan and abroad revealed that managers at these companies believe their growth in business was a direct result of tackling work-life balance.

3. Three Steps in Tackling Work-Life Balance

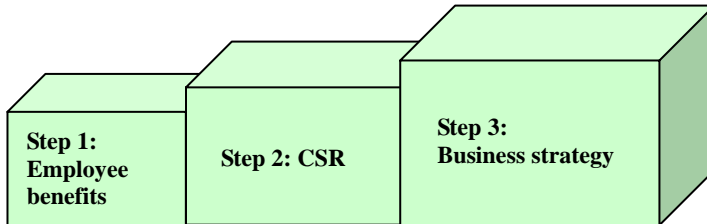
According to a report published by the German government, the results of a financial analysis of companies supporting work-life balance show that when investment in work-life balance support is converted to interest, it has a high annual return of 25%.

Within the past few years, research has been done in Japan, too, to find out if support for work-life balance can be beneficial to business performance. There are many who have concluded that there is no clear relationship between the two. In meetings I have attended, some members say, “There are many variables involved in the relationship between work-life balance and improved business performance and even the results of research abroad have not shown a correlation. It really can’t be said that if you give support to work-life balance, business performance will improve. It can be said, however, that if support is not given, it can hurt business performance.”

Some of the analyses of research, both in Japan and abroad, to draw a simple correlation between support of work-life balance and improved business performance have been rather crude. For example, a company who extended child care leave to three years was recognized as a company supporting work-life balance. However, how many employees take child care leave does not relate to the company’s business performance.

I believe tackling work-life balance involves three steps (Figure 1). The first step is including it in employee benefits. The second step is making it a part of a company’s CSR. The third step is looking at it as a kind of business strategy. Although step one may not contribute to an improvement in business performance, as a company moves through steps two and three, its contribution

Figure 1. Three steps of work-life balance support



will become evident.

4. Short-term Benefits of Work-Life Balance Support: Recruiting the Best and the Brightest and Keeping Them

Interviews at 260 companies promoting work-life balance both in Japan and abroad revealed that there is a three-part timeframe involved in tackling work-life balance to improve business performance (Table 1). The first stage, which lasts for two to three years, is the time of attracting and hiring the best workers, fresh out of university. Lately, many company handbooks have been published, including information about everything from companies' child care leave systems to the number of females in managerial positions. These books are like bibles, not only to female students, but also to male students who are looking for companies that are easy to work for. There is a tendency for young people today to place a higher priority on how much free time they have after work than on salary when looking for a job. The rather free atmosphere of many companies who support work-life balance is attractive to young people as employees at these companies tend to be appreciated as individuals, and there are few with the old-fashioned attitude of "giving up everything for the company."

Keeping workers is also beneficial to companies. Since most people have children in their late 20s or early 30s, it is a great loss to companies if these workers quit after investing so much in their education and training. Some big advantages of adopting work-life balance policies are that companies can hang on to workers or even attract well-qualified workers from other companies.

Table 1. Effect of work-life balance support on business performance

Three stages	
1. Short-term effects (2-3 years)	- Recruiting and keeping good workers
2. Mid-term effects (4-6 years)	- Using CSR to boost image - Quality of work improves as workers share experiences of raising children. a. Better time management b. Increased loyalty to company c. Assessment from viewpoint of consumer
3. Long-term effects (10 years)	- Good opportunity to review systems and structures when there are employee openings.

5. Medium-term Benefits of Work-Life Balance Support: Raising Corporate Image and Quality of Employees

Over the mid-term (5-6 years), work-life balance support acts as a kind of good publicity, drawing attention to a company's fulfillment of CSR, raising stock value and increasing consumer satisfaction. As employees share experiences of raising children, the quality of their work improves. One worker said, "One is always conscious of time when working while raising children. It has made me manage my time much better." Increased productivity is a big merit.

Raising children can also improve one's ability to multi-task and can even improve risk management techniques. By this I mean that toddlers are often, "disasters waiting to happen" and adults around them are always concerned about what they will do next. This can be great training for avoiding risks and is useful in business as well. Raising children serves as a kind of managerial training, especially for women. A comment I often hear is, "Women do very well from the time they enter the company until they become managers. After becoming managers, however, they tend not to excel." For example, some women who were once admired for their ability to pay close attention to detail become nit-pickers, causing those around them to stay out of their way. Since children are by their very nature irrational, looking after them develops patience, while love for the child makes one kinder and more tolerant of everyone. These qualities can also be seen in men. I often hear the comment, "He's really changed since his child was born, in his attitude to work as well."

Those working while raising children cannot help but be a burden to the

company. When a worker receives special treatment or support, he or she will probably feel a sense of obligation and may say, “I really appreciate this support. When my children are bigger, I’d like to be able to repay this debt.” This is a way to build loyalty to the company and also to increase work productivity.

Unfortunately, exactly the opposite is happening in the average company in Japan. In other words, many businesses have a cool attitude to those who want to work while raising children so employees lose their passion for work and end up quitting. Others may stay on just for the sake of a job.

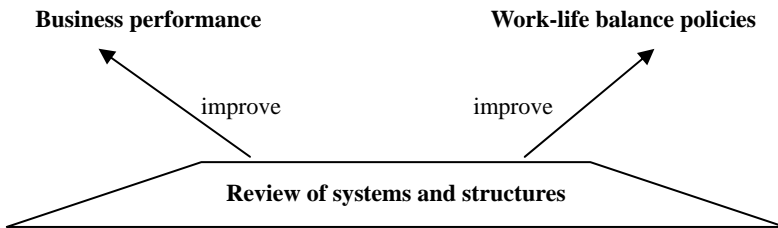
An important medium-term benefit of work-life balance support for manufacturers is being able to reevaluate products from the eyes of the consumer. Presently, it is said that women hold 80% of purchasing power for services and products. Child care leave provides a great opportunity for workers to reevaluate products. One manufacturer of kitchen and bathroom fixtures invited those on child care leave to voluntarily write an assessment report. One female employee wrote a report outlining ways to improve a company product. Because of her suggestions, the newly improved product became a bestseller. The company was so pleased, it made her one of the core members of its product development team when she returned to work.

6. Long-term Benefits of Work-Life Balance Support: Changing the Corporate Culture, Reassessing the Organization and Structure of Operations

The biggest long-term benefit of work-life balance support is transformation of the corporate culture through a complete review of the organization and structure of operations. Implementation of work-life balance support should not be seen as a hindrance, but should be seen as a chance for businesses to reevaluate all areas of operation. The time of child care leave or shorter working hours is not a period of unemployment. It is a time when workers can calmly and objectively reassess their work. Allowing workers to “think outside the box” is a way for them to gain valuable knowledge, and the corporate culture will be changed greatly as a result.

This does not mean we should only show appreciation for workers on child care leave. The same care should be shown to new recruits, part-timers or retirees who have been rehired. Rather than viewing these workers as back-ups or subordinates, we should see them as multi-faceted human resources. By drawing on the various attributes and knowledge of all employees, not only

Figure 2. Improving business performance by reviewing systems and structures



those with children, the company will grow and thrive in a vibrant work environment.

Reviewing the organization and structure of operations will help to improve business performance (Figure 2). Work-life balance support is not the sole responsibility of management but is something all members of a company should think about. A well balanced work environment is a barometer to a company's efficiency.

FRI did a survey of 3,000 companies to find out to what extent review of operations affected their work-life balance policies or whether there was a correlation between companies who carried out assessment and those who did not and their increase or decrease in sales (Table 2). Results of the survey showed that when there is a review of overlapping of business within departments and authority is delegated, the effectiveness of work-life balance

Table 2. Use of work-life balance policies and review of systems and structures

The Improvement Top 10
1. Review of overlapping between departments
2. Review of power of management
3. Division of decision making
4. Dlegation of work
5. Review of work of management and ordinary employees
6. Integration of departments
7. Flat hierarchical structure
8. Intranet and IT systems
9. Promotion of cost efficiency
10. Outsourcing of business

policies increases. Companies who get rid of unnecessary operations and limit the authority of management, improve their business performance. In other words, if reviews are carried out across the board, work-life balance and business performance improve, an example of the proverbial “killing two birds with one stone”

Companies who still believe they cannot justify the cost of supporting work-life balance should change their way of thinking. When the business environment is tough is the time to implement work-life balance policies. As the workforce decreases, how well a company can recruit and keep good workers will be the key as to whether they will sink or float. Providing support for raising children will be common sense from now on. A company’s business performance will be directly affected by how quickly it realizes this.

III. Things We Can Learn from Companies Abroad about Promoting Work-Life Balance

1. British - American and Continental European Work-Life Balance Styles

There are two major divisions in the way of tackling work-life balance. One is the British-American style and the other is the Continental European style. In the United States and Britain, the government does not play an active role in work-life balance support. Instead, companies who realize the merit of such policies actively promote them by establishing child care facilities, child care leave systems and by giving financial aid.

In Continental Europe, the central and local governments are at the core of implementing work-life balance support. The government is especially responsible for development of the infrastructure for child care and nursing care services. Companies introduce work-life balance programs in accordance with the law and as a part of their CSR.

2. Japan Follows the British-American Style of Work-Life Balance Support

According to business owners and personnel managers interviewed by FRI, the central and local governments in Japan are not particularly active in promoting work-life balance so that the present situation resembles that of Britain and the United States. There are three ways of thinking as to whether the government or businesses should be responsible for tackling work-life balance. The first is since the government cannot be counted on where this is

concerned, individual companies should make their own policies. In other words, companies supporting work-life balance who know the merits of such policies, including attracting better workers, will continue to promote it even if the government does not act.

The second way of thinking is that the government should take the lead in establishing work-life balance policies. If not, there is a concern that only large corporations will set up such programs. If companies are obligated by law, under the leadership of the government to do so, it will be one way for work-life balance to permeate society. The Ministry of Health, Labour and Welfare strongly supports this view.

The third way of thinking is for businesses, the government and the community to join hands in a cooperative effort to tackle work-life balance. This is a departure from the idea that either businesses or the government should be in charge, but emphasizes the role of the community. The Cabinet Office and the Ministry of Economy, Trade and Industry support this view.

I believe that there are limits to having either businesses or the government take the leading role in tackling work-life balance. From now on, businesses, the government and communities should cooperate with the synergetic effect of promoting a Continental European style of work-life balance support. At the same time, we can learn from the British-American style, led by the private sector with its system of public commendations.

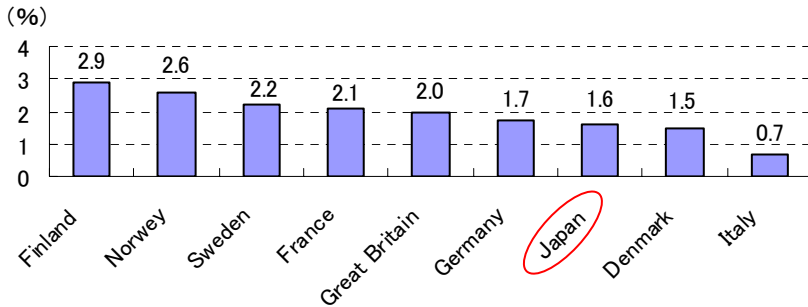
As an example of the Continental-European style, I will describe some things we can learn from companies in Sweden. As an example of the British-American style, I will mention some things we can learn from British companies.

3. Japan and Sweden at Opposite Ends of the Spectrum in Ease of Raising Children

In 2003 and 2004, Sweden was number one in the “Mother Index Ranking” of countries where it is easiest for mothers to raise children. This is a ranking done by the NGO, “Save the Children” based on how countries score in terms of benefits to mothers and children. In 2002, Japan ranked 25th among developed countries, below Kazakhstan and South Korea, in the same ranking.

In another ranking done by the OECD, the “Index of Work-Life Balance,” Japan placed second to the bottom, just above Greece. Greece, by the way, is known as a country where many men spend months at sea while women are

Figure 3. Work productivity levels of Japan and European countries (1990-2002)



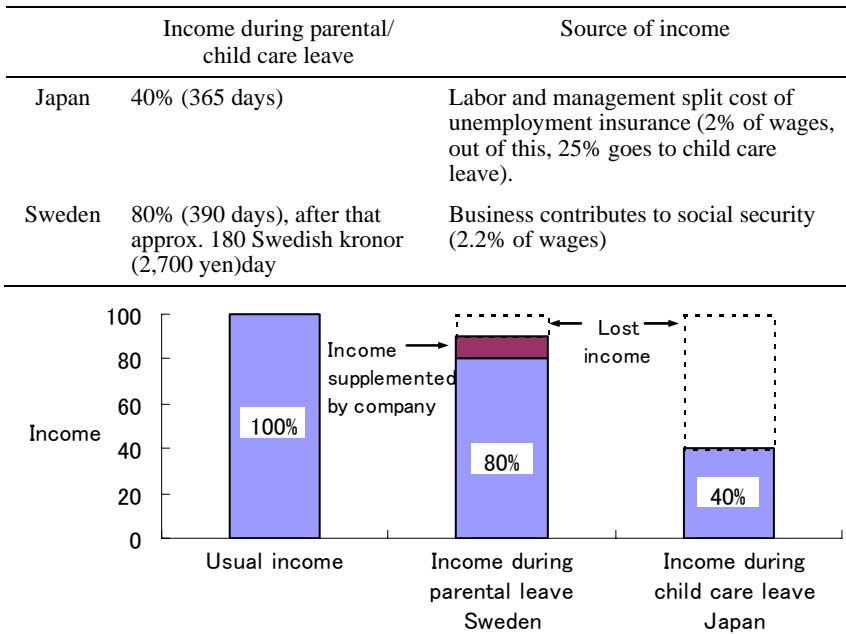
Source: OECD Council of Europe, *Recent demographic developments in Europe 2003* (2004).

often in charge of the home and old-fashioned values are deeply instilled.

Sweden, which ranks higher than Japan in terms of how easy it is for women to work, also has a high rate of work productivity (Figure 3). Many people in Japan find it hard to believe that many European countries, including Sweden, have a higher rate of productivity than Japan.

4. Companies Realize Work-Life Balance Is an Investment with High Returns

Why do Northern European countries have higher work productivity rates than Japan? To find the answer to this question I went to Sweden and other North European countries in 2004 and 2005 and interviewed workers at 20 companies. Before visiting Sweden I thought that because Sweden is known for having good welfare benefits and high taxes, I hypothesized that individual companies would not provide extra benefits for work-life balance. My guess turned out to be completely wrong. In Sweden, workers receive 80% of their salary from the government during parental leave. This is much higher than the 40% workers presently receive in Japan (from now on it may be raised to 50%) (Figure 4). Results of a labor union survey show that 80% of workers in Sweden are not satisfied with this amount and many large corporations are increasing this amount. When asked why they are increasing benefits, a company official said, "If good employees lose income during parental leave, they may be tempted to go to another company. Increasing benefits is necessary to prevent this from happening. It is also a way to attract better workers."

Figure 4. Income during parental/child care leave of employees in Japan and Sweden

Taking parental leave is par for the course in Sweden and all companies have parental leave plans. Nearly 90% of women and 80% of men take parental leave. By contrast, the number taking child care leave in Japan is low. Only 60% of companies in Japan have child care leave plans and 0.5% of male employees take child care leave. The latest figures show that even this number is dropping.

Even more surprising is how many workers in higher level positions in Sweden take parental leave. Before I went to Sweden, although I knew the rate of those taking parental leave was high, I assumed this meant that it was high for civil servants, but that it was lower for those, particularly in management positions, at private companies. I was wrong about this, too. There is no difference between the public and private sector in the number of those taking parental leave. Since parental leave systems were established 30 years ago, workers who are now in management positions have benefited from these plans, so the rate of those taking parental leave among both male and female managers is higher than that of ordinary workers. Even though they take

parental leave, they still advance in their careers. When asked to explain this phenomenon company officials said, “Balancing work and family life raises the quality of employees. They must be able to manage their time so that their work productivity rises.” In a survey of Swedish employees, the number who said their work productivity rose was four times higher than those who said it had dropped.

Many business owners in Japan still believe child-raising support is costly, and 70% of working women quit when they become pregnant or have children because of lack of support. When Swedish company officials were asked if they worried about the cost of supporting child-raising, they said, “It’s not about the cost. It’s an investment with guaranteed high returns. If many well-qualified women quit, isn’t the cost to the company even higher? Why don’t clever Japanese business owners realize this?”

Belief that work-life balance support improves business performance is shared by business owners in western companies. Whether the company is well known internationally like Volvo or Eriksson, or a small or mid-sized company with only a few employees, they are always thinking of ways to raise productivity rates and get the most out of their employees. Since the 1990s, average productivity growth rates in Northern European countries have been much higher than Japan’s.

I believe Japan can learn many things from the various approaches Sweden has taken, both in the public and private sector. In the following passages I will carefully examine some of these ideas, based on the results of a survey taken at 500 Swedish companies and on the findings of interviews conducted at 50 British, American and French companies.

5. Little Loss of Promotion at Western Companies

There are three major losses to consider concerning child care leave. These are: loss of income, loss of promotion, and loss of knowledge of business operations. Since 40% of income is covered during child care leave in Japan, there is a 60% income loss. As I said earlier, Sweden’s benefits are much more generous. Next is the problem of loss of promotion upon returning to work from child care leave. There are basically three types of assessment for employees on child care leave. The first type is a “performance-based grading system” based on seniority, where promotion and pay raises during child care leave are delayed. The second type is “result-based.” Promotion and pay raises

are delayed when there are no results, but it is possible to catch up. The third type is “ability-based” and since it is unlikely that ability drops during child care leave, promotion and pay raises are not delayed.

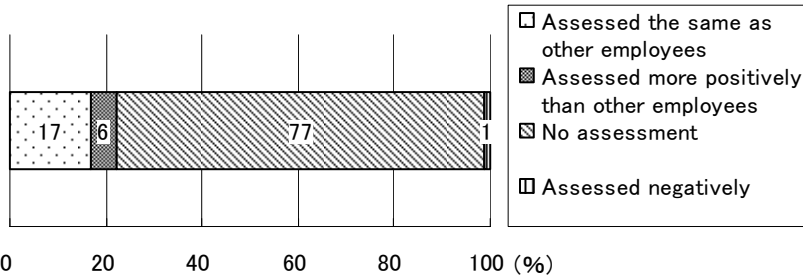
Most companies supporting work-life balance in Japan use the first two types of assessment, “performance-based” and “result-based,” so promotion and pay raises are delayed during child care leave.

The third loss, loss of knowledge of operations, happens because the work situation at companies changes daily, leaving those on child care leave, “out of the loop.”

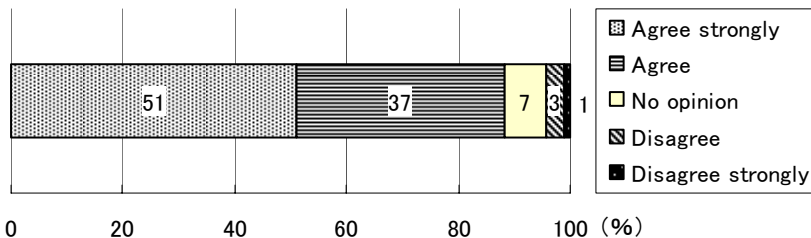
Employees at Swedish companies do not suffer the same loss of promotion as workers in Japan. Even if they do, they can catch up when they return to work (Figure 5). Ten percent of Swedish companies even raise the grades of employees on parental leave. For example, it is possible for an employee who was given a “C” before parental leave to be given a “B” during leave. I found this surprising. Company officials explained this by saying, “Child-raising

Figure 5. Little loss of promotion during parental leave at Swedish companies

Question: How do you assess employees during parental leave?



Question: Is it possible to make a recovery with regard to promotion after parental leave?



shows a kind of social awareness and we give higher grades for this just as we do for volunteer work. Employees become better workers by raising children so they are given better grades.”

Swedish companies have very good communication with workers on parental leave (Figure 6). Although Japanese companies tend to leave employees who are on child care leave alone so they can devote themselves to child-raising, this practice may, in fact, be detrimental to their needs. Employees may feel isolated or anxious about returning to work if there is absolutely no communication with the company. Having a system where employees are kept informed about what is happening in the company may be one way to limit the loss of knowledge of operations.

Flexibility of time and place of work is also important. According to the survey, more than 50% of Swedish companies use computers and mobile phones for employees to access company information or have flexible times for meetings (Figure 7). Telework is what makes flexibility of time and place of work possible. There is a correlation between countries using telework and higher birthrates (Figure 8). Since Japan’s level of broadband technology is equal to that of Northern European countries, flexibility of place and time of work should be possible and may help lead to a recovery in the birthrate.

Figure 6. Communication between employer and coworkers is important during parental leave

Question: Does your company have its own support systems for employees with children? If so, what are they and how are they used?

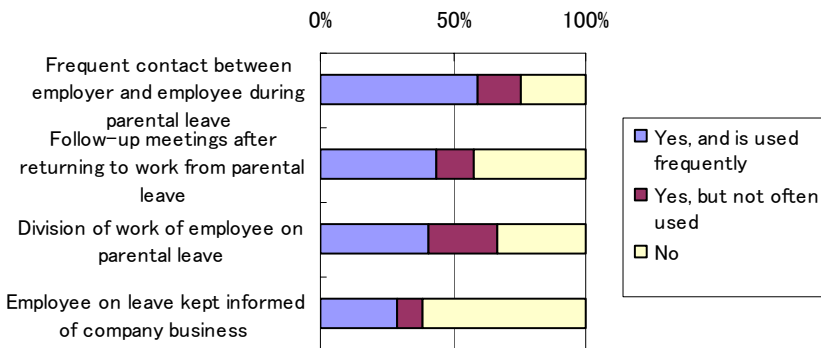


Figure 7. Importance of flexibility of place and time

Question: Does your company have its own support systems for employees with children? If so, what are they and how are they used?

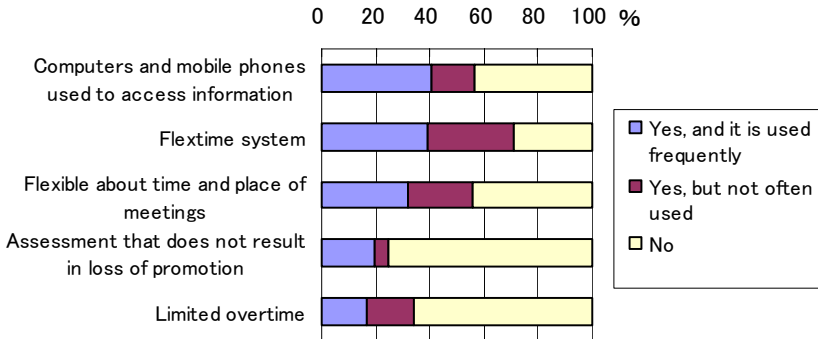
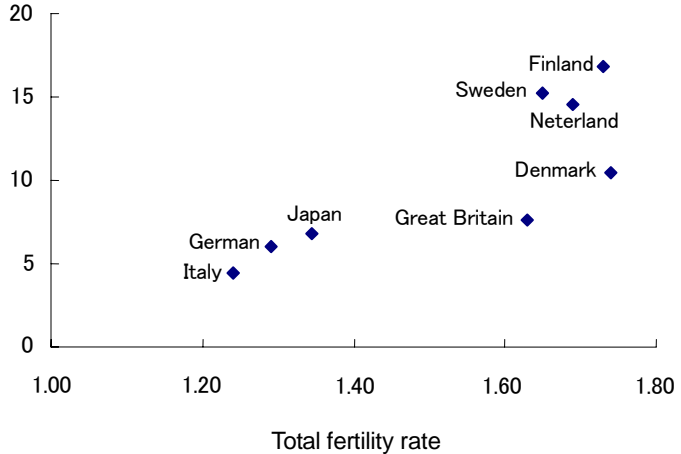


Figure 8. Rate of use of telework and correlation to the fertility rates

Number per 1.000 using telework



6. American Companies Tackle Work-Life Balance as a Business Strategy

As I said earlier, American and British companies consider their employees' home lives when thinking about the work environment. American companies especially, seeing the merits of such efforts, including increased productivity, have actively played a role in setting up onsite child care facilities, child care

leave plans and various means of financial support. The recession of the 1980s triggered this response. At that time, American companies hoping to win in the fierce competition against other companies looked at ways to attract well-qualified workers, regardless of race, sex or marital status. The better qualified the employees were, the more they considered the importance of work-life balance when looking for or changing jobs. As a result, companies began to hammer out “family-friendly” policies to attract better workers.

Corporate downsizing in the 1990s undermined employees’ loyalty to the company as they could no longer count on lifetime employment and instead worried about whether or not they would be the next targets of restructuring. Employees lost their motivation and productivity decreased, causing business performance to drop. Cutting costs through downsizing was not as effective as expected. American companies realized they needed to do something to encourage the precious remaining employees and to increase productivity. They changed their “family-friendly” policies which affected only those with children, to “work-life balance” policies to meet the needs of all employees.

7. British Companies Compete in a Ranking in the Private Sector

In the fall of 2006, I went to England to visit 40 companies supporting work-life balance and acquired some very useful information. As I said before, in the British-American style of family policy, the government, as a rule, does not intervene in peoples’ personal lives. However, companies in Britain compete with each other in tackling work-life balance. Why is this? Two of the driving forces behind this competition are rankings by the *Sunday Times* and the *Financial Times* of the “100 Best Companies to Work for” and the “50 Best Workplaces.” Although many countries have similar rankings, England’s is different because it is not based entirely on information provided by companies, but is based on a survey of employees whose anonymity is guaranteed. Since it is a much more honest survey, it reflects the true situation and placing high in this ranking has become a kind of status symbol. Companies who place high in this ranking are flooded with job applications, and there are cases where companies have saved several hundred thousand pounds in advertising by being included in it. Every year, the competition gets stiffer as more and more companies try to place, while companies who place high one year may not make it in the following year.

8. Reflecting the Voices of Employees Is Crucial

Although the Sunday Times and the Financial Times preside over the ranking of British companies, the actual survey is carried out by independent think tanks or NPOs. Companies who want to be considered, present essential data, usually a few pages, along with the names and contact information of all employees. The survey agency picks employees at random from the list and sends them a survey. Their answers are compiled on the Web and go directly to the survey agency. The presiding body sets up an assessment committee who meets with company officials and personnel staff and asks them to do a presentation about what they are doing to make their companies easy to work for. This is followed by a question and answer session. In one assessment, 80% of the grade was based on the answers given in the employees' survey and 20% was based on the companies' presentations. Because the survey is extremely detailed, it is very costly. The Department of Trade and Industry pays for part of the cost as do companies who want to be evaluated and the presiding body pays the remainder. Every year, the publications containing the rankings sell like hotcakes which no doubt covers the cost involved. I really hope Japan will start this kind of system.

IV. Things We Can Learn from Small and Mid-size Companies

Is it really true that small and mid-size companies are behind the times in their working conditions? It is often said that working conditions at small and mid-sized companies make it difficult to work while raising children.

The Next Generation Act requires companies with over 300 employees to make efforts to tackle work-life balance in their plans of action. However, this law is not very effective for small and mid-size companies. It is true that small and mid-size companies are not as advanced as large corporations as far as having child care leave systems or systems to improve work-life balance. However, it is premature to conclude that these companies are behind the times in their working conditions. In some ways, work-life balance is made even easier just because the companies are smaller.

FRI visited 50 small and mid-size companies in England and 100 companies in Japan to study the various ways small and mid-size companies are tackling work-life balance. We held interviews and did surveys, both of the companies (2,500 samples) and of employees (4,500 samples). An analysis of the results

of the surveys showed that the commonly-held belief that small and mid-size companies are lagging in terms of work-life balance is one-sided and misconstrued.

1. Small and Mid-size Companies Suited for Work-Life Balance

The following features related to work-life balance stood out in the results of the surveys:

- (i) A large number of respondents said work-life balance was easier at smaller companies.
- (ii) The number of female employees going back to work after giving birth was high.
- (iii) Serve as a place of reemployment for women who quit their jobs to raise children.
- (iv) Although they may not have work-life balance systems, as such, they do have flexibility.
- (v) Female employees of small and mid-size companies have more children.

The data regarding the number of children is interesting. Because women at small and mid-size companies tend to be older than those at large corporations, they tend to have more children. To get rid of the effect of age of employees, it is useful to consider the total fertility rate, that is, how many children a woman employed at a company from the age of 15 to 49 would give birth to. I was able to calculate the total fertility rates at several companies and found that these rates were much higher at small and mid-size companies than at large corporations. There was also a tendency for total fertility rates to be remarkably higher at small and mid-size companies supporting work-life balance. Actually, there is no big difference in total fertility rates at large corporations supporting work-life balance and ordinary large corporations. This is because many employees at large corporations supporting work-life balance have one child, but few have two or more children. At small and mid-size companies, however, there were several with total fertility rates of 2.0.

2. Factors That Contribute to Making Work-Life Balance Easier at Small and Mid-size Companies

The following five factors contribute to making work-life balance easier at small and mid-size companies:

- (i) Assessment based on ability with little loss of promotion
- (ii) Flattened corporate hierarchy
- (iii) Proximity of workplace
- (iv) Workplace atmosphere accommodating of children
- (v) Diverse approaches to utilization of women

(i) Employees at small and mid-size companies are not as concerned about loss of promotion when taking child care leave or working shorter hours. This is because personnel managers at these companies assess employees by ability, based on long-term personal relationships. Also, by nature, small and mid-size companies have fewer job transfers so workers stay at the same job for a longer period of time. The presence of co-workers who know the employee's ability is a big plus, especially when a worker returns to the job after child care leave. Knowing workers' abilities allows managers to assess them accurately and helps to make work-life balance easier.

(ii) Large corporations tend to have a pyramid-style structure with positions finely defined. Workers are promoted quickly so that a two- or three-year absence from the job affects promotion. Most small and mid-size companies' structure is flat so that a short period of leave does not greatly affect promotion.

(iii) Employees of small and mid-size companies have shorter commuting time than those at large corporations.

(iv) Because the atmosphere at small and mid-size companies tends to be family-friendly, workers feel more comfortable bringing their children to work.

(v) There are both traditionally male-dominated companies and companies with mainly female workers. Smaller companies tend to have more diverse approaches to the utilization of women than do large companies. The more women employees, the more work-life balance is addressed.

3. Flexible Thinking at Small and Mid-size Companies

When one machine parts maker with 40 employees found out an employee was planning to take child care leave, the whole company took a complete inventory. The purpose was eliminating waste rather than replacing the employee. As a result, the company was able to cut waste significantly, improving its business performance.

When one top researcher at another company announced she was taking

child care leave, it created a very difficult situation. However, she ranked tasks in her work by level of difficulty, assigning the easier tasks to a temp worker and training her co-workers to take over the more difficult tasks. When she returned from child care leave, another worker continued to do her easier tasks and she did the more difficult ones. This resulted in increased productivity of the top researcher, as well as improving business performance as this way of working spread to other areas in the company.

We can see from these two examples that work-life balance support does not have to be detrimental or costly, but can be a chance for companies to change for the better.

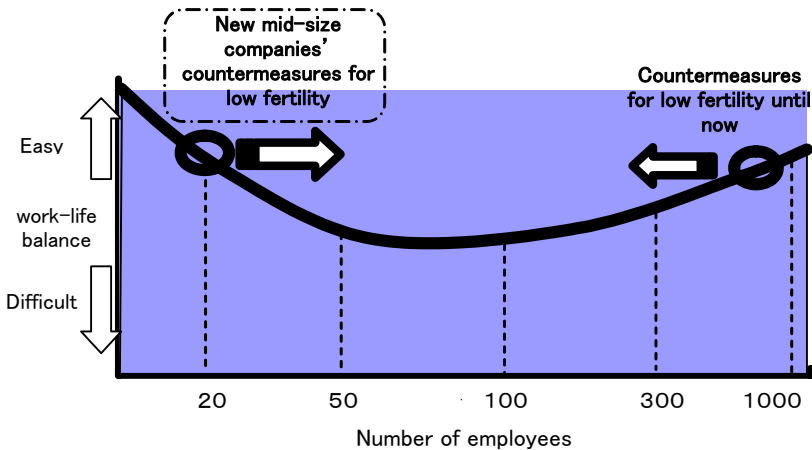
4. New Countermeasures for Low Fertility Modeled after Small and Mid-size Companies

Until now, countermeasures for low fertility at large corporations have centered on setting up child care leave systems. The Ministry of Health, Labour and Welfare seems to believe that support for work-life balance can be secured by promoting these systems and by having companies put their plans of action on paper. However, work-life balance cannot be put into practice just by submitting documents. Small and mid-size companies are more likely to have innovative and dynamic approaches with more flexibility than “plans of action.” Submitting documents is not the way to get a grasp on the situation. We can learn a lot by visiting small and mid-size companies, talking to their managers and feeling the atmosphere of the workplace.

With this in mind, I vigorously continued the interviews. I soon realized the futility of pushing the large corporations’ style of countermeasures for low fertility on small and mid-size companies. I have heard that the Ministry of Health, Labour and Welfare is thinking of changing the criteria that companies with over 300 employees submit plans of action for work-life balance support to include companies with fewer employees. I have serious doubts about the effectiveness of this. From now on, what we really need are new countermeasures for low fertility modeled after small and mid-size companies (Figure 9). These measures should include:

- (i) Assessment based on ability
- (ii) Flattened corporate hierarchy
- (iii) Close proximity of workplace
- (iv) Workplace atmosphere accommodating children

Figure 9. Relationship between size of company and ease of work-life balance



- (v) Set number of women in management positions
- (vi) Delegation of work and reexamination of cases of overlapping between departments

If we look at large corporations as made up of different business parts, they are not that different from small or mid-size companies in terms of numbers of employees. It follows that large corporations can model their countermeasures for low fertility after small and mid-size companies' policies.

Large corporations should not force their branch offices to have the same policies as the head office, but should delegate authority to branch managers so that branches will compete in implementing work-life balance. New countermeasures, on a smaller scale, should be sought from now on.

V. Conclusion

To reiterate a point made earlier, companies who have reviewed their systems and structures have made progress in work-life balance, as well as seen an improvement in business performance. This is because reassessment has resulted in increased productivity of individual workers as well as increased effectiveness of entire systems. That is to say, the essence of work-life balance

is reassessing operational systems while motivating employees leading to increases in productivity of both individuals and entire teams.

Analysis of Work-Child Care Balance of Male Workers in Japan and Their Desires to Take Child Care Leave

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I. Introduction

1. Purpose of This Paper

In this paper, I will analyze the current status of programs for supporting employees balance work and child care (work and child care balance support programs) in workplaces, focusing mainly on the male employees who need to care for their children, and based on this analysis, I will analyze the desires of the male employees, who are in potential need to take child care leave (or are assumed to have a child in the future), to take child care leave.¹

In Japan, there are almost no male child care leave takers and therefore it is impossible to analyze the male child care leave takers. The purpose of this paper is, instead, to explore the factors that encourage male employees to take child care leave and to participate in child care utilizing the work and child care balance support system.

2. Political Efforts by the Japanese Government and Current Status of Child Care Leave Taken by Male Employees

In Japan, since the “Child Care Leave Act” was enforced in 1992, it became possible for both male and female employees of all companies in Japan to take leave for child care. Since then, the repeated revision of the law has resulted in the current “Child Care and Family Care Leave Act, namely Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” improving work and child care balance support programs. Behind this, there is the reduced birthrate that has become serious since the 1990s, and the “Child Care and Family Care Leave Act” has been positioned as a main countermeasure against this issue.²

One of the important issues in the “Plans to Support Children and Child

¹ This paper is written on the basis of the revisions of and additions to Chapter 8 of The Japan Institute for Labour Policy and Training (2006).

² For the history of establishment of child care leave act and its development thereafter, refer to Chapter 1 of The Japan Institute for Labour Policy and Training (2006).

Care” announced by the Cabinet Office Council on Measures for Society with Decreasing Birthrate (chaired by the Prime Minister) in 2004 is the suggestion “2. Review of work and child care balance support programs and ways of working.” It has raised specific items such as “(1) Promotion of more active efforts in companies, etc.” “(2) Promotion of efforts for child care leave system,” “(3) Promotion of male participation in child care,” and “(4) Implementation of the way of working in harmony with private life.” The implementation of these items requires companies to introduce, refine and make all employees aware of work-life balance support system, including a child care leave system, more extensively (according to the meeting for social countermeasures to falling birthrate, 2004: 6-9).

In the “Plus One Measures for Decreasing Birthrate” prepared by the Ministry of Health, Labour and Welfare in 2002 and the above-mentioned “Plans to Support Children and Child Care (2004)” prepared by the Cabinet Office Council on Measures for Society with Decreasing Birthrate, the target ratio of male child care leave takers was set as 10%, which attracted great public attention.

Despite these government efforts, however, almost no child care leave has actually been taken by male employees. For example, the ratios of male child care leave takers in the fiscal year 2005 were 1.0% in the case of general male workers of the national government (National Personnel Authority, Employees Welfare Bureau, 2006) and 0.5% in the case of private companies (Ministry of Health, Labour and Welfare, 2006). These ratios are very small and therefore it is generally considered that the subjects of child care leave system are solely female regular employees.³

Since it is not possible to take child care leave unless workers request, the low ratio of male child care leave takers would be reasonable if male employees did not wish to take child care leave. However, according to the monitoring survey by NLI Research Institute, 35.8% of those male employees who are over 20 years old and younger than 40 years old and have a wife and a child younger than 6 years old, wish to take child care leave if they have another child in the future. Moreover, the male employees who wish to take the child

³ This paper does not deal with family care leave. As supplementary information, the ratio of male family care leave takers is 0.02% in private companies (Ministry of Health, Labour and Welfare, 2006).

care leave during 8 weeks after child birth,⁴ which they are allowed to take regardless of whether there is a child care leave system or not, reach as high as 51.1% (NLI Research Institute 2003, 157-58).

Meanwhile, the ratios of male and female employees who know that male employees are allowed to take child care leave during 8 weeks after child birth are as low as 34.1% and 41.2%, respectively, which indicates that both male and female employees do not know that they are allowed to take child care leave during 8 weeks after child birth (NLI Basic Research Institute 2003, 158).

Based on these survey results, Sato and Takeishi (2004) raise the following problems as the reasons why the ratio of male child care leave takers is low despite the fact that the ratio of male employees who wish to take child care leave is not so low: (1) Only a small number of male employees know that child care leave system is applicable to them as well, (2) perception that child care is a role of mother, (3) feeling of resistance in workplaces, (4) many male employees are engaged in important jobs, (5) fear about its effect on promotion, (6) the system does not allow male employees to divide child care leave or income is not guaranteed during the leave. Sato and Takeishi (2004) point that in order to encourage male employees to take child care leave, it is important for companies to make it easier to take leave by increasing the acceptance of and promoting male child care leave takers step by step.

In this paper, based on the above, I will study the reasons for the big gap arising between the number of those who wish to take child care leave and the actual ratio of male child care leave takers, first by analyzing the current status of work and child care balance support system in workplaces and the desires of the male employees, who are in potential need to take child care leave (or are assumed to have a child in the future), to take child care leave, and I will discuss the factors that encourage male employees to take child care leave and to participate in child care utilizing the work and child care balance support system.

⁴ The child care leave during 8 weeks after a wife's childbirth can be taken even in the case that a labor agreement states male employees are not allowed to take child care leave in the case that their wife is a full-time housewife. Therefore, male employees are legally allowed to take child care leave during 8 weeks after their wife's childbirth regardless of availability of child care leave system.

3. Data Used

The data used in this paper are from the “Survey on Work and Life” conducted by The Japan Institute for Labour Policy and Training (JILPT), an independent administrative agency, in June and July of 2005. This sample survey was conducted by visiting each and every one of the 4,000 men and women at age between 30 to 54 years old and conducted in two-stage stratified random sampling method. The data collection ratio was 57.9%.

Chapter II of this paper will cover male employees and the male employees who have a wife and the youngest child of age between 0 and 12. In Chapters III and IV, I will analyze the male employees who are “unmarried,” “married with no child” or “married with the youngest child of age 0-12” and reply that they “will have a child in the near future,” “will have a child sooner or later,” or “do not know when,” considering these employees as those who are potentially in need of taking child care leave (hereinafter referred to as the “male employees in potential need”).

II. Current Status of Work and Child Care Balance Support System from the View of Male Employees

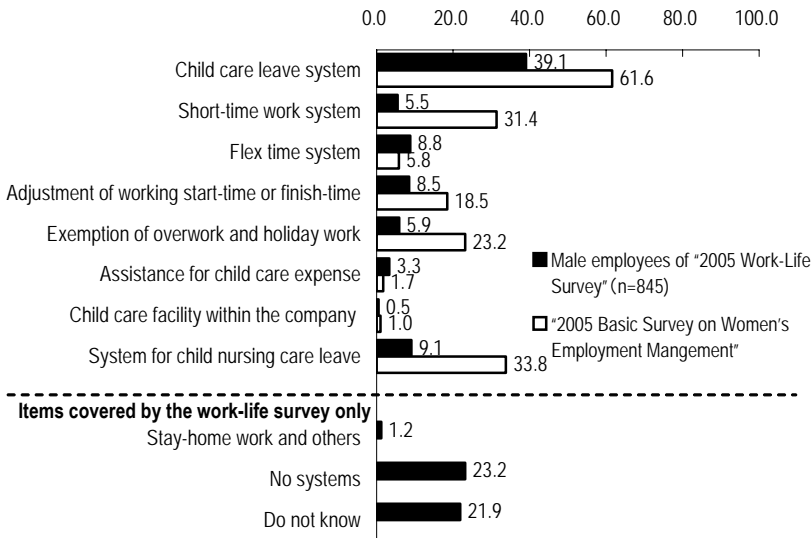
1. Availability of Work and Child Care Balance Support System

Figure 1 shows the results of checking whether there is any work and child care balance support system,⁵ which is stated in the Child Care and Family Care Leave Act, in the companies of the male employees covered by the “Survey on Work and Life.” Figure 1 also shows the results of the “Basic Survey on Women’s Employment Management” conducted by the Ministry of Health, Labour and Welfare in the fiscal year 2005 covering approximately 10,000

⁵ In this paper, the “work and child care balance support system” refers to the child care leave system (Articles 5 to 9), child nursing care leave (Articles 16-2 and 16-3), system for limiting overtime work (Articles 17 and 18), system for limiting late-night work (Articles 19 and 20), and measures for reducing working hours (Articles 23 and 24) in the Child Care and Family Care leave Act.

As measures for reduction in working hours, business owners are obligated to make efforts to apply to the employees who have a child younger than 3 years old, one of the following measures: “short-time work system,” “flex time system,” “adjustment of work start-time and finish-time,” “no overwork,” and “establishment and operation of child care centers or provision of similar facility,” and to apply the above measures for reduction in working hours to the employees who have to take care of their child of age from 3 up to the school age.

**Figure 1. Availability of work and child care balance support system
(multiple replies) %**



private companies with 5 regular employees or more.

According to the "Survey on Work and Life," companies having "child care leave system" have a share of approximately 40%, the highest percentage, and companies having other type of systems or facilities have a share of less than 10%. As each employee is asked in this survey whether his company has such a system or not, some male employees of the companies may have replied that "there is no such system" or they "do not know." The total of the male employees who reply that "there is no such system" and those who reply that they "do not know" exceeds 45%, a very high percentage. This is considered as the results of the fact that the male employees are not fully aware of the availability of a work and child care balance support system.

According to the "Basic Survey on Women's Employment Management," the companies which reply that "child care leave system is available" have a share of approximately 60%, the highest percentage, followed by approximately 30% of those who reply that "a system for child nursing care is available," and those who reply that "a short-time work system is available." Those who reply other systems are available account for less than 30%. Thus, the current status in Japan is still far from the situation where any employees, including male

employees, can participate in child care utilizing a work and child care balance support system.

It is not possible to simply compare the results of the “Survey on Work and Life,” which was done on individuals, and the results of the “Basic Survey on Women’s Employment Management,” which was done on companies. If we compare the results of both surveys for reference, however, the ratios of the male employees who reply in the “Survey on Work and Life” that there are a “child care leave system,” “short-time work system,” “system for child nursing care leave,” “system for adjustment of working start-time and finish-time,” and “system for exemption of overwork and holiday work” are lower than the ratios of the companies that reply in the “Basic Survey on Women’s Employment Management” that “there is such a system.” This indicates that the male employees are not fully aware of the work and child care balance support system so that they may think that the system is only applicable to female employees and that they have nothing to do with the system.

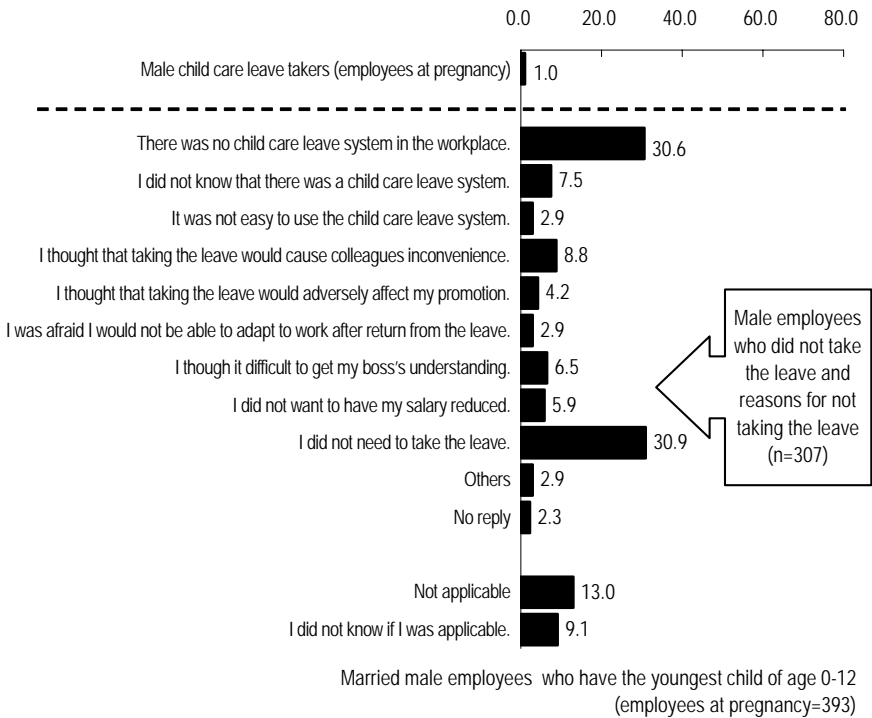
According to the above results, it can be said that the work and child care balance support system has not yet been refined to the extent that any employees (including male employees) are able to participate in child care utilizing such a system and that male employees themselves have not yet adopted the notion of utilizing the system to participate in child care.

2. The Ratio of Those Who Took Child Care Leave When Their Youngest Child Was Born and Reasons for Not Taking the Leave

Next, in the male employees who have the youngest child of age 0-12 covered by the “Survey on Work and Life,” a question is asked whether they took child care leave when their youngest child was born (refer to the figure shown above the dotted line in Figure 2). Of the male workers who were employees at the time of pregnancy, only four persons, or only approximately 1%, took child care leave.

When a question is asked to the male employees who did not take child care leave on why they did not (refer to the section below the dotted line in Figure 2), approximately 30% of them reply that they “did not need to take the leave,” or that “there was no child care leave system in their workplaces.” In addition, some of the male employees reply that they “did not know that there was a child care leave system,” “the child care leave system was not applicable to them,” or “there was a child care leave system but whether it was applicable

Figure 2. Male employees who took child care leave for their youngest child and reasons for not taking the leave (multiple replies) %



to them or not was unclear.” It is considered that these male employees were not at all involved in the decision to whether to take a child care leave or not and that it never occurred to them to take the leave.

Although such reasons as “I thought that taking child care leave would cause my colleagues inconvenience,” “I thought it difficult to have my boss’s understanding,” and “I did not want to have my salary reduced by taking the leave” are generally raised as the factors that prevent male employees from taking child care leave, these factors were actually not much mentioned by the respondents as reasons for their not taking child care leave, even though the survey allowed for multiple replies. In this respect, the results suggest that their awareness of the child care leave has not yet reached such a level.

Figure 3. Adjustment of work and leave taken for child care (regardless of the availability of child care leave system)



3. Adjustment of Assignment and Leave Taken Because of Child Care

Subsequently, in the male employee who have the youngest child of age 0-12 and are employees both at the time of pregnancy and at the present time, a question is asked on whether they had their assignment adjusted before their youngest child entered an elementary school because of child care and regardless of the availability of child care balance support system (Figure 3). As a result, approximately only 4% of them reply that they had their work adjusted.⁶ In Japan, an extremely small number of male employees try to have their work adjusted in order to participate in child care.

When a question is asked to them on whether they took leave for nursing care when their youngest child was sick (Figure 3), 37.1% of them reply that they did so, showing that many male employees had such experience in comparison with the situations in former questions.

Thus, in Japan, only a small number of male employees are involved in child care by taking child care leave, utilizing a work and child care balance support system, or having their work adjusted regardless of whether or not such a system is available, and some of them merely take leave only when their children are sick. This represents the current status of work-child care balance of Japanese male employees.

⁶ Specifically, “no overwork,” “reduced regular working hours,” “no holiday work,” “adjustment of working start-time and finish-time,” “flex time,” “stay-home work,” “changes in work,” etc.

III. Analysis of Desires of Male Employees in Potential Need to Take Child Care Leave

In the preceding chapter, it is found that only a small number of male employees try to participate in or participate in child care by taking child care leave or utilizing other types of work and child care balance support system. Is this because they do not wish to do so or because they do not have such a desire?

In this chapter, I will analyze the male employees who are “unmarried,” “married with no child” or “married with the youngest child of age 0-12” and who reply that they “will have a child in the near future,” “will have a child sooner or later,” or “do not know when,” considering them as “male employees in potential need” to take child care leave. This is because it is considered difficult for the male employees, who reply that they “will not have a child,” to accurately answer the question of whether they wish to take child care leave.

As for the male employees who wish to take child care leave, the number of those who “wish to take it” and those who “wish to take it if possible” are tallied up together as those who “wish to take it (total),” while the number of those who “do not wish much to take it” and those who “do not wish to take it” are tallied up together as those who “do not wish to take it (total).”

As indicted in Table 1, the ratios of male employees in potential need who wish to take child care leave (n=293) are 34.1% for “wish to take it (total),” 41.0% for “do not know,” and 22.5% for “do not wish to take it (total).” When we compare the ratios of the male employees who wish to take child care leave to the total male employees (n=845), the ratios of the male employees in potential need who “wish to take it (total),” “do not wish to take it (total)” and “do not know” are a slightly larger, smaller and almost the same at 40%, respectively. Below, I will discuss what types of male employees in potential need wish much to take child care leave.

When we compare the ratios of each status of family of male employees in potential need in the lower part of Table 1, the ratios of those who “wish to take it (total)” are 35.5% and 40.9% in the cases of those who are “unmarried” and “married with no child,” respectively; in other words, the ratios of those who expect to have a firstborn child are high. Furthermore, the ratio is 25.0%, the lowest, in the case of those who have “the youngest child of age 0-3” and are applicable to take child care leave, whereas the ratio is again as high as

Table 1. Those who wish to take child care leave (%)

	Wish to take it (total)	Do not know	Do not wish to take it (total)	No answer
Total male employees (845)	27.7	40.8	28.5	3.0
Male employees in potential need (293)	34.1	41.0	22.5	2.4
Unmarried (141)	35.5	42.6	19.1	2.8
Married with no child (44)	40.9	31.8	27.3	—
Youngest child of age 0-3 (72)	25.0	44.4	27.8	2.8
Youngest child of age 4-12 (36)	38.9	38.9	19.4	2.8

38.9% in the case of those who have “the youngest child of age 4-12.” As a result, the ratio of male employees who wish to use a child care leave system proved to be the lowest among the male employees with the “youngest child of age 0-3,” who normally are expected to have the strongest need to take child care leave.

1. Working Hours

According to studies on the participation of male employees in household work and child care, the long working hours of male employees is considered a factor that prevents them from participating in child care. To put it simply, the male employees who commit themselves to work longer are expected to wish to take child care leave less strongly. On the contrary, the male workers who commit themselves to work for shorter time are expected to wish to take child care leave more strongly.

According to analysis by weekly working hours (Table 2), the ratios of the male employees who “wish to take it (total)” are 26.1%, 39.4% and 37.9% in the cases of “less than 45 hours,” “45-54 hours” and “55 hours or more,” respectively, which, contrary to expectation, indicates that the male employees whose weekly working hours are longer tend to wish to take child care leave more strongly. The ratio of the male employees who reply that they “do not know” is 46.7%, the highest, in the case of “less than 45 hours.” This is probably because the male employees whose working hour is shorter are able to more often participate in child care without taking child care leave. Therefore, the ratio of the reply “do not know” and not that of “do not wish to take it” becomes higher.

Meanwhile, the male employees who work long hours are in a position to be

Table 2. Male employees in potential need, working hour factor and those who wish to take child care leave (%)

	Wish to take it (total)	Do not know	Do not wish to take it (total)	No answer
Weekly working hours				
Less than 45 hours (92)	26.1	46.7	27.2	—
45–54 hours (127)	39.4	39.4	19.7	1.6
55 hours or more (66)	37.9	34.8	24.2	3.0
Frequency of work at 06–10 pm				
Often (147)	41.5	38.8	18.4	1.4
Seldom (90)	30.0	43.3	25.6	1.1
Never (51)	23.5	45.1	29.4	2.0
Frequency of work on Saturdays				
Often (122)	41.0	36.9	22.1	—
Seldom (135)	31.9	43.7	21.5	3.0
Never (32)	21.9	50.0	28.1	—

unable to participate in child care even when they want to. This may be the reason why they reply that they wish to take child care leave.

Regarding night work from 6–10 p.m. (Table 2), the male employees who often have to work from 6–10 p.m. tend to wish to take child care leave. Also, the male employees who often have to work on Saturdays (Table 2) tend to wish to take child care leave strongly. These indicate that as in the case of long working hours, male employees are in a position to be unable to participate in child care even when they want to and presumably, this is why those employees reply that they wish to take child care leave.

2. Factors Related to Workplace Situation

The present situation where the ratio of male employees who take child care leave is extremely low is said to be related to the workplace environment that does not allow them to take child care leave when they want to. I will discuss this matter in relation to factors related to the workplace, such as the size of business, availability of a work and child care balance support system, and concerns about child care leave.

Regarding the size of business, in large companies, where, relatively speaking, a work and child care balance support system including child care leave system is considered to have been made available, a greater percentage

Table 3. Male employees in potential need, workplace factor and those who wish to take child care leave (%)

	Wish to take it (total)	Do not know	Do not wish to take it (total)	No answer
Size of business				
Less than 30 employees (68)	39.7	42.6	17.6	—
30–299 employees (107)	32.7	40.2	24.3	2.8
300 employees or more and governmental organizations (117)	32.5	41.0	23.9	2.6
Availability of child care leave system or other work-child care balance support systems				
Both available (48)	25.0	47.9	27.1	—
Child care leave system is available but no other (60)	38.3	30.0	30.0	1.7
No child care leave system but the other is available. (14)	50.0	21.4	28.6	—
Neither system is available. (61)	44.3	32.8	23.0	—
Do not know (102)	29.4	52.9	15.7	2.0

of male employees are expected to wish to take child care leave in view that their wish to take child care leave is likely to be met.⁷

According to the analysis by business size (Table 3), the ratios of “wish to take it (total)” are 39.7% for “less than 30 employees,” 32.7% for “30-299 employees,” and 32.5% for “300 employees or more and governmental organizations,” which shows that the ratio of male employees who wish to take child care leave is, unexpectedly, a little higher in the companies with “less than 30 employees.”

Regarding the availability of child care leave system and other balance support systems in the present workplaces, the ratios of male employees who wish to take child care leave are expected to be higher in the workplaces where there is child care leave system or other balance support systems, in view of the acceptability of their wish.

According to the analysis by the availability of child care leave system and other balance support systems (Table 3), the ratio of “wish to take it (total)” is 25.0%, the lowest in the workplaces where “both systems are available,” and

⁷ According to the results of the Basic Survey on Women’s Employment Management (Ministry of Health, Labour and Welfare, 2006), larger companies tend more actively to make child care system and other work and child care balance support systems available.

50.0%, the highest in the workplaces where “no child care leave system is available but the other system is available.” “Child care leave system is available but no other” is 38.3%, while “neither system is available” is 44.3%, showing that the ratios in these cases are higher than in the case of “both systems are available.” However, only 14 persons replied that “child care leave system is available but no other,” and therefore whether this percentage represents a general trend or not is uncertain.

The interpretation of these results of the analysis is not easy, but I consider that in the workplaces where “both systems are available,” an increased number of male employees reply that they “do not know” instead of “wish to take it (total),” because the workplace environment allows them to participate in child care using other support systems than child care leave system and without taking child care leave. (In the case that “both systems are available,” “do not know” has a share of 47.9%.) In other words, it is considered that this indicates that they possibly select the realistic means instead of taking child care leave.

Meanwhile, regarding “child care leave system is available but no other system,” the male employees who wish to take child care leave are considered to wish more strongly to participate in child care because the other support systems are not available. Regarding “child care leave system is not available but the other system is available” and “neither system is available,” the ratio of those who wish to use the child care leave system is considered to become higher, representing their demand for their companies to introduce a child care leave system.

Next, with respect to concerns related to taking child care leave, four questions are asked regarding “causing colleagues inconvenience,” “affecting promotion and salary raise,” “fears about being unable to adapt to work after returning to workplace,” and “difficult to get boss’s understanding.” It is expected that the ratio of those who wish to take child care leave is low in the workplaces where there are such concerns and that the ratio is high in the workplaces where there are no such concerns.

When the number of those wishing to take child care leave are added up in relation to the four concerns mentioned below (Figure 4), the ratios of those who wish to take it are almost the same, showing that these concerns have no significant effect on the ratios. However, the ratio of “wish to take it” among those who think they apply as those having a concern for “affecting promotion

**Table 4. Ratios of those who wish to take child care leave classified
by (main) perceptions of gender-role division (%)**

	Wish to take it (total)	Do not know	Do not wish to take it (total)	No answer
Men for work and women for housekeeping (117)	29.9	39.3	29.1	1.7
Men for work and women for work-child care balance (20)	45.0	25.0	30.0	–
Both men and women for work-child care balance (52)	42.3	30.8	23.1	3.8
Men for work-child care balance and women for housekeeping (18)	50.0	33.3	11.1	5.6
Others (86)	29.1	54.7	14.0	2.3

3. (Main) Perceptions of Gender-role Division

According to the analysis by (main) perception of gender-role division (Table 4),⁸ the ratio of “wish to take it (total)” is 29.9%, the lowest in the case of “men for work and women for housekeeping,” which is a traditional perception, and 50.0%, the highest in the case of “men for work-child care balance and women for housekeeping.” The ratios for “men for work and women for work-child care balance” and “both men and women for work-child care balance” are 45.0% and 42.3%, respectively. Since there are only a few samples of “men for work and women for work-child care balance” and “men for work-child care balance and women for housekeeping,” whether the results represent a general trend or not is unclear, but it can be said that the ratio of “wish to take it (total)” tends to be high in the case where it is considered that work-child care balance is desirable for either man or woman, or both. This is probably because the high ratio of male employees who wish to use the child care leave system is the result of their intention to reduce the burdens of either man or woman, or both.

⁸ The perceptions of gender-role division have been created on the basis of the replies made by male employees to the question, “Which lifestyle do you think is desirable for men and women?”

IV. Factors Determining the Wish to Take Child Care Leave among Male Employees in Potential Need

Based on the analysis by the above cross tabulation, I will conduct logistic regression analysis with “wish” or “not wish” to take child care leave and “do not know,” and analyze the factors that prompt male employees in potential need to wish to take child care leave. Explained variables used in this analysis are 0 for “do not wish to take it (total)” and “do not know” and 1 for “wish to take it (total).” Explanatory variables are selected on the basis of the results of cross tabulation (Table 5).

The results of the analysis show that “whether to have a child or not” in the future,⁹ “status of family,” the frequency of “work from 6-10 p.m.,” “availability of child care leave system and work and child care balance support system,” and “perceptions of gender-role division” have statistically significant effect.

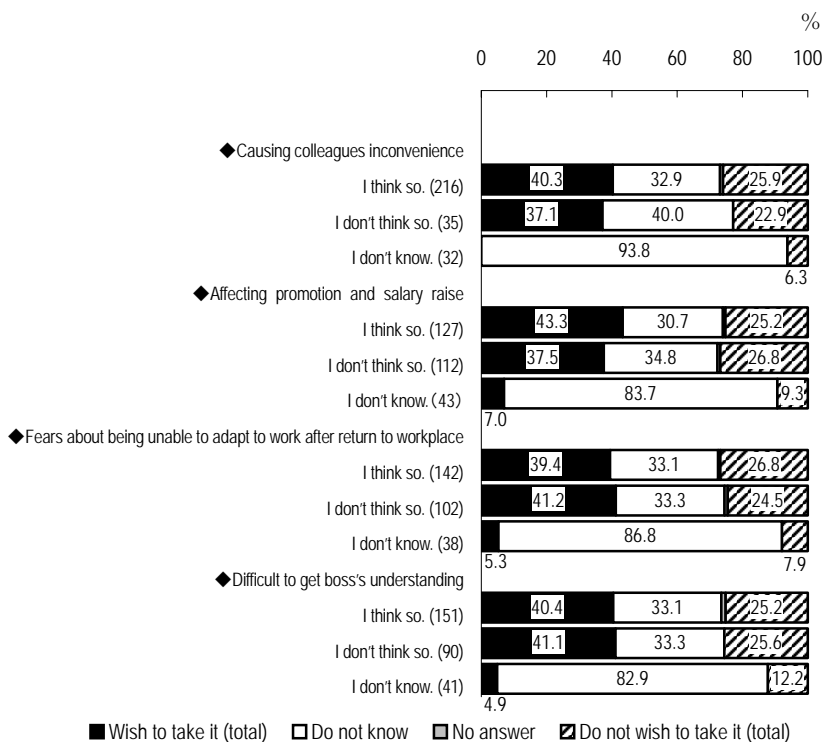
The odds ratio (Exp(B)) of male employees who wish to use the child care leave system is higher in the case of those who reply that they “will have a child (total)” than in the case of those who reply that they “do not know” to the question “whether to have a child in the future.” When those who have “the youngest child of age 0-3 in the “status of family,” regarding whom the desire to use the child care leave system was the smallest in the cross tabulation, are used as the reference, the ratio is higher in the cases of “unmarried” and “married with the youngest child of age 4-12” than in the case of “the youngest child of age 0-3.”

Regarding variables related to working hours, only the frequency of work from 6-10 p.m. proved to be statistically significant. With “never” as the reference, the ratio of male employees who wish to take child care leave system and reply “often” is higher than that of those who reply “never.”

With respect to the availability of “child care leave system and work and child care balance support system,” when “both systems are available” is used as the reference, the ratio of male employees who wish to take child care leave system and reply “child care leave system is available but no other system” is higher than that of those who reply “both systems are available” and also, the

⁹ The reply “I don’t think so” to whether to have a child in the future is not included in the male employees in potential need and are excluded from this analysis.

Figure 4. Male employees in potential need classified by concerns about taking child care leave into those who wish to take child care leave



and salary raise” is a little higher.” Most of those who reply that they “do not know” to each question also reply that they “do not know” if they wish to take child care leave.

At the present time, it is considered that failure to encourage male employees to take child care leave is attributable more to the factors not related to concerns about taking the leave in the workplaces.

Table 5. Logistic regression analysis regarding male employees in potential need who wish to take child care leave

Explanatory variables	Explained variables		Male employees who wish to take child care leave
	(Do not wish to take it (total)/do not know = 0, Wish to take it (total) =1)		
	Effect	B	Effect Exp (B) (Odds ratio)
▼Dummy for whether I will have a child (do not know=0, I think so (total)=1)		0.983 **	2.673
▼Status of family (reference: the youngest child of age 0-3)			
Unmarried		0.926 *	2.524
Married with no child		0.617	1.853
Married with the youngest child of age 4-12		1.472 **	4.359
▼Working hours (reference: less than 45hrs.)			
45-54 hours		0.482	1.619
55 hours or more		0.361	1.435
▼Work from 6-10 pm (reference: never)			
Often work		1.151 *	3.161
Seldom		0.414	1.514
▼Work on Saturdays (reference: never)			
Often work		0.198	1.219
Seldom		0.028	1.028
▼Business size (reference: 300 employees or more and governmental organizations)			
Less than 30 employees		0.505	1.656
30-299 employees		-0.007	0.993
▼Child care leave system and work and child care balance support system (reference: both systems available)			
Child care leave system available but no other system		1.071 *	2.918
No child care leave system but the other is available.		1.645 *	5.181
Neither system is available		1.003	2.726
I do not know		0.460	1.583
▼Concerns about taking child care leave (Higher points given to more concerns)			
Causing colleagues inconvenience		0.241	1.272
Affecting promotion and salary raise		0.182	1.200
Fears about being unable to adapt to work after return to workplaces		-0.146	0.864
Difficult to get boss's understanding		-0.090	0.914
▼Gender-role division (reference: "men for work and women for housekeeping")			
Men for work and women for work-child care balance		0.492	1.636
Both men and women for work-child care balance		0.919 *	2.507
Men for work-child care balance and women for housekeeping		1.338 *	3.812
Others		0.517	1.677
Constant		-5.074 ***	
Number		(273)	
Cox & Snell R ²		0.171	
Nagelkerke R ²		0.234	
-2 log likelihood		305.3	
Chi-squared		51.2	
Degree of freedom		24	
Significance probability		P.<.0010	

(*P.<.05 **P.<.01 ***P.<.001)

ratio of male employees who wish to take child care leave system and who reply “child care leave system is not available but other system is available” is much higher than that of those who reply “both systems are available.”

As for “perceptions of gender-role division,” when those who reply “men for work and women for housekeeping” are used as the reference, the ratio of male employees who wish to take child care leave and reply “both men and women for work-child care balance” or “men for work-child care balance and women for housekeeping” is higher than that of those who reply “men for work and women for housekeeping.”

V. Summary

In this paper, I have first analyzed the current status of the work and child care balance support system in workplaces covering the male employees who have a child that needs care as well as the factors that prompt male employees in potential need to wish to take child care leave.

1. Current Status of the Work and Child Care Balance Support System

It can be said that the introduction of a work and child care balance support system in workplaces has not reached a satisfactory level and that such a system is not fully known or understood by male employees. Only an extremely small number of male employees take child care leave. It is also confirmed that it is very rare for male employees to take child care leave or to participate in child care by having their work adjusted to some extent.

In the background, there is such a perception that “child care is the role of a woman (mother),” as pointed out by Sato and Takeishi (2004). According to various public opinion researches, 50% of young male are against the perception of gender-role division¹⁰ and such perception is becoming weaker.

However, if there are no male models that successfully participate in child care by taking child care leave, utilizing a work and child care balance support system, or having their work adjusted, few male employees will take such an

¹⁰ According to the “public opinion survey on gender-equal society (November 2004)” by the Cabinet Office, the ratios of the men who are against the perception of “husband should work outside the home and wife should keep home” are higher than that of the men who are in favor of the perception in the cases of those who are 20-29 years old (49.7% against) and 30-39 years old (51.8% against).

action even through they wish to do so.

In the meantime, approximately 40% of male employees took leave to provide nursing care for their child when he/she was sick, indicating that male employees are also in need of such nursing care leave. It is important for companies to meet such a need through a work and child care balance support system. This is because taking nursing care leave will possibly lead them to participate more in child care by utilizing child care leave system and other systems.

2. Wish to Take Child Care Leave

Approximately 30% of male employees wish to take child care leave. Especially, more than one-third of the male employees who are “unmarried” or “married with no child” and probably will have a child in the future, wish to take child care leave. However, the fact is that only less than 1% of those male employees actually took child care leave, showing that there is a big gap between the reality and their desire. The results of the analysis reveal that the male employees who wish to have a child, those who are unmarried and those who have the youngest child of age 4-12 have a tendency to wish to take child care leave.

Also, the results reveal that the male employees who often work from 6-10 p.m. and those who work for the workplaces where there is a “child care leave system but no other work and child care balance support system” or “no child care leave system but other work and child care balance support systems,” tend to wish to take child care leave.

Regarding the perceptions of gender-role division, the male employees who have such a perception as “both men and women for work-child care balance” or “men for work-child care balance and women for housekeeping,” tend to wish to use the child care leave system.

These results of the analysis suggest that male employees are in a position to be unable to participate in child care even when they want to, because of long working hours or an unsatisfactory system of supporting for work-child care balance. Therefore, it is considered that their wish to be involved in child care by having their work adjusted is reflected on their wish to take child care leave. Their wish to take child care leave remained unchanged regardless of whether there was lack of understanding in their workplaces or any concern about their salary, which shows that men simply want to be involved in child

care. In this situation, it is an unattainable objective or significantly unrealistic for male employees to take child care leave under their current systems.

Meanwhile, it can be understood that their wish to take child care leave represents their hope not for the current child care leave system but for a more flexible child care leave system or other work and child care balance support systems that allow them to be involved in child care even in such a bleak situation. If they seek to balance work and child care so as to realize “both men and women for work-child care balance” and “men for work-child care balance and women for housekeeping,” it will be difficult for them to do so without such a flexible child care leave system or other work and child care balance support systems. For those male employees who seek to balance work and child care, it is necessary to review the current child care leave system and other work and child care balance support systems by introducing more flexible institutional designs and making them more user-friendly systems that are respondent to their desires.

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Support of Work-Family Balance and Women's Careers

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I. Introduction

In Japan, various policies have been implemented since the 1990s in support of a work-family balance. These policies were triggered by societal concerns regarding the declining birthrate. Notably, various requirements were posed upon corporations including the mandatory introduction of a child care leave system. However, while society needs family friendly policies, corporations have little necessity to modify their employment management system to resolve the dwindling birthrate. One might also argue their need to commit to work-family support policies regardless of the birthrate.

Corporations implement policies beyond their legal obligation when it is meaningful for them to do so. Potential direct advantages for corporations include a secure and stable workforce and a strong morale and commitment from their employees. On the other hand, how do work-family support policies affect workers?

This paper first reviews legislative policies in support of a work-family balance and subsequently clarifies their status of enforcement by corporations, concluding with a discussion of the relationship between work-family support policies and women's careers. Do more women remain working in companies with family-friendly policies and does that contribute to the improvement of women's employment? Particularly, since post 1990s' work-family measures focused on balancing work and child rearing, and also since pregnancy and child care are major grounds for women's career break, this paper analyzes the status of such policies and changes in women's careers by focusing primarily on support for a balance of work and child care.

II. Development of Work-Family Support Policies in Japan

1. Changes in Policies

(1) As a Policy for Supporting Women's Continuous Careers

In Japan, the gender gap has been demonstrated in various situations in the workplace, as indicated by field of employment, promotion, and wage level.

The main reason for this is the difference in the average years of employment between men and women. In the system followed by many Japanese corporations, a vital role is played by the number of years one is employed with a company. Therefore, the shorter period of employment for women was a major drawback to their career development. Women tend to work fewer years than men due to more substantial family obligations such as bearing and raising children. This attitude of gender role is particularly strong in Japan as compared to other industrialized nations.

Therefore, work-family support policies were defined as “the wheels of a vehicle” with equal employment measures to resolve the gender gap in the workplace. Legal stipulation on child care leave was included in the Working Women Welfare Law enforced in 1972, and similar regulations followed with the Equal Employment Opportunity Act in 1986. These acts state that employers must endeavor to provide child care arrangements for their female employees including child care leave when necessary. Since the objective was women’s continued employment, female workers were regarded as the target of the child care leave system.

Some private corporations introduced a child care leave system before the enforcement of the Act on Child Care Leave in 1992. Nippon Telegraph and Telephone Public Corporation was the first private company to introduce a child care leave system in the 1960s, which subsequently led to its introduction in other companies, mainly large-scale corporations. Around the time the Equal Employment Opportunity Act took effect, more corporations were voluntarily introducing the system as part of efforts to develop an environment that would facilitate the retention of female workers and capitalize on their abilities.

(2) As a Policy of Work-Family Balance for Both Males and Females

The declining birthrate in Japan boosted the promotion of work-family support policies. In 1989, the total fertility rate indicated 1.57, falling below the lowest figure recorded in 1966 (1.58). It was dubbed the “1.57 shock,” and Japanese society has been facing a declining birthrate ever since. Various measures were proposed to resolve the decline, amongst which the work-family support policy was considered a vital pillar. The idea behind this is, if we do not support women to balance work, child-bearing and rearing with an assumption that they will continue to work, then they would ultimately be forced to choose between work and family, and the birthrate would continue to decline.

In 1992, amid heightened concerns vis-à-vis the rapidly declining birthrate, the Act on Child Care Leave took effect for both male and female workers. This act not only supports continuous work for women, but also applies to men as a work-family balance support system for any workers with family obligations. Both male and female workers received the right to apply for child care leave. Also, employers were required to provide flexible work style such as shorter working hours for employees with child care obligations.

Subsequent improvements were made to the system from 1995 on, including a provision for income security during child care leave. Also, in answer to the nursing dilemma of an aging society, a family care leave system became compulsory and a revised act was enforced in 1999 entitled the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave. After the first “Angel Plan” was established in 1994, community-based local child care services improved in pursuit of superior policies for a work-family balance.

(3) Enforcement of the Act on Measures to Support the Development of the Next Generation

Furthermore, in a separate framework from the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave, the Act on Measures to Support the Development of the Next Generation was enforced in April 2005. This act stipulates that corporations with 301 or more employees are obligated to develop action plans to support the development of the next generation in their companies, and corporations with 300 or less employees are asked to endeavor to develop such plans. This act includes government accreditation of companies achieving certain results via adherence to the action plans. To receive such accreditation, at least one male employee must take child care leave, and 70% or more women with children must take child care leave during the planning period of the employees' action plan. In this way, a corporation's voluntary commitment is encouraged via a government accreditation system.

2. Implementation Status of Work-Family Support Policies and Their Effect

Let us look at the current status of work-family support policies in corporations.

Currently, 61.6% of companies (hereafter defined as those with five or

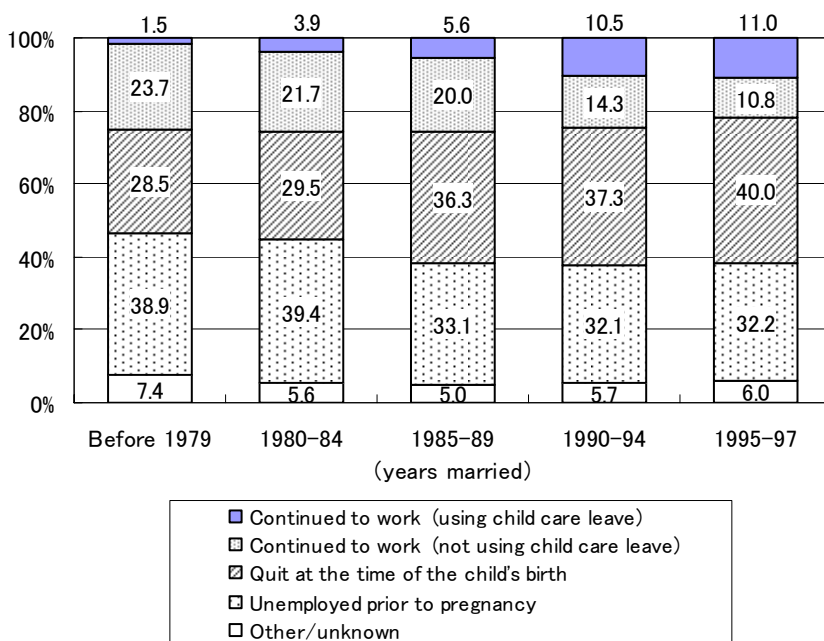
more employees) have implemented a child care leave system, and 55.6% have family care leave system. This indicates the presence of many companies in non-compliance with legalized regulations. The ratio of companies introducing measures such as shorter working hours remains at 41.6%, 70% or more of which limit the age of applicable children to those under three years of age. Exploitation of such a system is thus extremely limited for those with children of three years and older.

In a traditional Japanese employment system, the basic household model depicts a working husband and stay-at-home wife who is unemployed and cares for the children. This image remains strong throughout Japanese society, and very few women continue working after childbirth despite an improvement in work-family support policies.

As a result of the First Longitudinal Survey of Babies in the 21st Century conducted by the Ministry of Health, Labour and Welfare in 2001, 73.5% of women who gave birth to their first child were working one year prior to the birth, 67.4% of whom ceased working sometime thereafter. After six months following the birth, the ratio of working mothers including those self-employed was 24.6%, only 17.8% of whom were working full-time (excluding part-time). According to the Labour Force Survey conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications, of those women whose youngest child is three years old or younger, only roughly 30% of them are employed, thus indicating that the remaining 70% of them are not. Among these women, however, the percentage of those with a desire to work is fairly significant. This is particularly true among those whose youngest child is still quite young.

Figure 1 shows the employment status of women before and after the birth of their children. The ratio of those using the child care leave system has increased, but still remains at a low 10%. The data may appear to suggest that women who once continued working without taking child care leave are now able to continue working by taking advantage of the system, but in reality, since the number of women unemployed prior to becoming pregnant has decreased, the tendency to quit working at the time of pregnancy has actually increased.¹ Abe (2005b) pointed out that women who utilize the child care

¹ Abe (2005a) created pseudo-panel data by using the Employment Status Survey by the Statistics Bureau of the Ministry of Internal Affairs and Communications. As a result, he warned that marriage, giving birth and raising children have a strong effect

Figure 1. The employment status of women before and after childbirth

Source: *White Paper on the National Lifestyle Fiscal Year 2005* by the Cabinet Office (created based on the *Japanese National Fertility Survey* by the National Institute of Population and Social Security Research [2002]).

Notes: 1 The target of the survey was 4,647 wives out of first-time married couples who had been married five years or more and had their first child within the first five years of marriage.

2 Employment status of the wives before and after the birth of their first child by years married.

Employment status of women before and after childbirth is designated as follows:

Continued to work (using child care leave): worked before becoming pregnant with the first child—used child care leave—worked when the child reached one year of age

Continued to work (not using child care leave): worked before becoming pregnant with the first child—did not use child care leave—worked when the child reached one year of age

Quit at the time of child's birth: worked before becoming pregnant with the first child—did not work when the child reached one year of age

Unemployed prior to pregnancy: did not work prior to becoming pregnant with the first child—did not work when the child reached one year of age

on employment behaviors among younger generation women, particularly college graduates, and could potentially result in a declining marriage and birthrate.

leave system are unevenly distributed; they have high academic backgrounds and high wages. A similar situation was reported by the OECD (2001). It is, therefore, difficult to claim that family-friendly policies such as the child care leave system contribute extensively to the improvement of women's employment. The effect of work-family support policies on a woman's choice to continue working during child-bearing and rearing remains, for all intents and purposes, vastly limited.

III. Analysis of the Effect of Work-Family Support Policies on Women's Career

1. Work-Family Support Policies and Women's Careers

How do work-family support policies affect a woman's career? British and American studies have suggested that family friendly policies have promoted the stability and retention of employees.²

Higuchi (1994), Morita and Kaneko (1998), Shigeno and Okusa (1998), and Higuchi and Abe (1999) have concluded that companies with child care leave systems have a higher retention rate of female employees. Yamaguchi (2005) acknowledged that the child care leave system greatly contributes to maintaining the birthrate among married working women, and the improvement of such a system could be very effective in resolving the declining birthrate. For those women aspiring to work after having children, whether or not a good work-family policy is in place is a vital criterion when selecting an employer.

On the other hand, since the child care leave system is primarily used by women, it has been indicated that women's employment costs could increase, which would result in a negative effect on the hiring of female employees. Wakisaka (2001) suggested that in companies with less than 30 employees, a child care leave system could limit the hiring of women. According to the Ministry of Economy, Trade and Industry (2005), the higher the company's percentage of workers utilizing child care leave, the lower their ratio of female employment and hiring as well as their ratio of female managers. This indicates that the utilization of child care leave and the employment of female workers raising children are potential burdens on corporations. On the other hand, a workplace with a high ratio of child care leave users also enjoys extended

² Refer to Takeishi (2006b) for various international references.

continuous employment of female workers.

Implementing work-family support policies contributes to the retention of female employees and is thus expected to resolve the gender gap in terms of years of continuous employment. On the other hand, work-family support policies oblige corporations to bear the cost of raising the employees' children. Thus, since the majority of workers currently using the system are female, there is a discrepancy in employment costs for male and female employees, thereby possibly creating a gender gap.

2. Framework for Analysis and Data Used for Analysis

Based on the current status as described above and on existing studies, the effects of introducing and implementing work-family support policies on women's careers will be examined through analysis of data from different corporations. Specifically, this analysis examines the relationships between the introduction/operation of work-family support policies and the employment and retention of female workers.³

First, let us clarify the definition of work-family support policies in order to establish a framework for analysis. The work-family support policies analyzed in this paper are defined as measures to support the balance of work and child care (partially including care for the elderly/sick). As far as these policies are concerned, previous studies have stated that in addition to the system's introduction, it is imperative that employees understand the system and recognize that it can be utilized (Staines and Galinsky 1992; Eaton 2003). Therefore, this study uses indicators to illustrate not only the system's introduction, but also the development of a corporate environment to encourage its utilization.⁴

There is another vital factor for measuring the effectiveness of work-family support policies. Currently, family-friendly policies are strongly related to capitalizing on woman's abilities, such as retention in the workplace. Implementing only work-family support policies and disregarding equal employment measures hinders the opportunity to utilize woman's abilities, and

³ This paper includes only a summary of the results. Refer to the detailed results by Takeishi (2006a).

⁴ Actual usage can be used in lieu of environmental development; however, since the survey data does not include figures indicating actual usage, the status of environmental development is used to develop indicators.

Table 1. Distribution of introduction of work-family support policies

	Number of companies	Ratio (%)
Work-family support policies L (No)	272	59.8
Work-family support policies H (Yes)	183	40.2
Total	455	100.0

could result in a highly restricted career development path, such as a “mommy track (limited career course for mothers).” Thus, it is important to include not only work-family support policies, but also measures promoting a woman’s abilities, in other words promoting equal employment policies.⁵

Data used in this study was analyzed results of the Survey on the Relationship between a Corporations’ Employment of Women and Business Achievements⁶ by the Japan Institute of Workers’ Evolution.⁷ The survey was conducted in January and February 2003 and included 3347 listed or OTC corporations. From among these corporations, 455 valid responses were received (valid response rate: 13.6%).

The following three indicators were created to facilitate analysis based on the above framework: 1) introduction of work-family support policies, 2) development of a corporate environment using work-family support policies, and 3) implementation status of equal opportunity policies.

(1) “Introduction of Work-Family Support Policies” Indicator

As for the introduction of work-family support policies, if a company offers either a child care/family care leave system above and beyond the act, or runs an in-house child care facility in lieu of the former, then it is categorized as “work-family support policies (yes)” (Table 1).

- Offering a child care/family care leave system that goes above and beyond the act (companies introduced: 39.3%)
- Offering an in-house child care facility (companies introduced: 2.9%)

⁵ Refer to Wakisaka (2001) for a study analyzing the relationship between equal employment and family-friendly policies.

⁶ This analysis uses the results of survey analyses conducted at the Study Group of Work-Life Balance and Corporate Performance by the author with the NLI Research Institute. Refer to the NLI Research Institute (2005) for details.

⁷ Takeishi (2006b) addresses the same issue as indicated in this paper using different data, and achieves results similar to those found in the analysis of this study.

Table 2. Distribution of development of the corporate environment for the utilization of work-family support policies

	Number of companies	Ratio (%)
Development of the corporate environment L (Low)	240	53.5
Development of the corporate environment H (High)	209	46.5
Total	449	100.0

(2) “Development of a Corporate Environment for the Utilization of Work-Family Support Policies” Indicator

The status of environmental development for the utilization of work-family support policies was evaluated on four levels using the five items shown below (total 20 points). Setting the average (12.17) as a standard, 12 points or less is defined as “development of the corporate environment low” and 13 or more is defined as “development of the corporate environment high” (Table 2).

- Providing information for a smooth return to work after child care/family care leave
- Training for a smooth return to work after child care/family care leave
- Creating an ambience in which employees feel comfortable taking child care/family care leave
- Consulting for life plan for long-term employment
- Raising awareness among employees to generate a feeling of customariness regarding a female employee continuing to work after having children

(3) “Implementation Status of Equal Opportunity Policies” Indicator

The following eight items were used to assess the status of implementing equal opportunity policies and were evaluated on four different levels (total 32 points). The average (19.34) was set as the standard, and those who scored 19 or less were defined as “equal opportunity policies low,” and those who scored 20 or more were defined as “equal opportunity policies high” (Table 3).

- Training management and interviewers in equal hiring practices
- Creating manuals describing fair selection of men and women
- Planning for workers to take on the challenges of new jobs
- Securing educational/training opportunities for new job responsibilities

Table 3. Distribution of the implementation status of equal opportunity policies

	Number of companies	Ratio (%)
Equal opportunity policies L (Low)	225	49.7
Equal opportunity policies H (High)	228	50.3
Total	453	100.0

Table 4. Distribution of eight patterns combining the three fields

Work-family support policies	Development of environment	Equal opportunity policies	Combination	Number of companies	Ratio (%)
H	H	H	H-H-H	74	16.5
		L	H-H-L	25	5.6
	L	H	H-L-H	28	6.2
		L	H-L-L	56	12.5
L	H	H	L-H-H	68	15.1
		L	L-H-L	42	9.4
	L	H	L-L-H	58	12.9
		L	L-L-L	98	21.8
Total				449	100.0

- Encouraging female employees to participate in educational opportunities such as various training courses
- Encouraging female employees to take exams for promotions
- Training management and employees to eliminate the idea of a division of role between men and women
- Guiding management to eliminate gender discrimination when assigning work to men and women

(4) Combination of Three Indicators

The following eight patterns were established as shown in Table 4 by combining two levels of high and low for each of the three fields: 1) work-family support policies, 2) development of the corporate environment, and 3) equal opportunity policies.

3. Influence on Women's Employment

How does the development of work-family and equal employment policies effect women's employment? Figure 2 shows the average "ratio of women among regular employees" and "ratio of women among new graduates hired in

Figure 2. Comparison chart: Average ratios of women among regular employees and new graduates

the past three years” classified by the above types of corporations.

First, the “ratio of women among regular employees” is related to “work-family support policies” and “development of the corporate environment” indicators (significant at the 10% level), but not significantly related to the “equal opportunity policies” indicator. Analysis of the eight patterns showed a high “ratio of women among regular employees” in H-H-H and H-H-L groups, indicating that the connection to work-family support policies is higher than to equal opportunity policies. In the H-L-L group, the ratio of women is not high, demonstrating that not only the introduction of a system, but also improving the corporate environment to facilitate the use thereof strengthens the relationship between work-family support policies and the ratio of women.

The reason for a high ratio of women is: first, the ratio of hired women is high, and second, the retention of female workers is high despite a ratio of hired females similar to that of other companies.

When we look at the “ratio of women among new graduates hired in the past three years,” in groups with high indicators in “development of the corporate

environment” (significant at the 5% level) and “equal opportunity policies” (significant at the 1% level), the ratio is high, but the opposite is true of the “work-family support policies” indicator. Of the eight patterns, L-H-H has the highest ratio, with H-H-H and H-H-L being high as well. H-L-L indicates the lowest ratio. Companies implementing a combination of “development of the corporate environment” and “equal opportunity policies” indicators are active in hiring new female graduates, but those promoting only work-family support policies and ignoring the corporate environment or implementing equal opportunity policies are not actively hiring women. Companies that introduce work-family support policies, as described later, have a good retention rate of female workers. Therefore, even though the ratio of new graduates hired is low, the good retention rate results in a high ratio of females. At the same time, work-family support policies have an effect on the cost of employing women. Therefore, companies doing little above and beyond their commitment may be limiting their hiring of women.

In order to quantitatively analyze work-family support policies, development of the corporate environment and the status of female employment, a multi-regression analysis was conducted with the “ratio of women among regular employees (%)” and the “ratio of women among new graduates hired in the past three years (%)” as objective variables. The results were comparable to the above analysis (Results of the analysis are abbreviated).

4. Influence on the Retention of Female Workers

Needless to say, work-family support policies are measures to support women to continue working during child bearing and child care period. The significance of such policies as a retention measure is high for corporations in need of raising their retention rate. A number of studies have suggested that work-family support policies have a positive effect on employee retention (Gray 2002; Batt and Valcour 2003). If employers improve work-family support policies, women aspiring to have long-term careers may start applying for them. Meanwhile, implementing work-family support policies elicits a higher commitment from current employees, thereby increasing the retention ratio (Scandula and Lankau 1997; Eaton 2003).

In this section, the retention ratio of female workers is analyzed using the “average employment period for women.” The results are indicated in Figure 3.

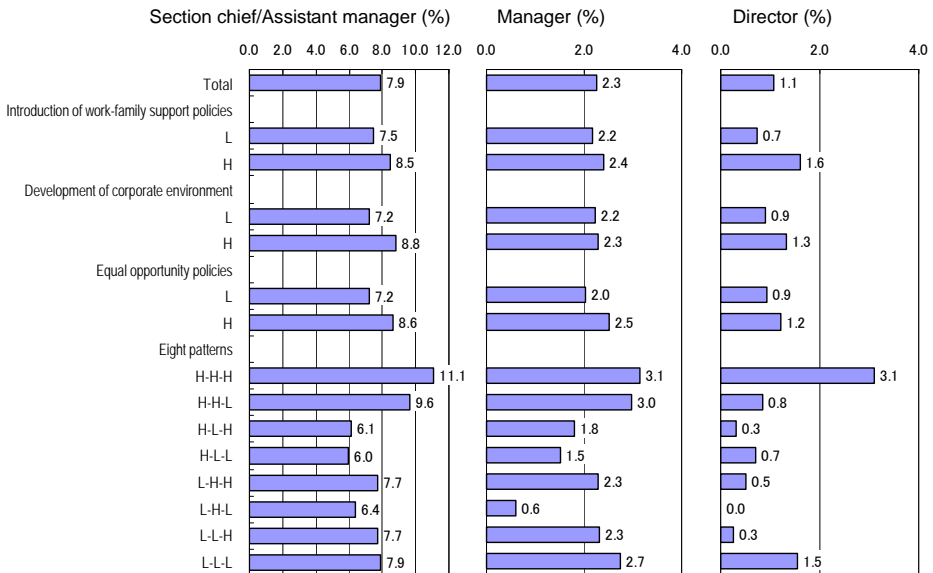
Figure 3. Comparison chart: Average employment period for women

The average employment period for women is longer in corporations with higher “work-family support policies” (significant at the 10% level), “development of the corporate environment,” and “equal opportunity policies” indicators than those with lower figures. Among the eight patterns, H-H-H has the longest employment period, followed by H-H-L. In general, there is a strong link to introducing work-family support policies. Results of the quantitative analysis show a significant positive coefficient (at the 10% level) in the H-H-L pattern, indicating that improving work-family support policies has an effect on retention (Results of the analysis are abbreviated).

5. Influence on the Promotion of Women

If the retention rate for women in companies rises, one can expect to see an increase in the number of women promoted to management position. Analysis of the promotion of female workers by ratio of those in management positions demonstrates that the rate of promotion to section chief/assistant manager, manager, and director respectively is high in companies with high indicators in work-family support policies, development of the corporate environment and equal opportunity policies. Among the eight patterns, the H-H-H group has a

Figure 4. Comparison chart: Average ratio of women in management positions



remarkably high ratio of women in management positions, particularly for the position of director (Figure 4). On the other hand, the L-L-L group has high ratio of companies with no females in management positions (63.3%). This indicates that work-family support policies promote a higher retention rate for female workers, while improving equal opportunity policies encourages the promotion of female workers to management positions.

According to results of a multiple regression analysis using the ratio of women in a section chief/assistant manager position (%) as the objective variable, the H-H-H group showed a significantly positive coefficient. Since there are many companies with no female managers or directors, logit analysis was conducted by setting the presence of female managers or directors as an objective variable. As a result, the H-H-H group showed a significant coefficient at the 5% level (Results of the analysis are abbreviated).

6. Summary of Data Analysis

The aforementioned results of the data analysis indicate that a corporation's implementation of work-family support policies contributes to a longer employment period for female workers, and when implemented alongside with

equal opportunity policies, it encourages promotions for women. As for a work-family balance, for women to continue working it is imperative that in addition to introducing a system, an environment to facilitate its ease of use is also developed. By implementing these measures, the retention rate for women rises, improving the ratio of women in the workforce and thereby promoting women's employment.

The data also calls attention to an effect on the hiring of women. The "work-family support policies" indicator and the ratio of women among new hired graduates may be inversely related. Previous studies indicated that the implementation of work-family support policies adversely affects women's employment, since use of the system is unevenly distributed; women tend to utilize it more. This study shows that corporations only introducing of work-family support policies may limit their hiring of women. On the other hand, corporations carrying out measures to promote utilization of the system and those working to capitalize on women's abilities rather than implementing work-family support policies as a formality, show no negative effect on the hiring of women. With work-family support policies having a positive effect on female employees, such as improving the retention rate and securing human resources, women's abilities will be further capitalized upon and more women will be promoted to management positions.

IV. Challenges of Work-Family Support Policies

Since the 1990s, despite the development of intensive policies supporting a work-family balance, women's careers have yet to undergo major change. The dwindling birthrate is another trend yet to see any change.

However, by introducing work-family support policies, promoting their use, and implementing equal employment for men and women, the retention rate for women and their promotion to management positions will improve. If more companies implement these measures comprehensively, the potential for women to capitalize on their abilities would rise. The problem is that, currently, so few companies do so.

The challenge of implementing work-family support policies is their misconception as "measures for women" or "measures for women with small children." Below are some issues that may stem from such a narrow interpretation of work-family support.

First, companies not seeking to capitalize on the abilities of female employees consider work-family support policies meaningless. In a workplace with few female employees with small children and many women who quit for child bearing and child care purposes, work-family support policies may be perceived as unimportant. This is one of the reasons for the major gap among companies in their commitment to supporting a work-family balance.

Second, since the majority of workers taking advantage of the measures are women, it is perceived that employment costs for female workers are significantly higher than for their male counterpart, a factor also substantiated by the data analysis. If only women are utilizing the child care leave and shorter work hour systems, then their cost as a workforce surpasses that of men. Therefore, improving work-family support policies may lead to a decrease in demand for women in the workforce. Also, taking into consideration a woman's child care responsibilities and exempting them from overwork and transfer, their promotions and raises are often limited. If a "mommy track" or separate career path for working mothers develops, it will not meet workers' needs even if a balance between work and child care becomes attainable.

Also, since work-family support policies were initially established for those employees trying to balance work and raise small children, utilization of the system is currently very limited. Therefore, those who take advantage of it do so with a sense of discomfort, and creating a work-family balance is not recognized as a common issue among employees in the workplace.

Policies for balancing work and child care should not be limited to working mothers, and should apply to a wider audience. The concept that men have little need for a work-family balance and the philosophy that stay-at-home mothers should have the sole responsibility of raising their children were both assumptions held at the introduction and implementation of the system. This is, in all likelihood, the major reason why the anticipated effect of work-family support policies was not achieved. Furthermore, child rearing is not limited to small children, but a long-term process. This "long-term" point of view will become vital to achieving support for a work-family balance.

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Effects of Work-Life Balance Programs on Female Employment

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I. Introduction

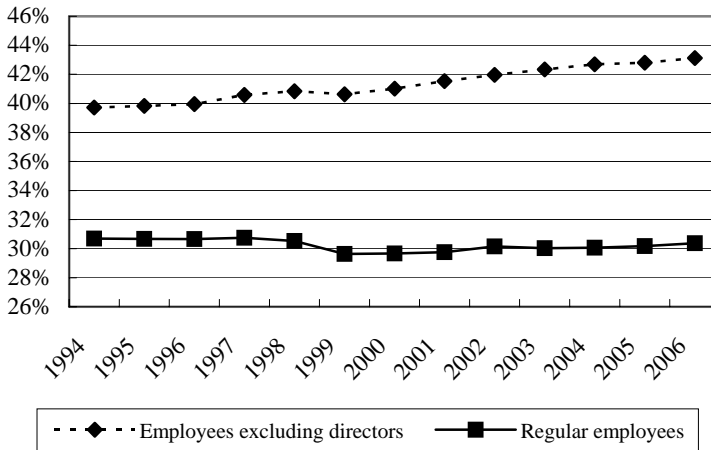
Presently in Japan, efforts are being made to introduce “the work-life balance programs,” notably provision of child care leave and family care leave and reduction of long-time work, which aim to balance work and private life and to help workers make their jobs and domestic roles such as parenting compatible. Nevertheless, not much progress has been observed and the effects of these programs are widely questioned. In this paper, I would like to analyze how child care leave, which is one of the work-life balance programs, affects the employment and recruitment of female workers. The results of my analysis imply that companies consider it a cost for their female employees to take child care leave.

In Japan, labor demand decreased more radically than ever before due to a long-term economic recession from the latter half of the 1990s through early 2000s. In 2002, the unemployment rate in Japan reached 5.4%, a record high in the past 30 years, whereas the ratio of effective labor demand to effective labor supply fell to as low as 0.51 fold, worst in the last three decades. Employment requirement diffusion index (D.I.) also indicated an extremely strong feeling of labor surplus, suggesting that restrictions presented in the labor demand side mostly determined the balance between labor demand and supply during the period from the latter half of the 1990s to early 2000s.

Around the same time, in the decade from 1994 to 2004, the female worker employment rate (the ratio of female employees to all employees excluding directors) in Japan increased by 3.0% from 39.7% to 42.7%, while the ratio of female regular employees (to the total number of regular employees) dropped by 0.6% from 30.7% to 30.1%, again during the above-mentioned period.

For the last ten years, companies have strived to reduce the number of regular employees by replacing them with temporary workers in the aim of cutting fixed costs. Consequently, the few remaining regular employees have been asked for even better performance and further commitment than ever. In pursuit of such higher performance and commitment, companies tried to employ

Figure 1. The ratios of female employees to all employees and to regular employees



Source: Management and Coordination Agency (Ministry of Public Management, Home Affairs, Posts and Telecommunications from 2001), Statistics Bureau, *Report on the Special Survey of the Labour Force Survey* (from 1996 to 2001, all in February) and Ministry of Public Management, Home Affairs, Posts and Telecommunications (Ministry of Internal Affairs and Communications since 2004), Statistics Bureau, *Annual Report on the Labour Force Survey (Detailed Tabulation)* (from 2002 to 2006, annual average).

male workers who, on average, have longer years of service, lower turnover ratio, and more accumulated human capital. This is considered to be a reason for the decrease in the number of female regular employees.

There is also a possibility that implementation of “support programs for balancing work and family” and “programs for equal opportunity for both sexes” in the last two decades might have been affecting the employment of female workers. In 1986, “the Equal Employment Opportunity Law” was enforced, followed by “the Child Care Leave Law” enacted in 1992 and “the Child Care and Family Care Leave Law” established in 1995 (the section relevant to the family care leave came into effect in 1999). At the same time, policies were administered in the direction toward equal treatment of male and female employees with regard to recruitment, placement, promotion, etc., as well as toward elimination of job title classifications such as *Sogoshoku* (career-track employees) and *Ippanshoku* (rank-and-file employees).

Looking at the correlation between the use of child care leave and employment of female workers from the viewpoint of enterprises, an advantage

is that entitling female employees to take child care leave facilitates female human resource development as it extends the length of their service, while there are also disadvantages of expanded uncertainty over their service length and increased costs associated with employment of temporary workers to substitute the absentees.¹ Even now when the provision of child care leave is obligated by law, the actual status of taking child care leave largely varies from one company to another depending on its operation and human resources management. This study examines the cross-sectional and time-series relationship between the ratio of child care leave takers and the ratio of female employment. The effect of wage disparity within enterprises on this relationship is also examined.

Section II reviews existing studies concerning the child care leave and employment of female workers. Explanations follow as to my analysis framework and data, in Section III and IV respectively. Section V exhibits the results of the analysis, and then policy implications will be discussed in Section VI.

II. Preceding Studies on the Child Care Leave and Employment of Female Workers

Studies in respect of relation between the child care leave and employment of female workers conducted in Japan include: Kawaguchi (2002), Abe and Ouchi (1998), Wakisaka (1999, 2001), Ohtake (1999), Morita (2005) and Tomita (2002).²

In reference to a questionnaire survey conducted in 2000 on the member companies of Osaka Chamber of Commerce and Industry and Kansai Economic

¹ According to Wakisaka (2002), only 20.7% of listed companies consider the child care (family care) leave system “not problematic at all.” The biggest problems they find include: “difficulty in obtaining replacement personnel (50.6%),” and “treatment of replacement personnel after leave-takers’ return to workplace (41.0%).”

² Based on the data obtained in *The Survey on Work Perception of Female Employees and Their Working Behaviors* conducted by the Japan Institute of Labour in 1996, Morita and Kaneko (1998), one of the analyses that employ worker-oriented data, proved that the child care leave system does extend the service length of female employees. Sigeno and Okusa (1998) also showed that the child care leave system is effective in promoting extension of service length, using the individual data available from *The Japanese Panel Survey of Consumers* conducted by the Institute for Research on Household Economics.

Federation, Kawaguchi (2002) stated that no substantial results were gained to verify that family-friendly measures or programs for equal opportunity for both sexes had actually hampered employment of female workers.

Using the data collected via a survey performed in 1992 and 1995 by a job information magazine targeted at university students, Abe and Ouchi (1998) performed a regression analysis in respect of the proportion of recruitment of new female graduates and that of recruitment of female career-track employees, on the basis of presence/absence of a child care leave program. While the availability of child care leave programs had no significant effect on the ratio of recruitment of new female graduates, it did adversely affect the proportion of recruitment of female career-track employees.

Based on the results of an analysis incorporating annual activity reports of the health insurance associations, Wakisaka (1999) revealed that the higher the ratio of female employees, the lower the ratio of those who take child care leave. Furthermore, with reference to the Basic Survey on Women's Employment Management in 1995, 1996, and 1997, Wakisaka (2001) conducted a regression analysis of the ratios of female employees with the least-square method using the number of employees, availability of child care leave programs, presence/absence of labor union, and industry dummies. The results showed that the child care leave system served as a significantly negative coefficient, which seems to indicate that the system itself hinders recruitment of female workers. When applying this regression analysis by business scale, however, although the coefficient of child care leave system was once again significantly negative among both small-sized enterprises with five to 29 employees and companies with 30 employees or more; when it comes to large enterprises with 500 employees or more, the coefficient turned out to be positive if not to a significant degree. Wakisaka interpreted this finding to mean that "in small-sized enterprises, providing a child care leave system imposes a cost burden (or at least their top management are made to believe so), resulting in hesitation to hire women in relative terms."

Ohtake (1999) pointed out that even though the Child Care Leave Law functioned as a beneficial system for presently employed workers, it might reduce the employment opportunities for those who were not hired yet.

Utilizing the Employment Trend Survey, Morita (2005) took note of the time difference in legislation of the child care leave system between for small- and medium-sized enterprises and for large-scale companies, to verify whether

or not the child care leave system had adversely affected labor demand for female workers by altering the perception of companies on costs that female workers could incur. The results of her analysis did not necessarily indicate that the enforcement of the Child Care Leave Law in 1992 had any impact on new employment of female workers, yet they at least revealed that the 1995 revision of the Law discouraged new employment of female workers in small companies which came under the scope of the Law since the revision, and that it might have had a negative influence on employment of female applicants who wished for career change, especially those aged between 35 and 44.

Equally sampling companies both with and without female directors or managers, Tomita (2002) analyzed the effects of the ratio of child care leave takers on the ratio of female worker recruitment. As a result, it was learned that, among companies having no female directors or manager, the higher the ratio of child care leave takers was, the lower the proportion of female employees became, although it was not statistically significant. On the other hand, among companies having female directors or managers, the coefficient reflecting the ratio of child care leave takers had a positive effect on the proportion of female worker recruitment. It is true that the child care leave could be a cost for companies on a short-term basis, but investment in cultivation of female employees should increase the return in the long run as female employees who were on child care leave come back to work after delivery of their baby. Thus, Tomita concluded that companies with female directors or managers tended to recruit more female workers, in response to an increase in the number of female employees who took child care leave.

Among the above-presented existing studies, Kawaguchi (2002) and Abe and Ouchi (1998) analyzed the relation between the child care leave system and employment of female workers, whereas Wakisaka (1999, 2001) and Tomita (2002) analyzed the correlation between the ratio of child care leave takers and employment of female workers. In Japan, an increasing number of companies have adopted the child care leave system since the enforcement of the Child Care Leave Law in 1992. At present, the proportion of companies that employ the system has reached up to 99.9% in 2005.³ Having this in mind, I will perform an analysis in this paper on the basis, not of the child care leave

³ Large enterprises with 500 employees or more (The Basic Survey of Women's Employment Management).

system itself, but of its operational performance, namely the ratio of child care leave takers.

III. Framework of the Analysis

The impacts that the use of child care leave and other human resources management measures have on the employment of female workers at the level of individual enterprises are understood in this paper as follows.

First, under the assumption of the simplest labor market, wages of male and female workers determined in this assumed labor market reflect the productivity of each male/female worker, in other words, difference in their individual human capital. From the company's point of view, if the ratio of female employees taking child care leave rises, the productivity of female employees will decline by the ratio of female employees taking child care leave multiplied by lost productivity due to the use of child care leave.⁴ The lost productivity here refers to the costs incurred on a company by its employees' use of child care leave, due to, for example, obsolescence of employee human capital because of discontinuation of career development, inactivity of internal and external human networks, as well as losses in terms of manpower management resulted from inability for the company to work out a personnel management plan in advance as it is impossible to pencil in the exact delivery dates beforehand. Facing such circumstances, the company ends up with making a choice of either: a) cutting down the salary of female employees, and b) reducing the number of female workers.⁵ Although the provision of child care leave is now a legal obligation, the Equal Employment Opportunity Law at the same time makes it difficult for companies to set different amounts of

⁴ The Child Care Leave Law stipulates that when any worker irrespective of sex applies for the use of child care leave, his/her employer is obliged to allow him/her to take such leave, which means that those eligible to take child care leave are not necessarily limited to females. In fact, however, female workers made up 98.1% and 98.0% of the total number of workers who took child care leave in 2002 and 2005, respectively (*The Basic Survey on Women's Employment Management*).

⁵ Ruhm (1998) analyzed how changes in child care leave programs in nine European countries from 1969 to 1993 affected employment and wages of female workers, using the method of difference-in-difference-in-difference (DDD). The results revealed that child care leave contributes to boost the employment of female workers (i.e. the number of employed female workers compared to the national population), but that it lowers the wages paid for female workers.

salary for male and female employees who have the same attributions. As a result, companies rather naturally choose either to reduce the number of female workers or to recruit only such females who are more capable than average male counterparts and deserve an extra expense imposed by their use of child care leave.

In addition, under the situation that the high ratio of child care leave takers results in restriction on the employment of female workers, I will discuss whether or not a certain way of employment management, which accommodates employee-specific customization so that the company can work out rewards according to each worker's productivity by widening internal wage disparity, could ease the restrictive effect on female worker employment caused by the use of child care leave. If such customized management brings about more positive effects in enterprises with high ratio of child care leave takers rather than in those where child care leave is less often taken, it could be considered that a conscientious employment management personalized for individual employees would prevent the ratio of female worker employment from deteriorating. Conversely, if the customized management has smaller effects in companies that have high ratio of child care leave takers than in those with low ratio of child care leave takers, the employee-specific customized management would be regarded as providing little positive impact in the former enterprises.

Here, this paper examines the relation between the ratio of child care leave takers and utilization of female personnel, focusing on differences in the ratio of child care leave takers according to each company.

IV. Data

In this paper, the Basic Survey on Wage Structure conducted in 1993, 1996, and 2001, the Establishment and Enterprise Census of Japan in 1996 and 2001, and the Basic Survey on Women's Employment Management in 2003⁶ are referred in order to investigate the correlation between the ratio of child care leave takers and those of female worker employment and female worker

⁶ The 2003 ratio of child care leave takers is used here due to data limitation. It means that my argument is based on an assumption that there will not be any temporal change in the relative level of the ratio of child care leave takers in each enterprise in comparison with the total average, even though the standard of the ratio has been enhanced as a whole.

recruitment.

“The ratio of child care leave takers” used in this analysis is the value calculated by dividing the number of females that take child care leave with the total number of female employees. Although this ratio can also be defined by dividing the number of female child care leave takers with that of employees who actually gave birth to a baby, this calculation naturally excludes from the denominator female employees who quit the company after delivery. Therefore the total number of female employees is intentionally used here instead.⁷

Here, the sample enterprises are divided into two groups depending on if the ratio of child care leave takers is either higher or lower than the total average, and then examine differences in the ratios of employment and recruitment of female workers among the respective groups. The reason for mainly taking into account the results obtained by incorporating the simple average out of all industries irrespective of enterprise size is to simultaneously observe, for instance, differences in the ratios of female employees and those of female worker recruitment between industry types with longer average service length and higher ratio of child care leave takers and those with shorter average service length and lower ratio of child care leave takers.

Note that the term “ratio of female worker employment” used in this section refers to that of female regular employees to the total number of regular employees. “The ratio of female worker recruitment,” on the other hand, is that of recruited new female graduates to the total number of recruited new graduates found in the Basic Survey on Wage Structure.

The term “wage disparity within enterprises” used in this analysis indicates the variance (standard deviation of error term) in salary among employees who belong to a same company sharing the same gender, years of experience, educational background, residing region, and service length (Refer to the Appendix).

The total number of the sample enterprises is 5,723, and the industry

⁷ The ratio of child care leave takers adopted in this analysis can be calculated as follows: (the number of female child care leave takers/the number of employees who delivered a baby) \times (the number of employees who delivered a baby/the number of female general workers). This leaves one problem unsolved, that is, it is impossible to tell either of the following two possibilities is actually responsible for the fact that the relevant ratio is low: 1) it is difficult to take child care leave, and 2) within the age structure of target employees, those in childbearing age are simply limited in number.

breakdown is as follows: wholesale, retail, and restaurant industry = 33%, manufacturing industry = 19%, finance and insurance industry = 18%, and service industry = 14%. The average scale of the enterprises is 96 persons, and that of the corporations is 3,473 persons; most of these corporations are large-sized. Among the sample enterprises, the average ratio of female regular employees is 25%, that of female worker recruitment is 41%, and that of child care leave takers is 2.1%. These numbers are descriptive statistics of the 2001 research, yet the range of industry types and enterprise sizes in both 1993 and 1996 studies are also very similar.

V. Analysis Results

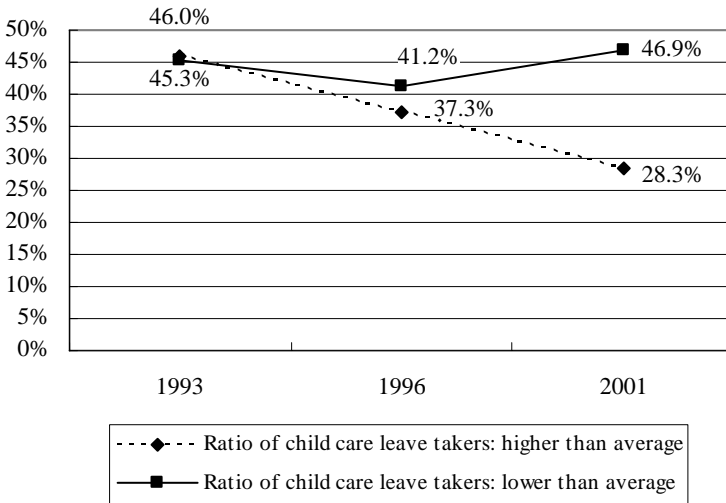
1. Impacts That the Ratio of Child Care Leave Takers Have on Employment of Female Workers

First, let me consider what kind of impacts the costs that companies bear in relation to the increase of child care leave takers have on employment of female workers.⁸

In 1993, immediately after the introduction of the child care leave system, both enterprises with a high ratio of child care leave takers and those with a low ratio showed practically no difference in the ratio of female worker recruitment (the ratio of female worker recruitment among enterprises that had a higher than average proportion of child care leave takers was 46.0%, while that among enterprises with a lower than average proportion of child care leave takers was 45.3%). As years passed by, however, the difference became unignorable. In 2001, the ratio of female worker recruitment in enterprises where the ratio of child care leave takers was lower than average was 46.9%, whereas that in companies where the ratio of child care leave takers was higher than average turned out to be as low as 28.3%, presenting a remarkably

⁸ The analysis below is based on the assumption that companies reasonably determine the ratio of female worker employment and that of female worker recruitment. This assumption is fairly well supported, as in a hearing survey that I conducted targeted at enterprises, many of the subject companies exposed to international and domestic competition responded that, upon recruitment, they did not discriminate job applicants on a basis of gender or nationality, as long as they were considered to have potential to contribute to the company. Kodama, Odaki and Takahashi (2005) also verified that the ratio of female worker employment had neither positive nor negative effect on the profit rate.

**Figure 2. The ratios of female worker recruitment
by ratio of child care leave takers**



substantial gap of 18.6% (Figure 2).

Table 1 shows the ratios of female worker recruitment by industry as well as by the ratio of child care leave takers in 2001. In the wholesale, retail, and restaurant industry, the ratio of female worker recruitment among enterprises with a high ratio of child care leave takers was 28.8%, while that among companies with a low ratio of child care leave takers was 47.8%. In the manufacturing industry, the ratio of female worker recruitment among enterprises with a high ratio of child care leave takers was 26.1%, while that among companies with a low ratio of child care leave takers was 35.3%. In the finance and insurance industry, the ratio of female worker recruitment among enterprises with a high ratio of child care leave takers was 43.3%, while that among companies with a low ratio of child care leave takers was 71.0%. In the service industry, the ratio of female worker recruitment among enterprises with a high ratio of child care leave takers was 31.6%, while that among companies with a low ratio of child care leave takers was 42.1%. Looking at the figures by industry, the ratio of female worker recruitment among enterprises with a high ratio of child care leave takers is lower than that among enterprises with a low ratio of child care leave takers in almost all industries. In the industries such as “finance and insurance,” “real estate,” “electricity, gas, heat supply,

Table 1. The ratios of female worker recruitment by industry and by the ratio of child care leave takers

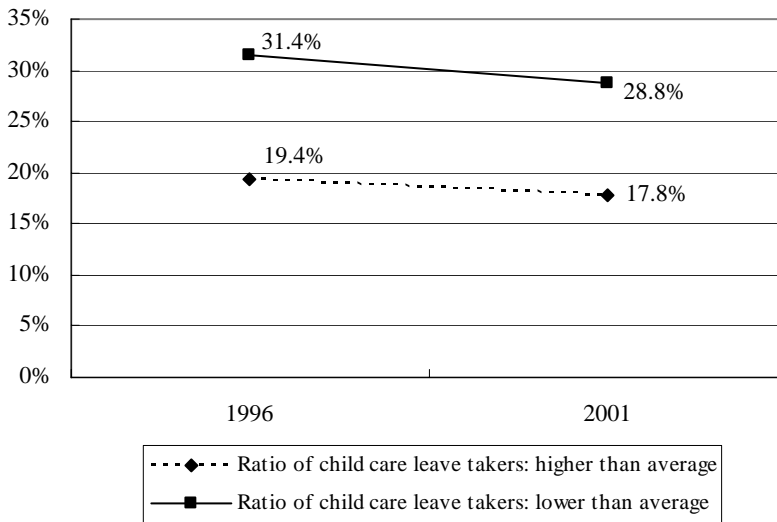
	Ratio of child care leave takers (%)		
	Low	High	Total
Mining	30.0%	66.7%	43.8%
Construction	25.6%	15.1%	21.7%
Manufacturing	35.3%	26.1%	31.7%
Electricity, gas, heat supply & water supply	40.8%	17.0%	20.9%
Transportation & telecommunication	42.9%	27.8%	35.0%
Wholesale, retail & restaurant	47.8%	28.8%	41.8%
Finance & insurance	71.0%	43.3%	64.9%
Real estate	48.4%	12.0%	46.5%
Service	42.1%	31.6%	38.9%
Total	46.9%	28.3%	40.5%

and water supply,” and “wholesale, retail, and restaurant” where the ratio of female worker recruitment is high, the gap in the ratio of female worker recruitment between enterprises with a high ratio of child care leave takers and those with a low ratio is large. Meanwhile, in the industries such as “construction,” “manufacturing,” and “service” where the ratio of female worker recruitment is low, the gap is small in the ratios of female worker recruitment between enterprises with a high ratio of child care leave takers and those with a low ratio is small.

The ratios of female worker employment were also high in enterprises with a low ratio of child care leave takers in both 1996 and 2001. In 1996, the ratio of female worker employment among enterprises where the ratio of child care leave takers was higher than average was 19.4%, while that among enterprises where the ratio of child care leave takers was lower than average was 31.4%, leaving a difference of 12.0%. In 2001, the ratio of female worker employment among enterprises where the ratio of child care leave takers was higher than average was 17.8%, and that among enterprises where the ratio of child care leave takers was lower than average was 28.8%, again presenting a difference of 11.0% (Figure 3).

Table 2 shows the ratios of female worker employment by industry as well as by the ratio of child care leave takers in 2001. In the wholesale, retail, and restaurant industry, the ratio of female regular employees among enterprises with a high ratio of child care leave takers was 16.2%, while that among

**Figure 3. The ratios of female worker employment
by the ratio of child care leave takers**



companies with a low ratio of child care leave takers was 20.6%. In the manufacturing industry, the ratio of female regular employees among enterprises with a high ratio of child care leave takers was 19.1%, while that among companies with a low ratio of child care leave takers was 23.9%. In the finance and insurance industry, the ratio of female regular employees among enterprises with a high ratio of child care leave takers was 36.6%, while that among companies with a low ratio of child care leave takers was 54.2%. In the service industry, the ratio of female regular employees among enterprises with a high ratio of child care leave takers was 22.6%, while that among companies with a low ratio of child care leave takers was 26.5%. Looking at the figures by industry, the ratio of female worker employment among enterprises with a high ratio of child care leave takers is lower than that among enterprises with a low ratio of child care leave takers in almost all industries, and the difference is the biggest in the finance and insurance industry.

As observed above, immediately after the introduction of child care leave system when the average ratio of child care leave takers was low, the ratio of child care leave takers had no impact on the recruitment of female workers. However, it was confirmed that as the average ratio of child care leave takers

Table 2. The ratios of female worker employment by industry and by the ratio of child care leave takers

	Ratio of child care leave takers (%)		
	Low	High	Total
Mining	12.6%	12.2%	12.6%
Construction	10.0%	8.9%	9.6%
Manufacturing	23.9%	19.1%	22.0%
Electricity, gas, heat supply & water supply	12.1%	8.6%	9.3%
Transportation & telecommunication	13.7%	10.9%	12.3%
Wholesale, retail & restaurant	20.6%	16.2%	18.7%
Finance & insurance	54.2%	36.6%	50.9%
Real estate	22.4%	24.8%	22.8%
Service	26.5%	22.6%	25.6%
Total	28.8%	17.8%	24.8%

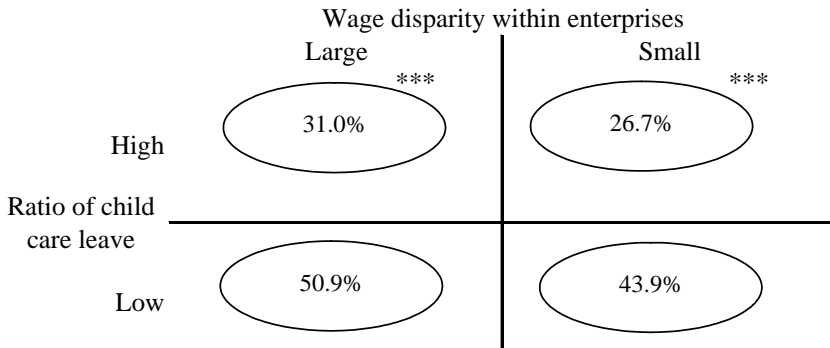
rose, the ratio of child care leave takers started to impose a negative effect on the ratio of female worker recruitment and that the ratio of female worker employment was low in enterprises with a high ratio of child care leave takers. It is possible to infer that the ratio of female worker recruitment has decreased in enterprises with a high ratio of child care leave takers because the use of child care leave helped female employees extend their service length, temporarily eliminating the necessity of recruiting additional female workers. Nevertheless, also taking it into consideration that the ratio of female regular employees was low in enterprises with a high ratio of child care leave takers, it is rather ascribed to the result that companies perceive the use of child care leave by female employees as a cost for them.

2. Impacts That the Ratio of Child Care Leave Takers and Wage Disparity within Enterprises Have on Employment of Female Workers

The next issue to examine is, assuming that the ratios of child care leave takers are the same, how the employment of female workers is affected if wage disparity is significant within an enterprise, which means, supposedly, the enterprise implements customized management or has diversified career paths.

Figure 4 shows the ratio of female worker recruitment compared with the ratio of child care leave takers and wage disparity within enterprises. Comparing the cases where the ratio of child care leave takers is higher than average, when the wage disparity within enterprises is smaller than average, the ratio of

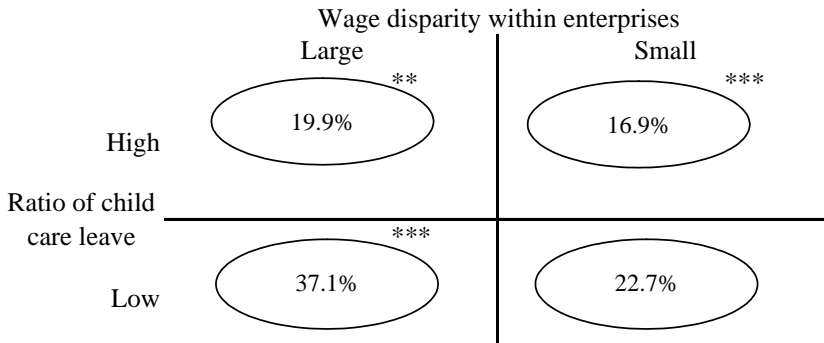
Figure 4. The ratio of female worker recruitment compared with the ratio of child care leave takers and wage disparity within enterprises



female worker recruitment is 26.7%; on the other hand, when the wage disparity within enterprises is larger than average, the ratio of female worker recruitment is 31.0%. Meanwhile, comparing the cases where the ratio of child care leave takers is lower than average, when the wage disparity within enterprises is smaller than average, the ratio of female worker recruitment is 43.9%; on the other hand, when the wage disparity within enterprises is larger than average, the ratio of female worker recruitment is 50.9%. No matter how high or low the ratio of child care leave takers is, the ratio of female worker recruitment is high in the enterprises where wage disparity is significant. However, looking at the degree of wage disparities found within enterprises, it becomes greater when the ratio of child care leave takers is lower.

Figure 5 shows the ratio of female worker employment compared with the ratio of child care leave takers and wage disparity within enterprises. Comparing the cases where the ratio of child care leave takers is higher than average, when the wage disparity within the enterprises is smaller than average, the ratio of female worker employment is 16.9%; on the other hand, when the wage disparity within the enterprises is larger than average, the ratio of female worker recruitment is 19.9%. Meanwhile, comparing the cases where the ratio of child care leave takers is lower than average, when the wage disparity within the enterprises is smaller than average, the ratio of female worker employment is 22.7%; on the other hand, when the wage disparity within the enterprises is larger than average, the ratio of female worker employment is 37.1%. In each case, the ratio of female worker employment is high when the

Figure 5. The ratio of female worker employment compared with the ratio of child care leave takers and wage disparity within enterprises



wage disparity within enterprises is large. However, looking at the degree of wage disparities found within enterprises, it becomes greater when the ratio of child care leave takers is lower.

The results of this analysis revealed that, when the ratio of child care leave takers is high, the employment of female workers is restrained, and that in workplaces where the ratio of child care leave takers is high, even if the wage disparity within the enterprise is large, it does not have so much effect to promote employment of female employees.

VI. Policy Implication

Just after the child care leave system was introduced in 1993, there was no clear difference in the ratio of female worker recruitment resulting from the difference in the ratio of child care leave takers. Thereafter, although in workplaces where the ratio of child care leave takers was low, the ratio of female worker recruitment hardly changed, the same ratio declined in workplaces where the ratio of child care leave takers was high. With respect to the ratio of female worker employment, it tended to be low in enterprises where the ratio of child care leave takers was high. This suggests that the use of child care leave is felt to be a big burden on companies.

Thus, it should be carefully noted that, when companies are encouraged to provide equal opportunities irrespective of gender without paying attention to the difference in productivity, the disparity between male and female employees

who are already hired by a same company becomes small, but there is a risk that female employment opportunities themselves might be eliminated.

In the workplaces where the ratio of child care leave takers is high yet there is a system that enables to reflect the lost productivity due to the use of child care leave in salaries, for instance those with large wage disparity, the decrease in female worker employment was smaller than in those that do not have a similar policy. Nevertheless, even if such salary management is implemented, the ratio of female worker recruitment in the workplaces with the high ratio of child care leave takers is lower than that in the workplaces with the low ratio of child care leave takers. To put it differently, even a framework that enables to reflect in salaries the lost productivity due to the use of child care leave cannot completely eliminate all the burdens that arise from the use of child care leave. It was learned that, on the contrary, in the workplaces where the ratio of child care leave takers is high, the effects that large wage disparity within enterprises has in promoting female worker employment is diminished to a great degree.

As found above, it is inferable that the use of child care leave has been such a burden on companies that they cannot overcome it by simply elaborating on their human resources management. In order to encourage the use of child care leave, it can be considered that companies should not be the only party to bear the burden imposed by their employees' child-rearing efforts; the government and society also need to support it to a substantial extent.

Regarding the relationship between work-life balance programs and company performance, many of the existing studies conducted in the U.S. have demonstrated that the two are positively correlated⁹, whereas those carried out in Japan have given no clear answer. The results of preceding studies performed in Japan in respect of the effects of work-life balance programs (or family-friendly programs) on company performance contradict with each other, providing all the possible outcomes of "no effect," "positive effect" and

⁹ Using the company data available from the U.S. Fortune 500, Clifton (2004) revealed that work-family support programs improve productivity. Arthur (2003) and Arthur and Cook (2004) utilized the event study method to verify how stock prices were affected by family-friendly measures featured in the Wall Street Journal. Consequently, they found that the family-friendly measures and stock prices positively correlated with each other. Roehling, Roehling and Moen (2001) also stated that, based on a set of data extracted from U.S. workers, there was a positive correlation among the flex time policy, informal support from bosses and colleagues, and workers' loyalty.

“negative effect” (Sakazume 2002¹⁰; Kawaguchi and Nagae 2005¹¹; Wakisaka 2006¹²; and Kodama, Odaki and Takahashi 2005¹³). Some studies concluded that work-life balance programs could be effective when combined with equal employment opportunity measures or vocational ability development programs (Perry-Smith and Blum 2000¹⁴; Konrad and Mangel 2000¹⁵; Abe and

¹⁰ Based on the data gathered by a company survey conducted by Japan Productivity Center for Socio-Economic Development in 2001 and those concerning employees who belong to the subject companies, Sakazume (2002) revealed that although diversified family-friendly measures had a positive effect on company performance (changes in ordinary income) but that conventional family-friendly measures and active promotion of such programs had no effect on company performance.

¹¹ Kawaguchi and Nagae (2005) incorporated the event study method to verify the effects of awards given to companies promoting equal employment opportunity and implementing family-friendly measures on their stock prices. The results demonstrated that the awards given to companies administering family-friendly measures boosted their stock prices on a short-term basis, though it brought about a negative effect on the companies who were losing profits, and that the awards given to companies promoting equal employment opportunity triggered a short-term drop in their stock prices.

¹² Wakisaka (2006) developed an index that reflects how family-friendly a company is, by taking into account, for example, overall status of work continuation/termination by female regular employees, availability of child care leave system, and presence/absence of a short-time work system. It was revealed that the companies whose index turned out to be high experienced a negative impact on their sales increase, and at the same time a positive effect on their subjective assessment regarding productivity and performance improvement in comparison with those observed five years before.

¹³ Kodama, Odaki and Takahashi (2005) found that the ratio of female employees and that of profits were both high in enterprises where the following three elements were realized: “disparity in service length between male and female employees is small,” “there is a reemployment system,” and “the ratio of female managers is high,” and that the ratio of profits was not high but that of female employees was high in enterprises where the following five elements were realized: “the ratio of female career-track employees is high,” “assigned overtime is short,” “there is a child care leave system that provides the legally-designated number of holidays or more,” “there is a flex-time system,” and “there is no transfer for female employees.” In other words, the ratio of female employees and company performance were both high in companies who had “equal employment opportunity programs” to encourage equal treatment for male and female employees according to their capabilities and achievements, plus “work-life balance programs” to establish an environment where female employees can continue working for a long period of time by balancing their work and life at the same time, whereas the ratio of female employees was high but company performance was not in companies that only adopted “work-life balance programs.”

¹⁴ Perry-Smith and Blum (2000) who used the data available in the U.S. revealed that the companies adopting various work-family policies as a bundle tended to have a sharp surge in sales.

¹⁵ Based on the data collected from a questionnaire survey conducted in 1990 in the U.S.,

Kurosawa 2006¹⁶). These facts can be interpreted as that work-life balance programs produce a positive effect on business performance only in companies where employees are equally treated irrespective of gender in accordance with their productivity.

Up until now in Japan, companies have promoted to implement programs that aim to equalize male and female workers and to reduce gaps in treatment for employees irrespective of their career paths or job titles, and have applied work-life balance programs to all employees. As a result, positions where women can be entitled to as regular employees have been lost. If companies were, in the future, compelled to achieve equilibrium between part-timers and regular employees or to introduce part-timer-specific measures that are similar to current work-life balance programs designed for regular workers, the form of “employment” could shift into “outsourcing” or “independent contractors,” that is, the work form of “out of employment.”

One of the methods to further disseminate work-balance programs is to promote them as welfare policies. In such a case, since implementation of work-life balance programs brings about no advantage or even results in disadvantages for the part of enterprises, it would be required to create a certain framework in which the government or entire society bears the burden so that individual companies do not have to be responsible for it. More specifically, what are possible for this purpose include: to facilitate the use of day nurseries and babysitters, to encourage all employees including males to take child care leave and family care leave and to reduce overtime, and to help companies find substitute personnel for those on child care leave or family care leave. As mentioned earlier, when promoting work-life balance programs as one type of welfare policy, it should be carefully noted that there is a risk to widen the disparity between regular employees who can enjoy the benefit and part-timers or outsourced contractors who cannot.

Another alternative is to establish a positive cycle with which companies

Konrad and Mangel (2000) indicated that the cross item of the ratio of specialist employees, that of female employees, and WLI (composite Work-Life Index) had a positive effect on company performance (i.e. sales per head).

¹⁶ Abe and Kurosawa (2006) pointed out that short-time work systems had a negative effect on sales, that child care leave systems allowing more holidays than legal obligation had a positive effect on ordinary income, and that work-family balance systems had a significant impact on business performance in companies that put an importance on investment in vocational ability development for their employees.

can enhance their business performance; namely, a system in which enterprises can provide benefits for whomever they would like to do so as part of fringe benefits or employment management tools, or a strategy to recruit better personnel. To be more concrete, possible examples are to authorize companies to internally differentiate wages and treatments for their employees depending on job titles or individual vocational abilities under the single limitation of minimum standards designated by law, and to organize a system where companies that carry out work-life balance programs can be publicized and awarded. Although this may widen gaps in wage and treatment among regular employees within a same company, it could be considered desirable for the society as a whole, in a sense that it also takes into account differences between regular employment and irregular employment or out-of-employment contract.

This analysis is based on the data gathered during the period when Japan suffered a long-term economic recession and there was a very strong feeling of employment surplus among the public. Since 2002, the unemployment rate has declined, the job opening ratio has risen, and the employment requirement diffusion index has also been improving. For the last couple of years, the economic recovery and retirement of baby boomers expected to start in 2007 have intensified a sense of insufficiency in manpower; hence companies are now more vigorously engaged in programs to help their employees balance work and child care in the aim of securing human resources. According to Nihon Keizai Shimbun (2007), the number of companies who “believe that support programs for balancing work and child care would enhance employee motivation and lead to improved productivity” has sharply risen from 8.4% to 47.2% in comparison with two years before, while those who “do not necessarily believe so” have drastically decreased from 42.3% to 9.4%.¹⁷ If a similar analysis to mine is performed using a set of data collected in 2002 and onwards, there will be a high possibility that it produces different results. It is indispensable to have a viewpoint to observe economic trend and labor supply and demand in connection with companies’ human resources management programs.

If an increasing number of enterprises consider that support programs for balancing work and child care will result in productivity improvement, adoption

¹⁷ *The Work-Life Balance Survey* was conducted by Nihon Keizai Shimbun in April 2007 covering 2,242 major companies both listed and unlisted in the first section of the Tokyo Stock Exchange, out of which 392 companies responded (according to an article published on Nihon Keizai Shimbun, dated May 20, 2007).

and dissemination of such programs in companies that aim to grow profits will be naturally promoted, and the utilization of female personnel will also be further enhanced. From a policy-making standpoint, it will be desired to continue to have a system that publicizes and awards enterprises who are devoted to implementing support programs for balancing work and child care, such as certification of “child care supporting companies” based on “the Act for Measures to Support the Development of the Next Generation” or commendation to family-friendly companies, as well as to draw up new policies without being fettered by a provincial viewpoint of “internal equilibrium and equality.”

This paper was composed by adding extra remarks to and modifying the analysis performed for the survey report regarding gender equality compiled by the Ministry of Economy, Trade and Industry. I would like to express my gratitude to Professor Yasunobu Tomita of Doshisha University who led the survey for providing me with valuable advice. The views expressed herein are those of the author and not necessarily those of the Ministry of Economy, Trade and Industry.

Appendix

The index of “wage disparity within enterprises (wage variance)” used in the analysis for this paper was worked out as follows, after controlling, at the level of each enterprise, the variables of gender, number of years passed after graduation from university, educational background, and residing region, for approximately 50,000 enterprises:

First, the wage function was estimated using the data available in “the Basic Survey on Wage Structure” without differentiating by industry or by scale. The wage equation is the standard semi-logarithmic form.

$$\begin{aligned} \ln w = & \beta_0 + \beta_1 Dfem \\ & + \beta_2 ex + \beta_3 ex^2 + \beta_4 Dfem * ex + \beta_5 Dfem * ex^2 \\ & + \beta_6 SCH + \beta_7 RGN \\ & + Dpl_i * (\gamma_{0i} + \gamma_{1i} ten + \gamma_{2i} Dfem + \gamma_{3i} Dfem * ten) + u_i \end{aligned}$$

Note that *Dfem* indicates female dummy (reference group: male), *ex* is the

number of years passed after graduation from university (current age – age at graduation), ex^2 is the square of the number of years passed after graduation from university, $Dfem*ex$ is female dummy \times the number of years passed after graduation from university, $Dfem*ex^2$ is female dummy \times the square of the number of years passed after graduation from university, SCH is education background dummy (junior high school graduates, junior college/vocational school graduates, or university graduates; reference group: high school graduates), RGN is residing region dummy (Tokyo, Kanagawa, Osaka; reference group: others), Dpl_i is enterprise dummy where 1 is used for the number i enterprise and 0 for other enterprises, ten is the number of service years, $Dfem*ten$ is female dummy \times the number of service years, and u is error term.

w indicates wage, more precisely hourly pay rate obtained by dividing salary including bonus by actual working hours, calculated as follows: (fixed cash salary + bonus and end-term special allowance paid in the previous year/12)/(actual working hours within predetermined duration + actual working hours in excess of predetermined duration).

The wage disparity within enterprises used in this analysis can be calculated as below.

$$\begin{aligned}\text{Wage disparity within an enterprise} &= S.D.(u_i) \\ &= \text{standard deviation of error term}\end{aligned}$$

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Outlook on the Retirement Process of *Dankai No Sedai*, or the Japanese Baby-boom Generation

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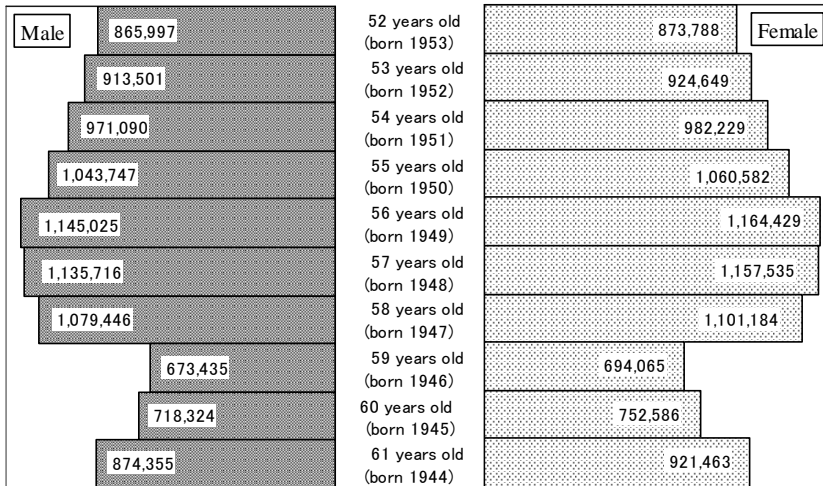
1. Preliminary Knowledge: What Is *Dankai No Sedai*?

In Japan, a large nodule of population born immediately after the Second World War, or the Japanese baby-boom generation is called the *Dankai No Sedai* (hereafter called the “JBB generation”). Generally speaking, this term applies to those born between 1947 and 1949. The celebrated economic commentator and author Taichi Sakaiya, who also served as Director-General of the Economic Planning Agency from July 1998 to December 2000, first coined the term more than 30 years ago in a novel of the same title written about the economy and society. In the form of a novel, Sakaiya predicted that a population group that is larger than the population groups born before and after it would have varying impact on education, economy and society then and in the future as well. The book created a stir, firmly establishing the term *Dankai No Sedai* since then.

Based on the latest Population Census (2005), the population of the JBB generation and the population born immediately before and after the JBB generation, by age, are as shown in Figure 1. If we look at those who correspond to the JBB generation, the population of men and women who were 58 years old at the time of the survey, who roughly correspond to those born in 1947, was 2.18 million, of those who were 57 was 2.29 million, and those who were 56 was 2.31 million. Each age group had a population of above 2 million. On the other hand, if we look at the population of the generation born before the JBB generation, the population of those who were 59 was 1.37 million, those who were 60 was 1.47 million, and those who were 61 was 1.8 million. If we examine the population of the generation born after the JBB generation, the population of those who were 55 was 2.1 million, those who were 54 was 1.95 million, and those who were 53 was 1.84 million, with the population decreasing each year. This shows that the JBB generation makes up a significantly larger population group compared with the generations born before and after it.¹

¹ On the reasons for the increase in the number of births during this period, it has been pointed out that the return of Japanese from Japan's former territories overseas and of

Figure 1. Population of the JBB generation and generations before and after the JBB generation by age



Source: Ministry of Internal Affairs and Communications, Statistics Bureau, *Population Census* (2005).

Note: The results were obtained by adding up the number of people in each age group. The year in brackets is roughly the year of birth corresponding to each age group and is shown for reference purpose. The survey, however, was taken as of October 1, and the age of an individual and the year of birth do not necessarily correspond with each other.

While the JBB generation normally refers to the cohort born during a three-year period from 1947 through 1949, it is not infrequently that the cohort born during a five-year period from 1947 through 1951 is made the subject of analysis as the JBB generation in the broad sense. In this paper too, the subject of analysis is the JBB generation in the broad sense.

Japanese soldiers from former battlefields was a factor. It is, however, natural to think that the advent of peace was the determinate factor. With the end of oppressive social conditions and promulgation of the new constitution in November 1946, people could anticipate a free and brighter future, even though living was not easy. It can be said that the hope that newborn children would be able to have a better life than their parents resulted in a substantial increase in the number of births. One suggestive finding is that while the number of births remained at low levels even though there were calls for “procreation” during the war, the number of births began to rise with the advent of peace. In other words, this may provide us with a clue as to how we could deal with the issue of the declining birthrate today.

2. Survey on the JBB Generation and Its Objectives

Of the JBB generation, in other words the large cohort born between 1947 and 1951 for the purpose of this paper, the oldest group of people born in 1947 will be turning 60 in 2007. We are now entering an age where the JBB generation will be reaching their 60s. Meanwhile, it is generally the case in Japan for firms and particularly large firms to set the mandatory retirement age at 60. As a result, there is a rising interest in the outlook on employment of the JBB generation in 2007 and beyond.

Therefore, the Japan Institute for Labour Policy and Training (JILPT) conducted a survey on the JBB generation about their outlook on future employment and life. Through this survey, which was conducted just before 2007 in October 2006, we collected basic data related to the JBB generation's outlook on future employment and life. The outline of the survey is as follows:

Subject

- (1) Employed men and women of the JBB generation: 3,000 people (effective response from 2,722 people, or 90.7%)
- (2) Women whose husbands are of the JBB generation and employed: 2,000 people (effective response from 1,782 people, or 89.1%)

The subjects of (2) are not the wives of men of (1). The subjects of (1) and (2) are of different households.

The subjects include employees as well as those who are self-employed.

Survey method

A mail survey was conducted using two types of survey sheets, one for the "JBB survey" on the subjects of (1) above and the other for the "wives' survey" on the subjects of (2).

Both surveys asked questions on the basic attributes of the subjects. In addition, the "JBB survey" inquired about history of employment, prospects of continued employment at the subjects' current firms (asked only to employees), and their outlook on employment and life in old age. The "wives' survey" asked questions about the husbands' employment, the wives' history of employment, their assessment of married life with their husbands, their outlook on the husbands' and wives' employment and life in old age. We collected basic data through the surveys.

Through these surveys, we were able to generally grasp the vision held by the JBB generation as to their future employment and life at a time when they

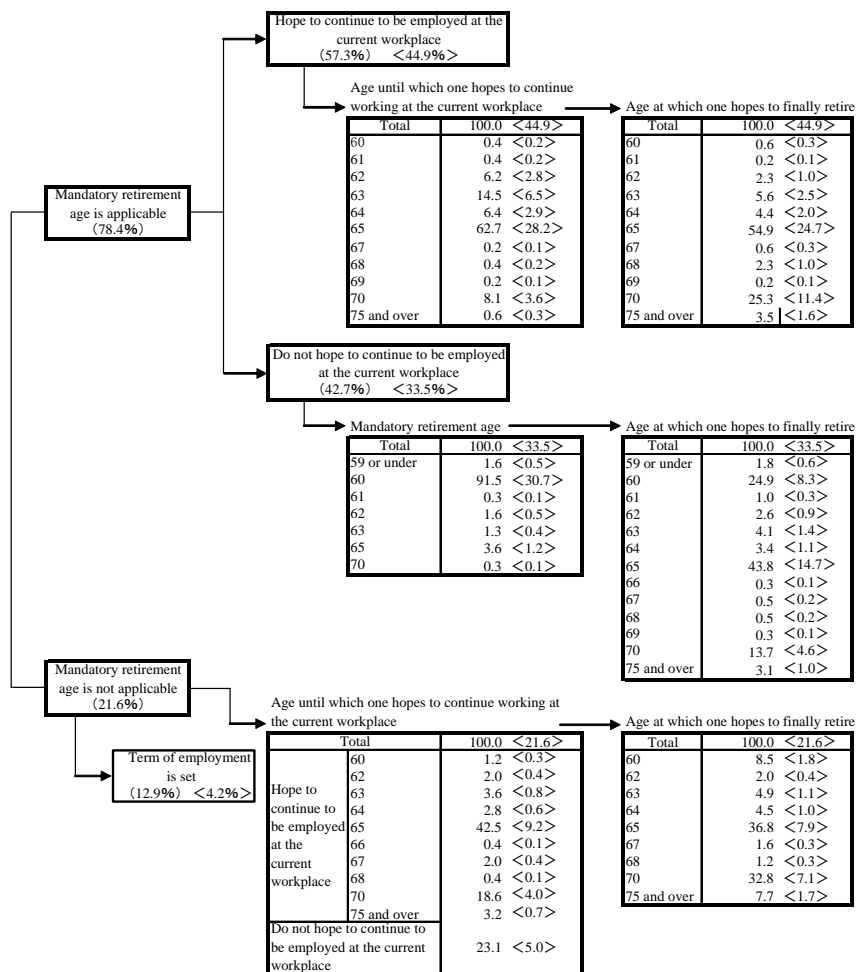
are just about to reach their 60s. Shown below are important findings obtained from the analysis of the data.²

3. Prospects (Wishes) Regarding Employment of Male Employees of the JBB Generation

From the results of the survey, we would like to show what kind of a vision the people in the JBB generation have about their future employment. Here we examine the cases of currently employed male employees, most of whom are expected to be affected by the mandatory retirement age of 60 in their firms. The related data can be summarized as in Figure 2. First, the subjects can be categorized broadly into three groups in accordance with their relation with the firms that currently employ them at a time when they will soon reach the age of 60. These groups are: (A) those to whom the mandatory retirement age is applicable but who wish to continue working at their current firms even after 60 (44.9%); (B) those to whom the mandatory retirement age is applicable and who do not wish to continue working at their current firms after the mandatory retirement age (33.5%); and (C) those to whom the mandatory retirement age is not applicable (21.6%). If we look at the wishes of those in group A regarding employment after 60, the largest number of people, at 62.7%, chose 65 as the age until which they hope to continue working for their current firms, followed by 14.5% who chose the age of 63. With regard to the final retirement age of these people in group A, the largest number of people, at 54.9% chose 65, followed by those who said 70, at 25.3%. Among those in group B, while the majority of people, at 91.5%, would retire from their current companies by the application of the mandatory retirement age of 60, only 24.9% expected their final retirement age to be 60, and 43.8% and 13.7% said they hoped their final retirement age would be 65 and 70, respectively. As regards people of group C to whom the mandatory retirement age is not applicable, 42.5% and 18.6% wish to continue working at the current workplace until 65 and 70, respectively,

² The Japan Institute for Labour policy and Training published the data of the results of the surveys in *Results of the Survey on the Japanese Baby-Boom Generation's Vision of Employment and Life* (JILPT Survey Series, no.30 [2007]), and the data on the analysis of the results in *Report of the Survey and Research on the Japanese Baby-Boom Generation's Vision of Employment and Life* (JILPT Research Report, no.85 [2007]). These are both written in Japanese. The main parts of this present paper summarize Chapter 7 of the latter report.

**Figure 2. Wishes and prospects regarding employment after around 60
(percentages calculated by excluding subjects who gave no
response) —Male employees—**



Note: The figures show the percentage distribution of answers to the survey questions when subjects who gave no response are excluded.

The figures in angle brackets (< >) are percentages of the whole obtained by multiplying the percentage distribution.

“Age at which one hopes to finally retire” is the age until which one hopes to be employed in work from which one can derive income, in other words, the age at which one hopes to retire from work.

and 36.8% and 32.8% hope that their final retirement age would be 65 and 70, respectively.

From the above data, it can be said that a high percentage of people set a high final retirement age among those working for companies that do not have a mandatory retirement age. This is followed by a relatively high percentage of people setting a high final retirement age among those to whom the mandatory retirement age is applicable but who hope (or can hope) to continue working at their current companies. The percentage is lowest among those to whom the mandatory retirement age is applicable and who do not hope (or cannot hope) to continue working for their current companies. The data also show that many people expect to retire at a higher age than the age until which they would continue working for their current companies and that they would seek to find the second and third workplaces (employment opportunities) in the future.

The figures in angle brackets (< >) are figures as percentage of all male employees of the JBB generation. They show that the patterns of visions of employment most frequently seen are in the following order:

- (1) After continuing to work for the current company after the mandatory retirement age, retire working at age 65 at the same time as retiring from that company or retire working at age 65 after working for a year or two at another company (24.7%);
- (2) Retire from the current company at the mandatory retirement age, then work at another workplace for several years until retiring from work at age 65 (14.7%);
- (3) Continue working for the current company after the mandatory retirement age as in (1) above and work several years at second and third workplaces until retiring from work at 70 or stay working for the same company until 70 (11.4%);
- (4) Retire from work at the mandatory retirement age of 60 (8.3%);
- (5) Continue working after 60 at a company that does not have a mandatory retirement age and retire from work at the age of 65 or 70 at the same time as retiring from that company or retire from work at the age of 65 or 70 after working several years at second and third workplaces (7.9% retiring at 65 and 7.1% retiring at 70).

4. Factors That Have an Effect on the Desired Final Retirement Age of the JBB Generation

As described above, many employees of the JBB generation consider that their final retirement age will be between 65 and around 70—a trend that is generally observed among older people and not just the JBB generation. Therefore, by statistically analyzing the data obtained through these surveys, we tried to identify factors that had an effect on the desired final retirement age. The method we used was a simple regression analysis with the explained variable being the age until which one hoped to continue working (i.e. the desired final retirement age) and the explanatory variables being data related to factors that were considered to have relevance to the desired final retirement age. Table 1 shows the descriptive statistics (average and standard error) of each variable and the calculation results of the regression analysis. Variables (factors) with statistically significant effect include gender, presence of spouse, household income, household savings, health conditions, type of work employed in, age of the mandatory retirement age, etc. of the company currently working for, specialty developed through one's career, one's outlook on work (self-realization or means of earning livelihood), sense of work being "tough," motivation for working in old age, wish for working in fields different from before, achievement of goals related to securing savings for old age, and expectation on working shorter hours in old age. Some interesting findings related to these factors are illustrated below.

- (1) When the mandatory retirement age, etc. is higher, it has an effect to raise the expected retirement age. Measures for raising the mandatory retirement age and for continued employment at the company employees are currently working for are effective in raising people's final retirement age.
- (2) Those who have developed a particular "specialty" in their careers has an expected retirement age that is about 0.8 years higher than that of those who have not. Those who were able to develop a specialty in their careers will retire later in life.
- (3) Those who say "income" is a motivation for working in old age have an expected retirement age that is 1.5 years higher than those who do not. Those who say "putting their abilities to good use" have an expected retirement age that is 1.0 year higher than those who do not, and those who say "their sense of duty to work" have an expected

the desired retirement age (employees)

(OLS results)

	Unstandardized Coefficient		t	Sig.
	B	Standard error		
(Constant)	60.2461	1.8166	33.164	0.000
Male dummy	1.5886	0.2710	5.863	0.000 ***
With spouse dummy	-1.1211	0.3528	-3.177	0.002 ***
With child dummy	0.0974	0.3534	0.276	0.783
Living with parents dummy	-0.1940	0.2156	-0.900	0.368
The subject's annual income	0.0001	0.0004	0.356	0.722
Annual household income	-0.0003	0.0001	-2.356	0.019 **
Household savings	-0.0001	0.0001	-2.621	0.009 ***
Percentage of securities-related savings	-0.0380	0.0403	-0.943	0.346
Health conditions	0.2257	0.1057	2.136	0.033 **
Technical work dummy	-1.5476	0.3253	-4.758	0.000 ***
Management work dummy	-1.6419	0.3533	-4.648	0.000 ***
Clerical work dummy	-1.8403	0.3673	-5.010	0.000 ***
Sales work dummy	-1.3238	0.4203	-3.149	0.002 ***
Service work dummy	-1.1794	0.4092	-2.882	0.004 ***
Transportation & telecommunications work dummy	-1.6421	0.6471	-2.538	0.011 **
Skilled engineer & production process work dummy	-1.8059	0.4765	-3.790	0.000 ***
Mandatory retirement age, etc.	0.0790	0.0216	3.652	0.000 ***
With a system for continued employment	0.1465	0.2836	0.517	0.605
Born into family engaged in agriculture, forestry or fisheries	0.1941	0.2647	0.733	0.463
Born into family engaged in self-employed work	-0.2708	0.2396	-1.130	0.259
No experience of job change	-0.3365	0.2216	-1.519	0.129
Have a specialty dummy	0.8006	0.2356	3.398	0.001 ***
I cannot say for sure if I have a specialty dummy	0.4454	0.2621	1.700	0.089 *
Work is for self-realization	0.2184	0.1088	2.007	0.045 **
Work is for earning one's livelihood	-0.1833	0.0998	-1.836	0.066 *
Sense of work being "tough"	-0.4538	0.1619	-2.803	0.005 ***
Income is a motivation	1.5213	0.2664	5.711	0.000 ***
Putting one's abilities to good use is a motivation	1.0113	0.2307	4.383	0.000 ***
Maintaining one's health and stamina is a motivation	0.0619	0.2045	0.303	0.762
My sense of duty to work is a motivation	1.2946	0.2366	5.472	0.000 ***
Hope to be employed in similar work as before	0.3990	0.2435	1.639	0.101
Hope to be employed in work where I can utilize my knowledge and experience	-0.0790	0.2357	-0.335	0.737
Hope to be employed in a field different from before	1.1054	0.3362	3.288	0.001 ***
I am not particular about the kind of work I am employed in	-0.1940	0.2556	-0.759	0.448
Achievement of goals regarding savings for old age	-0.2499	0.0544	-4.593	0.000 ***
Expect to work shorter hours at 65	1.5826	0.2489	6.359	0.000 ***
Adjusted R ²			0.245	
F			16.397	
Sig.			0.000	

retirement age that is 1.3 years higher than those who do not.

- (4) Those who wish to work in “a field different from before” in their old age have an expected retirement age that is 1.1 years higher than those who do not.
 - (5) Those who expect to work shorter hours when they are 65 have an expected retirement age that is 1.6 years higher than those who do not.
- Preparing diverse working styles for those in old age is effective in raising the retirement age.³

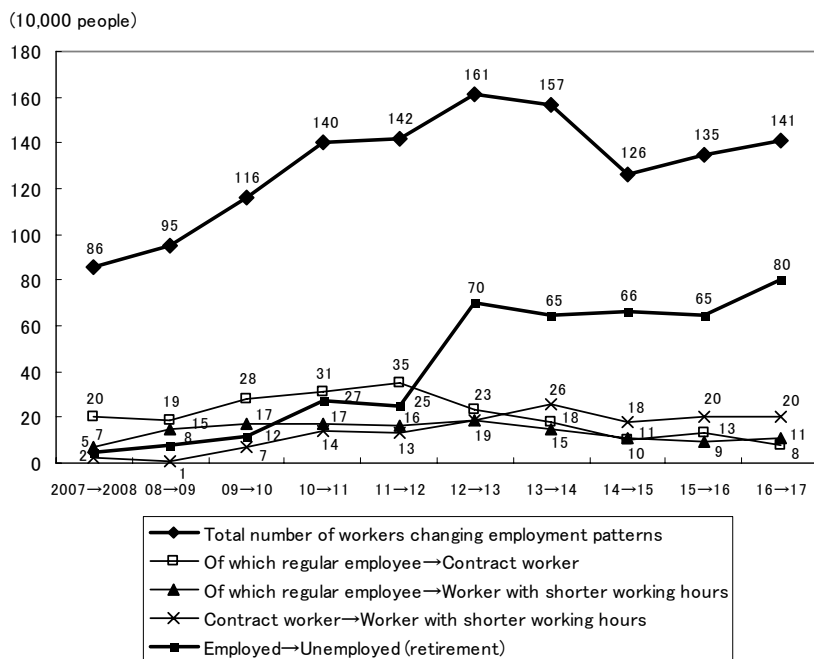
To encourage people in old age to participate in work as much as possible and to raise as much as possible the expected retirement age of people who are just about to reach 60, it is important to guide them by policy means along the lines of their voluntary awareness formation mechanism, by promptly raising the mandatory retirement age and promoting continued employment, letting people realize that they have an option of choosing work without being too concerned about the field of work they were in before, and further promoting shorter working hours for workers in old age.

5. Outlook on the Changes in Employment Patterns of the JBB Generation in Old Age

In the survey, we asked people of the JBB generation in which employment patterns they expected or hoped to be employed in or not be employed in in each year after turning 60. From these data, we obtained the percentage changes in each employment pattern in each year, and by multiplying the number of people obtained from macro statistics by these percentages, we estimated the number of people who would experience changes in their

³ In relation to this, the information about the pensionable age of public pension is given below. As regards the public pension scheme for employees (i.e. the employee pension insurance), the pensionable age was originally set at 60. However, the pensionable age is in the process of being raised in stages beginning with those born on April 2, 1941 (i.e. the people turning 60 in fiscal year 2001). Ultimately, the pensionable age will be raised to 65 (to be completed in fiscal year 2025). As regards pension benefits (a fixed sum + sum proportionate to remuneration) of the JBB generation, they will be eligible, at 60, to receive benefits for the part of the pension that is paid roughly in proportion to the amount of remuneration they received as employees. On the other hand, for the part of the benefits paid as a fixed sum, their pensionable age will differ in the range of 63 to 65 depending on their date of birth. Incidentally, the pensionable age was used as an explanatory variable for the regression analysis of the body text, but we could not obtain any significant results.

**Figure 3. Changes in employment patterns of the JBB generation
in old age (converted into macro data)**



employment patterns (including change from employed to unemployed) in each year in the next 10 years. Since the base data reflect people's hopes and expectations, it is difficult to think that the changes will occur exactly as the people hope and expect. The results, however, show how the situation would develop if the changes were to occur exactly as the people hope and expect, and in making the first step in forecasting the future, the results are considered to have value.

The results are shown on Figure 3. The number of those who expect changes in their employment patterns is estimated at 860,000 in 2007-2008. It rises substantially after that, reaching 1,400,000 people in 2010-2011. It remains virtually level in 2011-2012 and then rises again until peaking at 1,610,000 in 2012-2013. It declines slightly in 2013-2014 and significantly in 2014-2015 to 1,260,000. Subsequently, it is expected to show a moderate increase through 2016-2017. The breakdown of the changes in employment patterns show that

the number of changes from “regular employee to contract worker” is relatively large until 2011-2012, but the number of changes from “contract worker to worker with shorter working hours” is expected to become relatively large from 2013-2014 onwards. The number of changes from “regular employee to worker with shorter working hours” comes close to 200,000 by 2012-2013, but gradually declines after that. As for changes from “employed to unemployed (retired),” it increases gradually until 2011-2012 and then reaches 700,000 in 2012-2013, 450,000 people more than in the previous year. It remains virtually level after that until it increases slightly in 2016-2017 to 800,000.

If we summarize the policy implications from the above results, they are as follows:

- (1) It is important to prepare systems that will allow workers to continue to be employed by their current firms while realizing changes in employment patterns within those firms and appropriately administer such systems in the next five years, in other words, until around 2011.
- (2) If matters were to continue along the current assumptions, it is highly likely that there will be a big wave around 2012. The changes in employment patterns will reach the peak, and those retiring from professional life may number around 700,000 in this year from the JBB generation alone. To moderate these drastic short-term changes, it is important to promote more gradual retirement.
- (3) With regard to the retirement process of employees (regular employees), it is less often that regular employees go directly into retirement and more often that they retire after going through a period of working as a contract worker or working shorter working hours. Therefore, to promote more gradual retirement, it is important to secure employment opportunities particularly for workers to work shorter working hours. In doing so, we will also need to consider that changes in employment patterns will eventually be centered not on changes within a company but on the outside labor market, and an important challenge will be to prepare the outside labor market functions that will allow workers to work in diverse ways.

Table 1. Results of regression analysis on**Descriptive statistics (number of cases: 1,709)**

<Explained variable>	Average	Standard error
Age until which one hopes to continue working (desired retirement age)	66.152	4.557

<Explanatory variables>	Average	Standard error
Male dummy (correspond = 1)	0.695	0.461
With spouse dummy (correspond = 1)	0.903	0.295
With child dummy (correspond = 1)	0.910	0.286
Living with parents dummy (correspond = 1)	0.288	0.453
The subject's annual income (¥10,000)	576.975	380.763
Annual household income (¥10,000)	935.632	913.176
Household savings (¥10,000)	1217.999	1940.014
Percentage of securities-related savings (%)	1.451	2.519
Health conditions (scale of one to five)	3.419	0.946
Technical work dummy (correspond = 1)	0.195	0.397
Management work dummy (correspond = 1)	0.166	0.372
Clerical work dummy (correspond = 1)	0.123	0.329
Sales work dummy (correspond = 1)	0.077	0.266
Service work dummy (correspond = 1)	0.081	0.273
Transportation & telecommunications work dummy (correspond = 1)	0.026	0.158
Skilled engineer & production process work dummy (correspond = 1)	0.054	0.227
Mandatory retirement age, etc. (age)	66.603	7.116
With a system for continued employment (correspond = 1)	0.407	0.491
Born into family engaged in agriculture, forestry or fisheries (correspond = 1)	0.183	0.387
Born into family engaged in self-employed work (correspond = 1)	0.232	0.422
No experience of job change (correspond = 1)	0.336	0.473
Have a specialty dummy (correspond = 1)	0.370	0.483
I cannot say for sure if I have a specialty dummy (correspond = 1)	0.207	0.405
Work is for self-realization (scale of one to five)	3.287	0.941
Work is for earning one's livelihood (scale of one to five)	3.541	1.014
Sense of work being "tough" (scale of one to four)	1.832	0.620
Income is a motivation (correspond = 1)	0.805	0.397
Putting one's abilities to good use is a motivation (correspond = 1)	0.326	0.469
Maintaining one's health and stamina is a motivation (correspond = 1)	0.556	0.497
My sense of duty to work is a motivation (correspond = 1)	0.238	0.426
Hope to be employed in similar work as before (correspond = 1)	0.557	0.497
Hope to be employed in work where I can utilize my knowledge and experience (correspond = 1)	0.343	0.475
Hope to be employed in a field different from before (correspond = 1)	0.104	0.305
I am not particular about the kind of work I am employed in (correspond = 1)	0.225	0.418
Achievement of goals regarding savings for old age (scale of one to seven)	2.922	1.942
Expect to work shorter hours at 65 (correspond = 1)	0.209	0.407

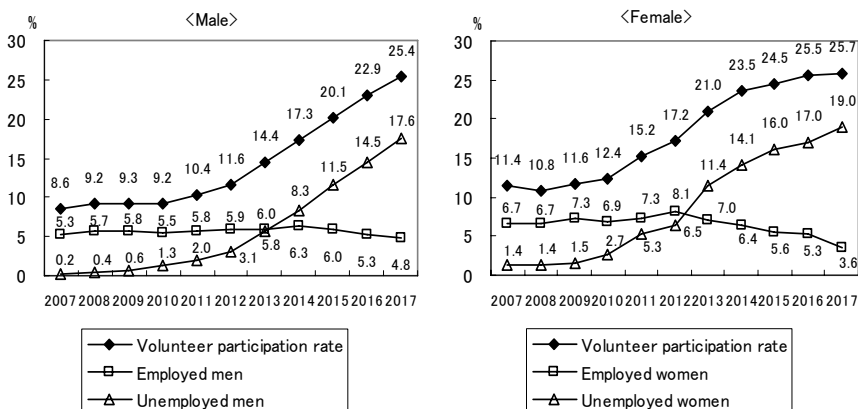
Notes: 1 As for the occupational dummies, "security, labor, and other types of occupations" is the reference.

2 For "Mandatory retirement age, etc.," the mandatory retirement age was used when mandatory retirement age was applicable; when not applicable, the age 65 was used when there was a "term of employment" and 75 for all others.

3 For "Sense of work being 'tough,'" the codes given are as follows: the work is generally tough (4); the work is sometimes tough such as when I am overloaded or when some trouble occurs (3); I cannot say whether work is tough or not (2); and work is hardly ever tough (1).

4 For "Achievement of goals regarding savings for old age," the codes given are as follows: I have already achieved the goals (7); I am set to achieve them (6); I will just barely achieve them (5); I cannot say whether I will achieve them or not (4); very difficult to achieve them (3); I don't think I can achieve them (2); I have not set any goals or thought about them (1).

**Figure 4. Outlook of changes in the rates of participation
in volunteer activities**



Note: The figures for “Employed” and “Unemployed” are the employed and unemployed persons participating in volunteer activities as percentage of all employed and unemployed persons. (They indicate the degree of contribution made to the volunteer participation rate.)

6. Participation in Volunteer Activities Considered Together with Occupation

In addition to work that one derives income from, we can also consider volunteer activities as a form of activities in one’s old age. In the survey, we investigated the subjects’ willingness to participate in volunteer activities by asking a question on whether they would “participate in volunteer activities” in parallel with questions about their expectations (or hopes) on their employment patterns in their 60s that were described above. The results were similarly converted into yearly changes, and we estimated the expectations on participation in volunteer activities during a period of about the next 10 years. The results are shown on Figure 4 as changes in the rates of participation in volunteer activities.

Starting at 8.6% in 2007 (today), the percentage of male participating in volunteer activities remains virtually unchanged at a level slightly over 9% through 2010 and then begins to rise from 2011. After showing a year-on-year increase of more than 1 percentage point in both 2011 and 2012, it rises by slightly less than 3% each year from 2013. On the other hand, while women’s participation rate generally shows a similar trend, it begins to make a gradual rise from as early as 2009, then rises quite steeply from 2011 to 2014, and then

returns to a gradual rise after that.

These changes in the rates of participation in volunteer activities are almost in parallel with the participation rates of unemployed people, and it can basically be said that many people are thinking about starting volunteer activities when they retire from their professional lives. Even so, if we look at employed people's participation in volunteer activities as percentage of the whole, their participation rate is nearly level but slightly on the increase until 2014 for men and 2012 for women. In other words, even though their number is not large, there are those people during this period who are thinking about starting volunteer activities while working.

From the above analysis and estimation, we can summarize the policy implications for the immediate future as follows:

- (1) Many people are thinking about starting volunteer activities when they retire from work. While it is natural for them to think this way, a more gradual "shift" to volunteer activities, if it is possible, is considered to have more than a few advantages. Since there are more than a small number of people who have such expectations (or hopes) for a gradual shift, an effort could be encouraged to help people balance work and volunteer activities.
- (2) As for volunteer activities, the participation rate of men is relatively lower than that of women. An exception is activities related to NPOs, in which case the participation rates are almost the same between men and women. Compared with other activities, NPOs offer the chance to use one's knowledge and skills one acquired in corporate society for foundation and management of a corporate person. Therefore, measures for further expanding NPO activities for older people to participate in, including "establishment" of new NPOs, should be considered.

7. Return from Work to Family Life

As Japanese male employees (the *salaryman*) of the JBB generation and subsequent generations have sometimes been referred to as "workaholics" and "company man," not a small number of Japanese male employees have dedicated themselves totally to work while relegating family life to secondary importance. Even so, such men are now reaching old age and are now at a juncture when they will lessen the importance of professional life and increase that of family

life, in other words, to rebuild their family life, so to speak. While it is possible to discuss this issue from many different angles, we conducted the “wives’ survey” on women whose husbands belong to the JBB generation and are employed, and we investigated on the outlook on life of these wives, who had supported the family life, and their level of satisfaction. Using this survey, we made some analysis on the points that need to be considered to smoothen the “return” of men from work to family life.

We conducted a regression analysis with the explained variable being the data on the wives’ level of satisfaction with their current life in general assessed on the scale of one to five and the explanatory variables being matters that had relevance to their satisfaction level—particularly those matters that were related to their relation with their husbands. We estimated how much effect each explanatory variable had on the level of satisfaction. Here we show the results of the estimates. Detailed results of the estimation are omitted because of the limitation of space. A summary of the results shows the following relation:

- (1) There is a strong relation between how much of their expectations about married life that was envisaged at the time of marriage was actually realized in their married life and the general level of satisfaction.
- (2) There is also a strong relation between the frequency of conversation between husband and wife about their life and the satisfaction level. The frequency of conversation about the husband’s workplace, however, had hardly any effect on the wife’s satisfaction level.
- (3) There is a clear relation between how wives regard their conjugal relations and their satisfaction level (“cannot specifically define the conjugal relations” as reference). With wives who see their conjugal relations as corresponding to a “couple of lovebirds” who are always together in whatever they do, a “chummy couple” who share common hobbies, etc., or a “comrade-in-arms couple” who believe they went through hardships together, there is a clear relation of such perception raising their satisfaction level. On the other hand, with wives who see their conjugal relations as corresponding to a “pretended couple” whose relations have gone totally cold, there is a clear and very strong relation of such perception raising the level of dissatisfaction.
- (4) There is a clear relation between higher annual income earned by

husbands and wives' satisfaction level. The effect, however, is not so significant.

The implications that can be gained from the above results as men of the JBB generation turn their attention again on their wives, whom they have more often than not neglected in the past, and make a "return" to family life in their retirement process in old age while taking into consideration their wives' assessment of married life can be summarized as follows:

- (1) Considering that there is a strong relation between wives' satisfaction level and conjugal conversation, husbands can pay more attention to having conversation with their wives on familiar topics. In doing so, it is apparently important to actually have conversation as well as to create an atmosphere where there is unspoken agreement of views.
- (2) Husbands can think about establishing favorable relations with their wives so that they can become a "couple of lovebirds," a "chummy couple," etc.
- (3) It was shown that the degree to which wives' expectations about married life that was envisaged at the time of marriage was actually realized in their married life had a significant effect on their satisfaction level. Instead of thinking that it is now too late to fix what is now things of the past, husbands can reexamine what those expectations were at the time of marriage and consider if any of those expectations can be actualized in the present circumstances.

8. Summary

In educational psychology, young people in their mid- to late-teens are sometimes described as living the "years of Sturm und Drang (Storm and Stress)." The term is probably used to describe a period of dramatic changes, which also include transition of leaving one's family that one grew up in and taking up an occupation to live as a member of society. Although obviously of different nature, one's old age can also be described as a period of equally dramatic changes. For example, these changes include changes in one's workplace and employment patterns, participation in communal activities, and changes in one's residence and one's involvement in family life.

Change is necessary, but too rapid a change is anticipated to have various unfavorable effects on society and economy. For the JBB generation, in particular, which is a significantly large quantitative nodule of population, the

systems need to be prepared and managed so that the changes become gradual as much as possible.

With respect to employment, their retirement process needs to be gradual, where they will first go through phases of making a transition from being a regular employee to a contract worker and then from a contract worker to a worker with shorter working hours. The people of the JBB generation hope and expect to go through such a process. There is also a need to create a framework in which they can, during the retirement process, participate in appropriate communal and volunteer activities and deepen their degree of participation in phases.

Based on the current forecast envisioned by the JBB generation of their retirement process, it is highly likely that a significant change would be brought about around 2012. It is estimated that about 700,000 people of the JBB generation alone would make the transition from being employed to retirement in a single year. Such a substantial decrease in the labor supply is bound to have a major impact on the economy and society. Through the development of employment patterns suited to older people, such as shorter working hours, shorter workweek, etc., there is a need to make the JBB generation's retirement process even more gradual than they currently envision.

The return from one's professional life to family life is the major issue in one's old age and retirement process. The rebuilding of conjugal relations will probably be the first challenge. Generally speaking, the assessment of married life and satisfaction level of women who have husbands of the JBB generation is slightly above "average," more or less in the zones of satisfaction. Therefore, the majority of couples have the conditions required for the rebuilding of conjugal relations. In the future, efforts will be made for this rebuilding through conjugal conversation and other means which each couple deems appropriate based on their views. The government can consider ways to help in such an effort, such as by providing consultative services when couples find that they require some help.

Working Hours and Japanese Employment Practices

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I. Introduction

It is a well known fact that the Japanese have long working hours throughout what we consider developed countries. Moreover, the already long working hours have further increased in recent years. This trend is more visible particularly among male workers between their late 20s and early 40s, the most productive years. The ratio of individuals working 60 hours or more a week in 1994 was 17%-19%, yet by 2004 it had jumped to 20%-24%. Incidentally, the working hours in this survey based on the Labor Force Survey (Ministry of Health, Labour and Welfare 2004, 2005) include unpaid overtime, since individual workers comprised the respondent base for the survey questionnaires.

This paper introduces Japanese employment practices in relation to the various aspects of working hours.

II. Unpaid Overtime

Government statistics do not reveal the status of unpaid overtime. Therefore, the Japan Institute for Labour Policy and Training conducted a survey on this issue in 2005 under the author's guidance. Predominantly, this paper will introduce the analysis and results of this survey (hereafter referred to as the "JILPT Survey"), which focuses on fulltime regular employees employed in business and other firms (The Japan Institute for Labour Policy and Training 2006, Ogura and Fujimoto 2006).

1. Main Features

Table 1 shows the average length of unpaid overtime classified by gender, age group, job type and title. The average unpaid overtime for the 1,004 respondents was 13.5 hours, although this also includes individuals who never work unpaid overtime. Of the 1,004 respondents, 53% worked "0 hours" of unpaid overtime. Excluding such data, the average unpaid overtime for individuals who had worked at least one hour of unpaid overtime was 28.6 hours. The fact that those working unpaid overtime account for 47% of total

**Table 1. One-month (June 2005) unpaid overtime and ratios (%)
classified by attributions (No. 1)**

	N	0 hour	1-39 hours	40-79 hours	80 hours or more	Total	Average (including 0 hour)	Average (excluding 0 hour)
Total	1,004	53.0	33.3	9.9	3.9	100.0	13.5	28.6
Gender								
Male	662	52.4	32.2	10.4	5.0	100.0	15.2	31.9
Female	342	54.1	35.4	8.8	1.8	100.0	10.2	22.2
Age								
20s	139	56.8	28.8	10.1	4.3	100.0	13.2	30.5
30s	417	51.3	34.1	10.1	4.6	100.0	14.6	30.0
40s	328	51.8	33.2	11.3	3.7	100.0	13.5	28.1
50s	120	57.5	35.8	5.0	1.7	100.0	9.7	22.8
Job type								
General affairs, human resources, accounting, etc.	94	54.3	34.0	10.6	1.1	100.0	10.4	22.8
General clerical work, reception or secretarial work	125	61.6	35.2	2.4	0.8	100.0	6.9	17.9
Business and sales	149	30.9	38.3	19.5	11.4	100.0	28.2	40.7
Customer service	49	69.4	24.5	4.1	2.0	100.0	6.9	22.5
Business professionals specializing in survey analysis, patents, legal affairs, etc.	15	46.7	40.0	13.3	0.0	100.0	13.5	25.4
Technical professionals specializing in R&D, design, SE, etc.	127	59.1	32.3	5.5	3.1	100.0	10.6	26.0
Medical and educational professionals	151	34.4	41.7	17.2	6.6	100.0	20.3	30.9
Workplace management or supervision	52	53.8	34.6	9.6	1.9	100.0	13.6	29.4
Manufacturing, production or construction industry operations	130	80.0	16.9	1.5	1.5	100.0	3.9	19.5
Transportation or vehicle operation	45	51.1	33.3	13.3	2.2	100.0	14.3	29.3
Security or sanitation	10	50.0	40.0	0.0	10.0	100.0	11.3	22.6
Title								
General staff	683	56.2	31.8	8.6	3.4	100.0	11.9	27.3
Sub-division manager or supervisor	321	46.1	36.4	12.5	5.0	100.0	16.7	31.0

Note: Based on a JILPT Survey. Excluding non-respondents and others.

respondents is a significant problem.

This suggests that for those working at least one hour of unpaid overtime, approximately 29 hours of overtime allowances go unpaid each month. Multiplying this monthly unpaid overtime by 12 months amounts to 348 hours

a year. Take, for example, an overtime allowance of 2,000 yen an hour. That would amount to approximately 700,000 yen of unpaid overtime allowances each year.

What types of workers tend to work unpaid overtime? According to the average unpaid overtime worked by individuals who have put in at least one hour of unpaid overtime, as indicated in Table 1, the average unpaid overtime for male and female workers is 31.9 and 22.2 hours respectively. This indicates that male workers accumulate longer hours of unpaid overtime than their female counterparts. The distribution by age group shows the unpaid overtime for those in their 20s, 30s, 40s and 50s to be 30.5, 30.0, 28.1, and 22.8 hours respectively, indicating that younger workers accumulate the most unpaid overtime. Job types with longer unpaid overtime include business and sales, whose workers have the longest unpaid overtime by far at 40.7 hours. This is approximately 10 hours longer than the second highest unpaid overtime of medical and educational professionals (30.9 hours). In the case of business and sales workers, a fixed overtime allowance may affect the above figure.

According to analysis by industry as shown in Table 2, industries with long hours of unpaid overtime include the construction industry (34.8 hours), wholesale and retail industries (34.1 hours), finance, insurance and real estate industries (32.8 hours) and the service industry (36.0 hours). In the construction industry, construction work not advancing as scheduled due to unexpected weather changes or the like may cause daily working hours to turn into unpaid overtime. In the wholesale and retail industries as well as the service industry, working days or hours are likely to be fixed according to customer convenience, which also may result in lengthy unpaid overtime.

According to analysis of the working hour system, the average unpaid overtime for discretionary work is 38.4 hours, approximately 8 hours longer than the 30.2 hours averaged in the general working hour system. As defined in the Labor Standards Act, with discretionary work, hours are set at 8 or less per day and customary work exclusive of late-night shifts, is unpaid. Many professionals as well as business and sales workers are employed under this system, which instead of requiring long working hours, demands great outcomes. Essentially, these individuals are forced to work longer hours in order to achieve the expected outcome.

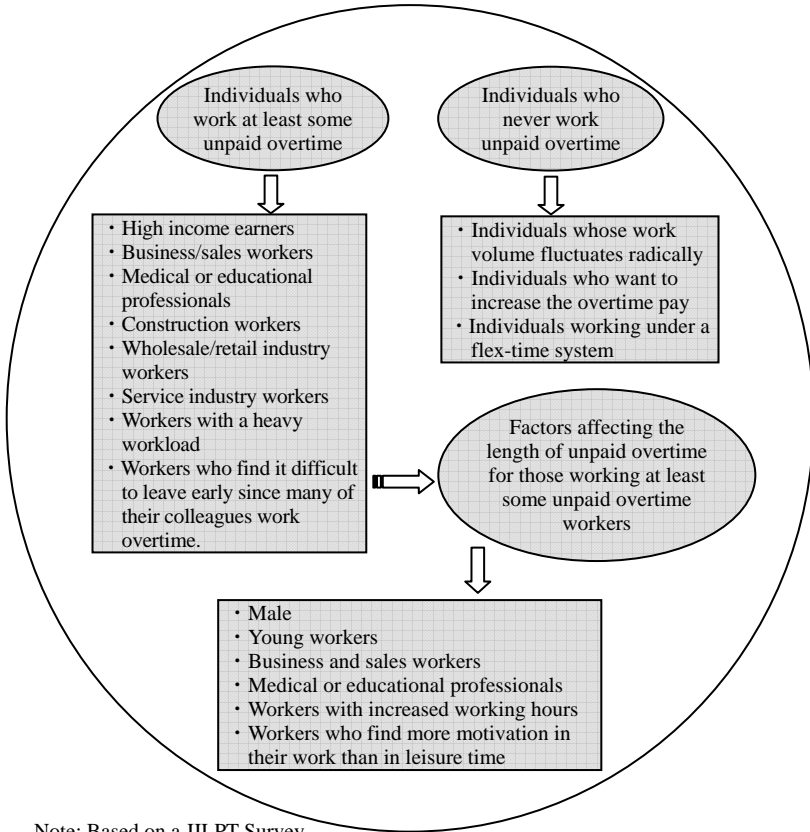
**Table 2. One-month (June 2005) unpaid overtime and ratios (%)
classified by attributions (No.2)**

	N	0 hour	Less than 80 hours	Less than 100 hours	100 hours or more	Total	Average (including 0 hour)	Average (excluding 0 hour)
Total	1,004	53.0	33.3	9.9	3.9	100.0	13.5	28.6
Industry								
Construction	70	52.9	31.4	8.6	7.1	100.0	16.4	34.8
Manufacturing	217	70.5	20.7	6.0	2.8	100.0	8.7	29.7
Electricity, gas, water and heat supply	21	57.1	33.3	9.5	0.0	100.0	7.4	17.2
Information communications	53	64.2	30.2	5.7	0.0	100.0	7.2	20.2
Transportation	43	55.8	34.9	7.0	2.3	100.0	10.6	23.9
Wholesale and retail	99	39.4	37.4	17.2	6.1	100.0	20.7	34.1
Finance, insurance and real estate	61	47.5	31.1	14.8	6.6	100.0	17.2	32.8
Medicine and social welfare	109	46.8	46.8	6.4	0.0	100.0	8.3	15.6
Services	191	44.5	34.0	14.7	6.8	100.0	20.0	36.0
Government	110	46.4	41.8	9.1	2.7	100.0	12.6	23.4
Working hour system								
General working hour system	713	51.3	33.0	11.6	4.1	100.0	14.7	30.2
Flex time	96	69.8	22.9	5.2	2.1	100.0	8.2	27.2
Irregular working hour system	45	42.2	44.4	8.9	4.4	100.0	15.0	25.9
Time shift system	112	60.7	34.8	2.7	1.8	100.0	6.0	15.4
Reduced working hours for child care, etc.	9	33.3	55.6	11.1	0.0	100.0	13.0	19.5
Discretionary work	29	31.0	44.8	10.3	13.8	100.0	26.5	38.4
Annual income								
1 to less than 3 million yen	212	61.3	27.4	8.0	3.3	100.0	10.9	28.1
3 to less than 5 million yen	374	54.5	32.9	9.4	3.2	100.0	12.4	27.2
5 to less than 7 million yen	262	48.9	36.3	10.3	4.6	100.0	14.4	28.2
7 to less than 10 million yen	130	40.0	40.0	13.8	6.2	100.0	19.8	33.0
10 to less than 20 million yen	5	80.0	20.0	0.0	0.0	100.0	5.4	27.0

Note: Based on a JILPT Survey. Excluding non-respondents and others.

2. Quantitative Analysis

The results of a quantitative analysis of factors affecting unpaid overtime are introduced below (Figure 1). The basis for this form of analysis is the fact that examining the issue of unpaid overtime from a single angle would preclude consideration of additional behind the scenes attributes. Suppose, for instance, that the amount of unpaid overtime for business and sales workers is longer than for general clerical workers. In this case, the nature of the work can be considered a significant factor affecting the phenomenon. The “nature of the

Figure 1. Factors affecting unpaid overtime (N=771)

work” for business and sales often implies a working hour system that is designed to accommodate customer convenience, often compelling individuals to work nights and holidays, or one with previously fixed allowances for overtime work. However, in order to definitively confirm whether or not the nature of the work affects unpaid overtime, we must first rule out the influence of a range of factors. If we were to examine the issue of unpaid overtime without removing any gender-related influences, especially in the case of business and sales where the majority of workers are male, and with general clerical work where the majority of workers are female, we would be unable to pinpoint accurate differences between the two job types. Therefore, in the quantitative analysis, we treat gender as the explanatory variable, rule out any

effects of gender disparity, and finally verify whether or not there is any difference between business and sales work and general clerical work. If we conclude that the unpaid overtime of business and sales workers is longer than that of general clerical workers, after having considered the nature of the work and barring the effects of not only gender differences but also various additional factors, then we can deal fairly accurately with the nature of business and sales work in the analysis.

This paper reveals the analysis results of the JILPT Survey regarding the influence of explanatory variables (factors) such as gender, age, annual income, job type, industry, working hour system, the trend of rising working hours, work or free-time orientation and reasons for working overtime on the presence or absence of unpaid overtime as well as on the length thereof.

In terms of unpaid overtime, as mentioned above there are different types of workers: individuals who never work unpaid overtime, those who work at least some unpaid overtime, and those who have accumulated a great deal of unpaid overtime. Therefore, the Heckman selection model, which is suitable for analyzing this type of data, was utilized. The model first divides workers into two groups: those who never work unpaid overtime (group 0) and those who work at least some unpaid overtime (group 1). The factors affecting their unpaid overtime were then investigated (first phase), followed by the factors affecting the length of unpaid overtime accrued by those working at least some unpaid overtime (second phase). Sophisticated research papers would naturally describe meticulous parameters and standard errors; however, this paper will not describe statistical analyses in detail, but show the author's analysis results through imagery to impact a greater audience (Incidentally, this paper will only examine results that are statistically significant at or above the 5% level).

First, let us take a look at the results of the first phase estimates located in the upper quadrant of Figure 1, indicating "those who work at least some unpaid overtime" and "those who never work unpaid overtime."

These results represent the actual status of many workplaces in Japan. Higher income earners tend to put in longer hours of unpaid overtime. Since they work unpaid overtime, their overtime pay is forfeited regardless of how many hours are worked. There is arguably a psychological factor for such actions among high income earners, namely the enterprising spirit they have regarding their work. In this respect, the analysis results presented here are consistent with those obtained by Takahashi (2005).

Unpaid overtime seems likely to exist in business and sales, the medical and educational professions, as well as in the construction, wholesale/retail and service industries. In some business firms, overtime pay is prescribed as a “fixed amount” and any overtime exceeding the fixed amount of hours is forfeit (this may be illegal). Also, in some cases, it appears to be difficult to apply for overtime pay. Furthermore, with the effect of a performance-based appraisal system, the tendency is for working hours to rise without compensation. The fact that workers with “high work volumes” work unpaid overtime is likely due to the effects of this performance-based appraisal system. Interestingly, those who find it difficult to leave their workplace early since many of their colleagues work overtime have a tendency to work unpaid overtime. This is otherwise known as “*tsukiai* overtime” (a Japanese word meaning to keep pace with other colleagues in order to maintain good relationships). One may infer that these individuals find it difficult to apply for overtime pay since their overtime is associated with *tsukiai*.

Three factors were detected among “those who never work unpaid overtime.” Individuals who replied that their work volume fluctuates radically were most likely to have the full amount of their overtime pay rewarded when they worked long hours of overtime during their company’s busy seasons. Although some companies may be unable to provide overtime pay if they are busy year-round, most companies pay the full amount of overtime pay for the overtime hours worked during the busy seasons. Those wishing to increase their overtime pay never work unpaid overtime. To an extent, this is only natural. For these individuals, working unpaid overtime is nonsense. More interestingly, many of those who work under a flex-time system also never work unpaid overtime. This can almost certainly be attributed to the fact that these workers accurately manage their working hours. As you may know, under a flex-time system workers are given the flexibility to select their daily start and finish times for work, excluding a certain core time. Their selected times, however, must undergo final adjustments, including ensuring a 40-hour work week. This system cannot be put into practice unless companies are able to keep track of such times objectively and accurately using time cards or ID cards. That is why flex-time workers do not work for unpaid overtime unlike other workers. This is an important key to eliminating unpaid overtime.

As readers of this paper, you may be aware of the problematic implications of looking solely at the results of “whether to work at least some unpaid

overtime or none at all.” While there appears to be an aspect of “self-motivation” involved, with high income earners working more unpaid overtime, the opposite is also true for workers forced to work unpaid overtime due to extended overtime hours attributable to a high work volume. One may argue that business and sales workers are also forced to work unpaid overtime due to “large work volume,” and sometimes “volunteer” to put in unpaid overtime. To avoid misunderstanding, the author wishes to add that he does not maintain a positive opinion of unpaid overtime. However, at first glance, it appears that a percentage of unpaid overtime is done voluntarily. Needless to say, a performance-based appraisal system plays an undeniable role, encouraging workers to voluntarily work unpaid overtime. Still, another reason may be the renowned industrious nature of Japanese workers. Despite this nature, however, any work ethic injurious to a worker’s health or private life warrants modification.

Next, let us take a look at those “factors affecting the length of unpaid overtime accrued by individuals working at least some unpaid overtime,” as indicated in the lower quadrant of Figure 1. Several factors were discovered including male workers, young workers, business and sales workers, medical and educational professionals, workers whose hours have increased over the previous year, and workers who find more motivation in their work than in their leisure time. Among those who work at least some unpaid overtime, male workers in their 20s and 30s work more unpaid overtime than their female counterparts and more than any other age group. This group is followed by business and sales workers and medical and educational professionals, indicating that among the various job types, the aforementioned workers can safely be labeled as the typical individual working unpaid overtime. In addition, in cases where working hours increased over the previous year, the increase most likely developed into unpaid overtime.

The analysis results further reveal that workers who find more motivation in their work than in their leisure time tend to work longer hours of unpaid overtime. As introduced above, this also indicates that there are some regular fulltime employees in Japan who voluntarily work unpaid overtime. However, there seems to be a difference of interpretation regarding the comparison between those who work at least some unpaid overtime and those who never work unpaid overtime.

This is because high income has an effect on “those who work at least some unpaid overtime” but no effect on “the length of unpaid overtime accrued

by individuals working at least some unpaid overtime.” The former case was explained above as the enterprising spirit of Japanese workers. In this respect, the same interpretation is applicable to workers who find greater motivation in their work. Unfortunately, however, income has no effect on the length of unpaid overtime. Namely, higher income earners do not always put in more hours of unpaid overtime. For those who find motivation in their work, this motivation is partly directed toward working unpaid overtime. However, it cannot be said that income is associated with the length of unpaid overtime. What might you, the reader, make of such results?

Forgive the rendering of such a complicated account, but these results on unpaid overtime in particular are quite the reality. One should not go so far as to say that all Japanese workers dislike unpaid overtime, but on the same token it is highly unlikely that all of them voluntarily work unpaid overtime. The survey results support this hypothesis. Needless to say, it would nonsense to hold either a “0 or 1” discussion on such a topic.

Many Japanese feel that since they have to work anyway, it would be better for them to enjoy working than not. However, the analysis results indicate that the length of unpaid overtime worked voluntarily has no correlation to level of income.

III. Reasons for Overtime

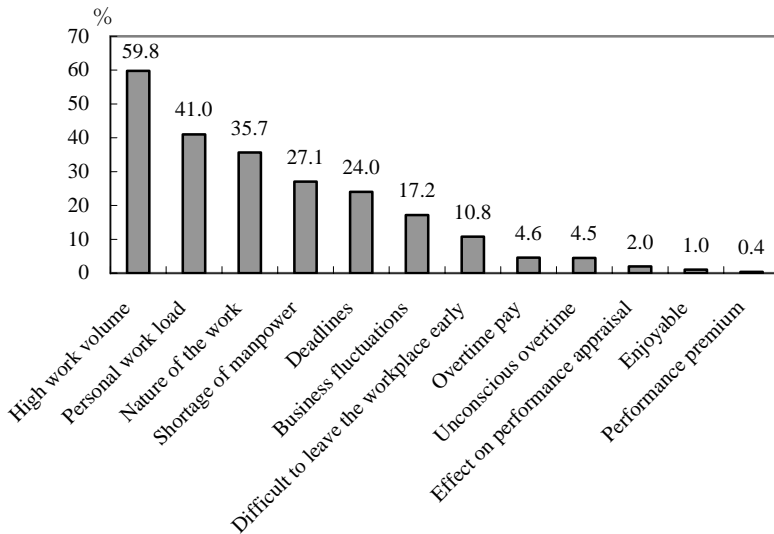
1. Reasons for Overtime Are Limited

Why do the Japanese work overtime? According to general opinion, it is “because they want overtime pay,” “it is not easy to leave work since other colleagues are working overtime,” “because they enjoy being at work,” and “because they have low productivity.”

In the JILPT Survey, individuals who had worked overtime were asked to indicate their reasons for doing so. First, refer to Figure 2.

This data represents the various reasons why individuals working overtime chose to do so. They were given the option of selecting up to 3 of 12 alternatives as their reasons for working overtime. The total of the percentages thus exceeds 100%.

Figure 2. Reasons for working overtime (multiple responses N=1,049)



Notes: 1 Based on a JILPT Survey.

2 This survey applies only to individuals who indicated having worked unpaid overtime "often" or "sometimes."

3 Respondents were given up to 3 alternative responses. One alternative was "other reasons," but this alternative was removed from Figure 2.

The highest ratio of total respondents at 59.8% indicated work volume as the cause, saying "I have more work than can be completed within regular working hours" (hereafter referred to as "high work volume"). The second highest ratio at 41.0% indicated, "I want to complete my work neatly and accurately" (hereafter referred to as "personal work load"). These two responses total 100%. Therefore, it appears as if "busy workers" account for 60% and "work enthusiasts" account for 40%. However, since this survey is based on multiple responses, there are additional reasons for working overtime.

The third highest ratio of total respondents at 35.7% stated, "because of the nature of my work, I am unable to complete it within regular working hours" (hereafter referred to as "nature of the work"), followed by 27.1% of total respondents claiming to work overtime "because of manpower shortages resulting from recent downsizing" (hereafter referred to as "shortage of manpower") and 24.0% of total respondents saying it is "because I have to

meet deadlines to maintain a good relationship with clients” (hereafter referred to as “deadlines”). Finally, 17% claimed to work overtime “due to significant seasonal fluctuations in business” (hereafter referred to as “business fluctuations”). These reasons indicate that individuals are forced to work overtime due to company circumstances or workload.

According to general opinion, “because they want overtime pay” and “because they enjoy being at work” are raised as reasons why individuals work overtime. However, the fact is that only 4.6% and 1% of total respondents selected the reasons, “because I want to increase overtime pay and holiday work allowances” (hereafter collectively referred to as “overtime pay”) and “because it is more enjoyable to stay at work than to leave at the end of the day” (hereafter referred to as “enjoyable”) respectively. Reasons also include “because it is difficult to leave early since my boss and colleagues work overtime” (hereafter referred to as “difficult to leave the workplace early”). However, this only covers 10.8% of respondents. Likewise, the number of those working overtime out of “personal convenience” is substantially lower than for those working overtime out of convenience for their work or company. Reasons for working overtime do not appear to be so much varied as considerably limited.

2. Various Characteristics of Reasons for Working Overtime

Below is an introduction of the characteristics of several reasons for working overtime.

When looking at “high work volume,” the differences between job types become clear. The ratios (response ratios) of those who selected this reason are listed in descending order by profession. Technical professionals for R&D, designing, systems engineers, etc. accounted for 75.8%, medical and educational professionals followed at 69.3%, with business professionals specializing in survey analysis, patents, legal affairs, etc. coming in at 66.7%. These job types can be grouped as “professional.” These professionals work overtime due to high work volume. As for the working hour system, the ratio of responses from those doing discretionary work was the highest at 75.9%. The discretionary work system is the working hour system that applies predominantly to professionals.

Among the various job types, security/cleaning had the lowest response ratio at 25%, followed by customer service at 42.5%. This indicates that

security and cleaning jobs are completed more or less within prescribed working hours, whereas professional work is not. The biggest difference between security/cleaning and professional work is whether or not the job is routine. Needless to say, security and cleaning jobs may or may not be routine, as this depends on the *modus operandi*. However, it seems to be the case that this type of work is completed within prescribed working hours when operations are run according to the books and provided no unexpected disturbances occur. On the other hand, in the case of professional work, there is a low percentage of routine jobs among total operations. The volume of professional work varies significantly depending on the procedure implemented and the content of the work. Moreover, as many are aware, it is often difficult to pinpoint the “completion of a job,” namely deciding how neatly and accurately the work must be done.

Also in the case of professional work, work volume can fluctuate. Once professionals finish more intricate jobs, they take a body and brain break before beginning another job. In the long term, without such a cycle they would eventually reach a point of both physical and mental exhaustion. However, recent trends indicate that the work volume for Japanese professionals is not only not decreasing but increasing. In many companies, personal treatment and benefits for professionals are based on a performance-based appraisal system. Since the 1990s, this system has gradually been adopted by Japanese companies, placing greater importance on “volume on top of quality” than ever before. When the performance-based appraisal system was initially introduced, companies would accept (comparatively) “lower” results than in recent years. However, it appears that some professionals are being forced to set objectives twice as high as in previous years owing to claims by their superiors such as, “Seeing as how you achieved your objectives last year, you can certainly set higher ones this year.” Of course, these professionals do undergo personal growth, and may not feel that quantitatively doubling their objective would result in twice the work in light of their increased ability. Nevertheless, it is far more difficult to double one’s ability level than double one’s objective. Furthermore, this trend is visible not only among professionals, but likely extends to all white-color workers as well.

A variety of educational backgrounds are present among those who indicated “personal work load,” the second highest of all responses, as their reason for working overtime: middle and high school graduates (34.4%), 2-year college

and technical school graduates (41.0%) and 4-year university and postgraduates (45.4%). Distribution by age group reveals that the older the respondent the higher the response ratio. The ratio for individuals in their 20s was 37.3%, for those in their 30s it was 38.9%, and for those in their 40s and 50s it was 43.2% and 44.1% respectively. According to job type, general affairs, human resources, and accounting show the highest response ratio (53.8%), followed by medical and educational professionals (48.2%), general clerical workers, receptionists, and secretaries (45.7%), business and sales workers (44.9%) and technical professionals specializing in R&D, design or SE (41.6%).

Response ratios varied more so by job type in the case of “personal work load” than with “high work volume.” This reason was selected primarily by professionals, but in the case of “personal work load,” those considered white-color workers, such as individuals working in general affairs, human resources and accounting, general clerical work, and receptionists and secretaries indicated significantly higher response ratios. This can be understood to occur not because white-color workers have less work, but because they have a stronger drive to “complete their work neatly and accurately” than professionals, since the work is their own. Furthermore, the higher the age group the higher the response ratio for “personal work load.” This is in correlation with professional titles as well; namely, general staff (38.1%), sub-division managers and supervisors (40.5%), assistant managers (47.5%) and the general managerial class (56.4%). Compared to “high work volume,” the correlation with total working hours is relatively weak. The correlation coefficient for “high work volume” and total working hours is 0.23, while only 0.04 for total working hours and “personal work load.”

The third-ranked “nature of the work,” exhibits a trend similar to “personal work load” in terms of age group and title. As for age group, the older the age group, the higher the response ratio: 28.2% for respondents in their 20s, 34.5% for respondents in their 30s, and 37.5% and 39.9% for respondents in their 40s and 50s respectively. The trend also shows similarities with respect to title: 32.9% were general staff, 35.3% were sub-division managers and supervisors, 43.3% were assistant managers and 45.5% were part of the general managerial class. This may indicate that higher-ranked workers must work outside of regular working hours to complete work that they alone are capable of accomplishing. The general perception is that the chief responsibility of managerial workers is to instruct their staff members, manage work progress

and occasionally offer assistance. In addition to this, however, many managerial workers have their own personal work load not involving their staff members. The analysis results indicate that they are forced to do such work outside of normal working hours.

The distribution of response ratios by job type are: workplace supervisors (45.7%), medical and educational professionals (43.1%) and business and sales workers (42.9%). Upon examination by industry, the service industry (47.4%) and electricity, gas, water and heat supply industries (47.1%) show the highest response ratios of all. Individuals working in these industries must work outside of normal working hours to accommodate customer requests, etc.

In the case of 4th-ranked “shortage of manpower,” a certain correlation is visible between the response ratio and the number of employees working in a company. In general, the greater the number of employees, the higher the response ratio. Companies with less than 30 employees had a response ratio of 23.0%, 30 to less than 100 had a ratio of 21.7%, 100 to less than 300 comprised 27.7%, 300 to less than 1,000 had a ratio of 28.4%, 1,000 to less than 3,000 reached 31.3% and 3,000 or more had a response ratio upwards of 31.3%. Comparatively speaking, workers in companies with larger employee populations had a tendency to select “shortage of manpower.”

Let us also confirm some trends related to less common responses. In the case of “unconscious overtime,” for which the total response ratio was only 4.5%, young workers and general staff showed higher response ratios: respondents in their 20s comprised 10.0% of the total, those in their 30s comprised 4.4%, those in their 40s and 50s comprised 3.6% and 2.8% respectively. General staff indicated a ratio of 5.1%, sub-division managers and supervisors 4.9%, assistant managers 2.1% and the general managerial class 1.8%. The initially assumption was that managerial workers and older age groups would be the ones affirming the reason, “inefficient employment practices lead to unconscious overtime” owing to frequent mention in mass media of unconscious overtime by company presidents. However, according to the general opinion of full-time regular employees in Japan, there is a stronger awareness of unconscious overtime among general staff and workers in their 20s. Reading too much into this trend is risky. Although managerial and general staff workers commonly consider work procedures inefficient, what in particular these two groups deem inefficient may differ. Currently, the author’s perspective lies somewhere in between the two groups, with the belief that

some managerial workers may be frustrated with young workers who to them appear to lack know-how and work inefficiently without first consulting their superiors. On the other hand, some young workers are frustrated with the procedures employed by managerial workers who lack insight into the latest technologies and still tirelessly enjoy holding long meetings.

The total response ratio of another less common response, “overtime pay,” was 4.6%. This varied by educational background, age, annual income and job type. Starting with educational background, the response ratio of middle and high school graduates was the highest (7.4%), followed by 4-year university and postgraduates (3.3%) and 2-year college and technical school graduates (3.1%). The response ratio distributed by age group is 2.7% for respondents in their 20s, 5.4% for those in their 30s, 4.4% for those in their 40s and 4.2% for those in their 50s, with the highest response ratio from those in their 30s. The distribution by annual income group shows 1 to less than 3 million yen at 6.7%, 3 to less than 5 million yen at 5.2%, 5 to less than 7 million yen at 4.4% and 7 to less than 10 million yen at 3.2%. This indicates that comparatively lower income earners showed a higher response ratio. Moreover, looking at the distribution by job type, we see a response ratio of 14.3% from those in transportation and driving and 10.6% for those in manufacturing, production and construction work. These figures surpassed general clerical work, reception and secretarial work (5.7%), business and sales work (2.0%) and technical professionals specializing in R&D, design and SE, etc. (6.0%). These figures indicate that those designating “overtime pay” as a reason for working overtime are mainly blue-color workers in their 30s with middle or high school educations and relatively low annual incomes.

In fact, analysis of response ratios for “overtime pay” in terms of whether respondents had any debts, including house loans, revealed no clear differences. This may imply that despite a large outstanding loan balance, dependence is not placed on overtime pay as the loan balance is considered an insignificant amount of money and overtime pay is exceedingly variable.

The total response ratio for “difficult to leave the workplace early” was 10.8%. Young workers and general staff workers clearly showed higher response ratios; namely, 20.9% for those in their 20s, 12.2% for those in their 30s, 8.8% for those in their 40s and 4.2% for those in their 50s. Distribution by title indicated general staff at 12.9%, sub-division managers and supervisors at 10.7%, assistant managers at 4.3% and the general managerial class at 7.3%. It

Table 3. Lifestyles in relation to length of total working hours (%)

	N	I do	I think so	I don't think so	I don't	Total
Avoid overeating and eat balanced meals						
Total	1,362	14.5	40.9	35.2	9.4	100.0
i. 120 - 160 hours	178	16.6	37.6	35.4	10.5	100.0
ii. 161 - less than 200 hours	549	14.7	42.6	35.9	6.7	100.0
iii. 200 - less than 240 hours	397	13.5	42.5	34.8	9.3	100.0
iv. 240 - 300 hours	238	14.2	36.8	33.9	15.1	100.0
Get sufficient rest						
Total	1,362	10.9	35.9	40.6	12.6	100.0
i. 120 - 160 hours	176	19.6	39.7	31.3	9.5	100.0
ii. 161 - less than 200 hours	549	11.8	40.3	37.6	10.3	100.0
iii. 200 - less than 240 hours	397	7.8	35.0	44.8	12.5	100.0
iv. 240 - 300 hours	240	7.5	24.5	47.7	20.3	100.0
Exercise or participate in sports regularly						
Total	1,362	11.1	17.9	32.7	38.4	100.0
i. 120 - 160 hours	177	12.2	20.6	35.6	31.7	100.0
ii. 161 - less than 200 hours	549	14.3	17.6	31.9	36.1	100.0
iii. 200 - less than 240 hours	397	8.8	16.8	33.0	41.5	100.0
iv. 240 - 300 hours	239	6.7	18.3	31.7	43.3	100.0

Notes: 1 Based on a JILPT Survey and excluding non-respondents.

2 Total working hours refers to total working hours for the month of June 2005, including paid and unpaid overtime.

is slightly irregular for the response ratio of general managers to be higher than that of assistant managers. Essentially, young workers and general staff find it more difficult to leave their workplaces early since their bosses are working overtime.

IV. Working Hour and Lifestyle

The JILPT Survey investigated the adequacy levels of three components of daily life: eating, sleeping and exercising. Table 3 illustrates the survey results. The figures are indicated based on the length of total actual working time for the month of June 2005, including unpaid overtime.

In the category, "avoid overeating and eat balanced meals," the ratio of individuals who replied "I don't" was: (i) 10.5% for those working 120 to 160 hours, (ii) 6.7% for those working 161 to less than 200 hours, (iii) 9.3% for those working 200 to less than 240 hours and (iv) 15.1% for those working 240 to 300 hours.

In the category, "get sufficient rest," the ratios were: (i) 9.5%, (ii) 10.3%, (iii) 12.5%, and (iv) 20.3%, respectively. In this category, the differences were

more evident than in the category, “avoid overeating and eat balanced meals.”

As for “exercise or participate in sports regularly,” the ratios were: (i) 31.7%, (ii) 36.1%, (iii) 41.5%, and (iv) 43.3%, respectively. In this category, the differences in the ratios were not as evident as those in the category of “get sufficient rest,” but showed slightly more apparent differences than in the category, “avoid overeating and eat balanced meals.”

Therefore, upon examination of the relationship between working hours and the three components of daily life (eating, sleeping and exercising), long working hours appears to significantly affect sleep duration. In other words, the longer the working hours the more workers tended to cut down on their sleep.

Based on the “Survey on Time Use and Leisure Activities” conducted by the Ministry of Internal Affairs and Communications in 2001, the author investigated the average active hours for those working 35 or more hours a week. Analysis results showed the following breakdowns of sleep duration: 7 hours and 32 minutes, 7 hours and 33 minutes, 7 hours and 26 minutes, and 7 hours and 8 minutes for individuals working 35 to 39, 40 to 48, 49 to 59, and 60 plus hours each week respectively. It became evident that those working 60 or more hours a week sleep substantially fewer hours. Despite a disparity of only approximately 20 minutes, an average disparity of 20 minutes is quite significant. As expected, there is a clear and considerable trade-off between long working hours and hours of sleep.

V. Prospects

Do individuals putting in long hours have a stronger desire to switch companies or do they prefer to remain with their current companies indefinitely? The JILPT Survey investigated an individual’s desires for future working conditions and indicated remarkable results regarding the relationship between these desires and working hours. See Table 4.

The total for each working hour category in Table 4 is 100%, as the respondents were asked to select only one of seven desires ranging from “I wish to gain experience in various company operations in order to join the ranks of management in the future” to “I have no particular desires and prefer to let matters take their course.”

Table 4. Desire for future working conditions in relation to length of total working hours (%)

	120 to 160 hours	161 to less than 200 hours	200 to less than 240 hours	240 to 300 hours	Total
I wish to gain experience in various company operations in order to join the ranks of management in the future.	4.6	4.5	6.1	8.5	5.7
I desire a moderate promotion to management-level work.	6.4	8.4	8.4	9.3	8.3
I desire to continue working for my company until retirement age, regardless of promotion.	20.8	24.2	15.0	12.7	19.1
I desire to exercise my abilities in this company by utilizing my experience, expertise and qualifications.	15.0	14.5	17.9	15.7	15.7
I would consider changing companies if it would allow me to utilize my experience, qualifications, etc.	18.5	23.4	26.3	26.7	24.2
I desire to test my ability to run my own business.	2.9	3.9	3.7	3.4	3.6
I would change companies on a dime for a more favorable situation.	11.0	10.4	13.7	16.5	12.5
I have no particular desires and prefer to let matters take their course.	20.8	10.8	8.9	7.2	10.9
Total (N)	100 (N=173)	100 (N=538)	100 (N=380)	100 (N=236)	100 (N=1,327)

Note 1 and 2 are the same as in Table 3.

First, refer to the “Total,” as it indicates not total working hours, but simply the order of future desires for all respondents. The table indicates that 24.2% of respondents selected “I would consider changing companies if it would allow me to utilize my experience, qualifications, etc,” 19.1% selected “I desire to continue working for my company until retirement age, regardless of promotion,” and 15.7% said “I desire to exercise my abilities in this company by utilizing my experience, expertise and qualifications.”

By examining the different lengths of total working hours, we are able to see discrepancies in several categories. In the category “I wish to gain experience in various company operations in order to join the ranks of management in the future,” response ratios were 4.6% for 120 to 160 hours, 4.5% for 161 to less than 200 hours, 6.1% for 200 to less than 240 hours, and 8.5% for 240 to 300 hours, indicating slightly higher response ratios for the two groups with the longest total working hours. Comparatively speaking, many individuals working

long hours are keenly motivated to continue working for their company in order to secure a top management position.

In the category “I desire to continue working for my company until retirement age, regardless of promotion,” response ratios were 20.8% for 120 to 160 hours, 24.2% for 161 to less than 200 hours, 15.0% for 200 to less than 240 hours, and 12.7% for 240 to 300 hours, indicating slightly higher response ratios for the two groups with the shortest total working hours. These respondents consider it important to continue working in their present company even though many of them are among those with fewer total working hours.

In the category, “I would consider changing companies if it would allow me to utilize my experience, qualifications, etc.,” response ratios were 18.5% for 120 to 160 hours, 23.4% for 161 to less than 200 hours, 26.3% for 200 to less than 240 hours, and 26.7% for 240 to 300 hours, indicating slightly higher response ratios for the groups with the longest total working hours. These respondents are eager to demonstrate their skills and qualifications in their current company or another company, focusing not on where they work but on the contents of their work. Although not a large discrepancy, only a relatively small number of respondents in this category were among those with comparatively short total working hours.

In the category, “I would change companies on a dime for a more favorable situation,” response ratios indicated 11.0% for 120 to 160 hours, 10.4% for 161 to less than 200 hours, 13.7% for 200 to less than 240 hours, and 16.5% for 240 to 300 hours, indicating higher response ratios for the groups with the longest total working hours. One may speculate that a considerable number of individuals aspiring to switch companies feel they are overworked. This matter will be examined in further detail below.

In the category, “I have no particular desires and prefer to let matters take their course,” response ratios indicated 20.8% for 120 to 160 hours, 10.8% for 161 to less than 200 hours, 8.9% for 200 to less than 240 hours, and 7.2% for 240 to 300 hours, indicating lower response ratios for the groups with the longest total working hours. This matter will also be addressed in further detail below.

The preconception that “individuals with long working hours tend to be eager to switch companies or remain with them in the hopes of securing a position in top management,” appears to hold some water. On the other hand, the image that “individuals with short working hours desire to discreetly

continue working for their companies or have no apparent desires,” also appears to ring true.

However, these images are no more than “partially true,” since just under 5% of respondents wished to join the ranks of management in their company and little more than 10% aspired to switch companies as soon as possible despite relatively short working hours. On the contrary, despite relatively long total working hours, 12% to 15% of respondents desired to continue working for their present companies and 7% to 9% had no particular desires and preferred to let matters take their course.

Suppose that many people hold the same preconceptions mentioned above. Comparatively speaking, they may be influenced by the majority principle that individuals working long hours are “generally speaking” more eager to work fervently or change companies than those working short hours. This may be a problematic impression, but when considering it adversely, yet another scenario may arise.

Why is it that individuals with short working hours aspire to become top management? There may be no correlation between aspirations for a top management position and total working hours. Although a natural concept for most companies, working hours are not the sole factor in determining eligibility for promotion. There are certainly individuals who seldom work overtime, but maintain high performance levels and who have earned the trust and confidence of both their superiors and subordinates.

Furthermore, 10% of respondents with short working hours expressed a desire to change companies as soon as possible. This merely indicates that the relationship between the desire to change companies and total working hours is not one to one, but that many factors contribute to this desire, of which working hours is but one.

The perception that those with relatively short total working hours tend to let matters take their course is in accord with preconceptions. Conversely then, in what situation would an individual working long hours consider letting matters take their course? There are certainly workers so utterly physically and mentally exhausted from overwork that they are unable to plan for a bright future. It is also natural that working hours be merely one of the many factors in planning for a bright future. Those who desire to continue working in their company do so for various reasons including the company’s future growth potential, personal treatment and benefits and family circumstances. There are

many factors a worker must consider when transferring to a new company, including the market value of their skills and expertise, the new work environment and a new living environment. These factors vary from one worker to the next. Therefore, should an individual find one of the various factors to be significantly more important than the rest, finding a solution thereto could significantly alter any desires for the future.

VI. Concluding Remarks

The highly accurate description of Japanese employment practices in the JILPT Survey is worthy of appreciation. The Japanese work so hard that the word *karoshi* (meaning death from overwork) is known throughout the world. It is irrefutable that the Japanese glorify the concept of hard work. Some people criticize Japanese workers, claiming they have low productivity. Although this point cannot be completely denied, at the same time, it is important to note that some workers are forced to work overtime on account of excessive work volume.

The length of working hours and employment practices vary depending on the situation surrounding the labor market, and are affected by a variety of factors including history, culture, customary practices, procedures and economic conditions. Likewise, it is meaningless to simply compare the length of working hours in different countries based on statistical data alone. However, it is also a fact that among economically advanced countries, Japan is where the greatest number of workers dies from overwork. This is one fact that merits greater awareness among Japanese people.

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JILPT Research Activities

In addition to the Research Reports, the JILPT publishes “Materials for Studies Series” and “Research & Data Series,” which are literature and other materials collected in the course of surveys and research, materials translated from reference materials from overseas, case studies and other research-related materials that are considered beneficial, if they could be made available outside JILPT, in promoting related research and as reference for related administrative organs in carrying out their operations. The JILPT also publishes “Discussion Papers,” which are the results of research conducted by JILPT researchers at their own responsibility. The “Materials for Studies Series,” “Research & Data Series,” and “Discussion Papers” are made available in printed form and on JILPT websites (all in Japanese). Recent publications are shown below.

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International Joint Study

From 2006, the JILPT has been conducting a two-year joint study with the Australian-Japan Research Centre of the Australian National University on the topic of “comparison of the Japanese and Australian labor markets.” A conference on this research project was held last July in Canberra. We plan to compile the results of the joint research by March 2008.

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