

Childcare Leave System and Women's Job Continuity —Comparative Analysis by Company Size—

Summary

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Objectives of Research

With the enforcement of the Childcare Leave Act in 1992, workers became entitled to take childcare leave no matter whether the companies employing them have childcare leave systems or not. Since the Act was implemented, more companies have introduced provisions concerning childcare leave systems as part of their work rules and other regulations. Still, many women quit their jobs during the childbearing or child-rearing period even today. In order to elucidate the factors behind this situation, the Japan Institute for Labour Policy and Training (JILPT) has been conducting the “Study on the Policy Effect on Women's Job Continuity,” which is a subtheme of the Research Project “Research and Study of the Development of Social Systems and Employment Environments for Work-Life Balance” scheduled for fiscal 2007 to fiscal 2011. This is an interim report summarizing the results of the research through fiscal 2008.

In this report, problems to be resolved concerning support for continued employment are clarified by the size of a company through a secondary analysis of the existing data, with attention paid to the difference in the state of introduction of childcare leave systems between large companies and small and medium-size ones. It has been said that, since small- and medium-sized companies treat each employee flexibly, employees can continue their employment throughout the childbearing and child-rearing period even in the absence of support systems for work-life balance. However, the analysis results presented in this report indicate that, even among small- and medium-sized companies, the percentage of female employees who quit their jobs before their first childbirth is high at the companies that do not have childcare leave systems. We can see that it is difficult for female employees of companies with less than 100 employees to take childcare leave and many of these female employees choose to leave their

companies because of the difficulty in using childcare centers in urban areas. Childcare leave is an important support to help increase the number of female employees who continue their employment through childbearing and child-rearing period at small-and medium-sized companies. On the other hand, more than 90% of large companies have introduced childcare leave systems, and the percentage of employees who take childcare leave is high at these companies. Nevertheless, the analysis indicates that it is becoming difficult for female employees to continue working due to changes in the work styles of women in recent years. The provision of further support for the continuation of employment in response to such changes is an issue to be tackled by large companies.

Based on these findings, we are planning to conduct more detailed research and study in fiscal 2009 onward. The analysis results presented in this reports offer various implications about the issues to be resolved in providing support for continued employment during the childbearing and child-rearing period. The main points are discussed below.

Summary of Analysis Results

1. Overview of Analysis Results

A secondary analysis was performed on the data obtained in the following two surveys that have been conducted by JILPT:

A. Business Establishment Survey in “Survey on Child and Family Care Leave Taken by Fixed-Term Contract Employees” (2007)¹

B. Survey on Work and Life (2005)

Using survey A’s data on business establishments, the implementation situation of childcare leave systems was analyzed by company size, and using survey B’s data on individual employees, the situation of employment continuation during the period of childbearing and child-rearing of the first child, during which the highest percentage of employees quit their jobs, was compared among different cohorts (see “Overview of Analyzed Data” in the next section for the overview of the data). Through such data analyses, problems to be resolved in providing support for continued employment were examined from the viewpoints of both companies and employees. The main points of the analysis results are summarized as follows:

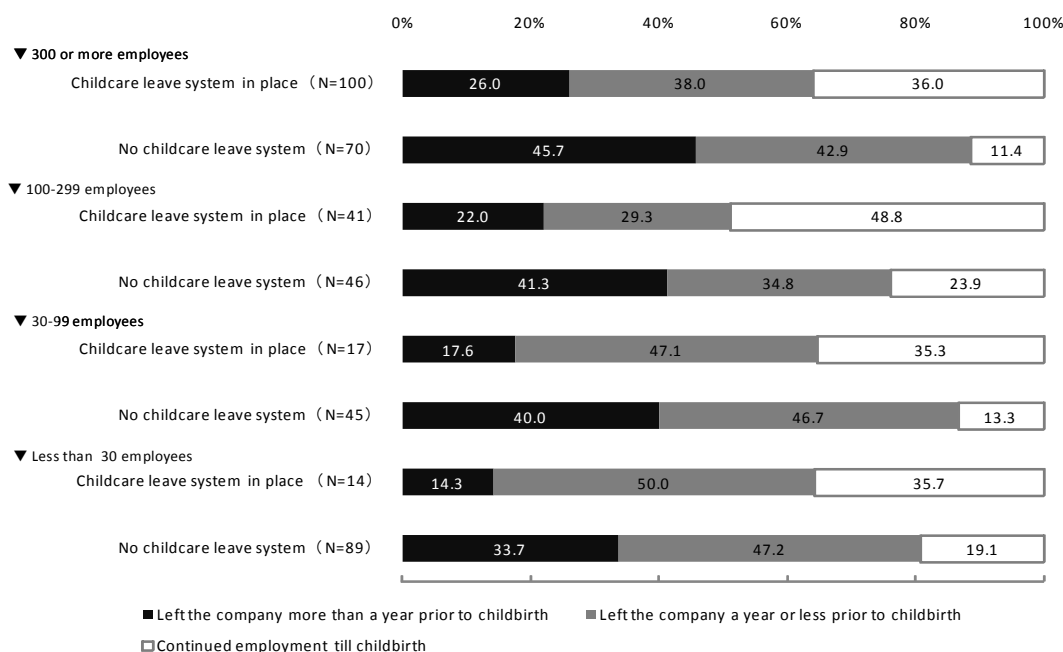
(1) Regardless of company size, the percentage of female employees who quit their

¹ Although it is titled “...by Fixed-Term Contract Employees,” the survey also investigated the existence of childcare leave systems for non-fixed-term employees and their use of childcare leave for comparison purposes. Therefore, we can analyze the existence of childcare leave systems and the situation of childcare leave taken by employees at each business establishment whether the employment period is fixed or not.

companies prior to their first childbirth is high at companies that do not have childcare leave systems (Figure 1). Though the number of business establishments that have childcare leave systems has been increasing even among small-and medium-sized companies with less than 300 employees, the percentage of companies with less than 30 employees that have childcare leave systems remains around 30%. However, even among companies with less than 30 employees, the introduction ratio of childcare leave systems is relatively high among business establishments that are making efforts at achieving gender equality.

(2) At companies with less than 100 employees, only a small number of employees took childcare leave even in the young cohort (Figure 2). As for companies with 30-99 employees, the employment continuation ratio is extremely low in urban areas, where it is difficult to find available day-care centers and the effect of support by parents is small.

Figure 1. The Time to Quit Job Immediately Before Having First Child
—By cohort, size of company, and existence of childcare leave system—
(post-Equal Employment Opportunity Act generation: born 1961-75)

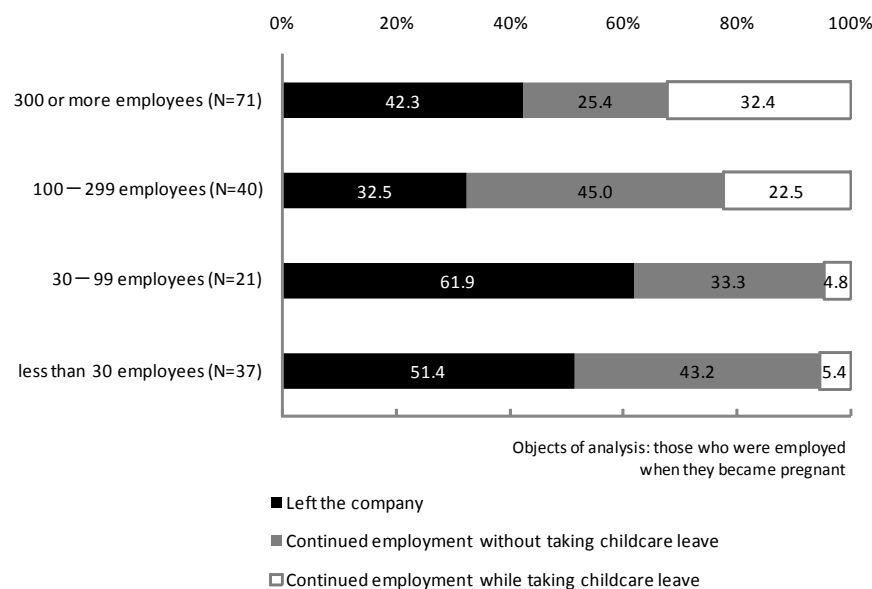


Data: Survey on Work and Life (Japan Institute for Labour Policy and Training, 2005)

Figure 2. Employment Continuation and Use of Childcare Leave During the Period of First Pregnancy and Childbirth

—By cohort and size of company—

(post-Equal Employment Opportunity Act generation: born 1961-75)



Data: Survey on Work and Life (Japan Institute for Labour Policy and Training, 2005)

(3) At large companies with 300 or more employees where the percentage of employees who took childcare leave is high, the employment continuation ratio dropped significantly in the young cohort due to the decline in the employment continuation ratio of clerical employees and the expansion of non-regular employment.

The following is the gist of each chapter of the full report, based on which the above-described analysis results were obtained.

2. Summary of Each Chapter of Full Report

Chapter 1 Current State of Introduction of Childcare Leave Systems by Business Establishments

The introduction ratio of childcare leave systems varies depending on the industry and size of company even today. From 1999 to 2007, however, the introduction ratio among small-and medium-sized companies with less than 300 employees has increased and the introduction ratio among medium-sized companies with 100-299 employees is almost the same as that among companies with 300-499 employees. Still, there exist significant differences by company size. The introduction ratio decreases in a phased

manner as the number of employees decreases from up to 500, up to 100 and up to 30. The introduction ratio of childcare leave systems remains about 30% especially among companies with less than 30 employees. The introduction of childcare leave systems will be an important issue particularly for companies with less than 30 employees.

Chapter 2 Company Size and Job Continuity at the Stage of First Childbirth/Childcare

Regardless of the size of the company, the percentage of female employees who quit their companies before having first child is high at companies that do not have childcare leave systems. However, there is a distinctive difference in the situation of the use of childcare leave systems between companies with 100 or more employees and those with less than 100 employees, and only a small number of employees of companies with less than 100 employees took childcare leave even in the young cohort. In addition, the employment continuation ratio at companies with less than 30 employees dropped significantly among professional and technical employees as well as highly educated employees, and the continuation ratio for the young cohort declined substantially. The percentage of employees who took childcare leave is the highest at large companies with 300 or more employees. However, the employment continuation ratio has been decreasing significantly at large companies due to the decline in the employment continuation ratio of clerical workers, who account for nearly half of female employees, and the increase in non-regular employment. The employment continuation ratio has been decreasing among professional and technical employees regardless of company size, whereas at medium-sized companies with 100-299 employees, where the number of employees taking childcare leave increased, the employment continuation ratio among clerical employees also increased. As a result, the overall employment continuation ratio at such companies has not decreased.

Chapter 3 Supports by Family and Communities and Job Continuity at the Stage of First Childbirth/Childcare

In the young cohort, an increasing number of women spend their first childbearing and child-rearing period in urban areas, where waiting lists for childcare centers tend to be long. In urban areas, the effect of childcare support by parents which allows their job continuity is smaller than in other areas and the employment continuation ratio is low among female employees who do not use childcare centers. The most affected are female employees of companies with 30-99 employees, whose employment continuation ratio is extremely low in urban areas. They seem to have quit their jobs because of the

difficulty both in using childcare leave systems and using childcare centers. On the other hand, for female employees of companies with 100 or more employees in the young cohort, not only the existence of childcare leave systems but also the availability of childcare services for young children up to two years of age as well as childcare support by parents are effective in encouraging continued employment. It is suggested that making such support available in a flexible manner would reduce the difficulty in continuing employment in urban areas.

Chapter 4 Efforts to Promote the Use of Female Labor by Business Establishments and the Childcare Leave System

Even among companies with less than 30 employees where the introduction ratio of childcare leave systems is the lowest, the introduction ratio is relatively high among business establishments that are making efforts to achieve gender equality, with employees taking childcare leave at a higher percentage at these establishments. Among companies with 30-99 employees, all companies that have established action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children have childcare leave systems, and a high percentage of the employees of these companies take childcare leave. Regardless of company size, the introduction ratio of childcare leave systems is high among business establishments that have grasped the need of employees for support for work-life balance. At small-and medium-sized companies with less than 300 employees that have grasped this need, a high percentage of employees take childcare leave. In order to promote the introduction of childcare leave systems by companies with less than 100 employees, it is important to encourage companies with 30-99 employees to make voluntary efforts to provide support for work-life balance and to encourage companies with less than 30 employees to make efforts at achieving gender equality in addition to giving support for work-life balance. Also, it is important for all companies of any size to grasp the need of employees for support for work-life balance.

3. Overview of Analyzed Data

(1) Survey on Work and Life (2005)

Survey sample: 4,000 sampled men and women aged 30 to 54 nationwide and their spouses

Asked about: the situation of work and life, mainly their work experience, experience of child-rearing, experience of nursing care for family members, etc.

Sampling method: stratified two-stage random sampling

Survey method: individual interview with sampled persons and lay away entries for their spouses

Survey period: June 17-July 18, 2005

Survey implementation: outsourced to a research firm (Shin Joho Center, Inc.)

Responses: 2,465 responses from sampled persons and 1,432 responses from their spouses (response rate of sampled persons: 57.9%, including 230 supplementary samples)

(2) Business Establishment Survey in “Survey on Childcare Leave and Family-care Leave Taken by Fixed-Term Contract Employees” (2007)

Survey sample: 9,895 private business establishments throughout the country that employ five or more regular employees

Asked about: existence or nonexistence of childcare leave systems both for fixed-term contract employees and for open-ended contract employees, the situation of the use of childcare leave systems, contract terms of fixed-term employees, and the jobs of such employees, efforts to promote the use of female labor, etc.

Sampling method: samples selected based on the sampling rate specified for each industry and size of business establishment

* In the same manner as the sampling for “Basic Survey on Employment Management of Women” (Ministry of Health, Labour and Welfare)

Method of distribution and collection of questionnaire: distributed and collected by mail.

Respondents filled out the questionnaire by themselves.

* Distribution and collection of questionnaire were outsourced to Nikkei Research Inc.

Survey period: July 19 to August 3, 2007.

Responses: 2,457 responses from business establishments (Response rate: 25.1%, excluding 94 responses from business establishments that obviously should not be included.)