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Support for Working Parents: Government Policies and Corporate Responses in Japan

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The falling birth rate is one of the problems of greatest public concern in Japan in recent years. While support for working parents is widely recognized as a key solution for this problem, the government has not adopted strict regulation, but tried to attract voluntary support from employers. To discuss the effect of such 'soft regulation', we identify characteristics to explain the responsiveness of firms to such an institutional demand. Using a data set of about 750 Japanese firms compiled from several sources, we conducted factor analysis to identify factors underlying firms' support for working parents, and then examined the association of those factors with various firm characteristics by regression analysis. As a result, progressiveness and time-flexibility are identified as the underlying factors. While they are positively associated with firm size, degree of foreign ownership and attention to corporate social responsibility, there are significant differences in the pattern of association with several characteristics regarding the presence of female workers and the participation of labour unions. Difference across business sectors is also significant.
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Introduction

The falling birth rate is one of the problems arousing greatest public concern in Japan in recent years. The total fertility rate, since the early 1980s, reached 1.25 in 2005. One of the reasons considered responsible is the difficulty of female workers satisfying the competing demands of workplace and household when they have children. This is particularly salient in Japan, where what Brinton (1988) calls 'gender stratification' has traditionally been stronger than in other developed countries. It is true that women are becoming more willing to work

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in Japan, just as in other developed countries. An opinion poll shows that the share of those respondents who think that it would be better for women to continue to work even after childbirth was 40.4 per cent in 2004, higher than the corresponding figure (23.4 per cent) to the same question in 1992 (Cabinet Office, 2005). It is also important to note that the education level of Japanese women has risen in recent years. The university advancement rate of women has trebled from 12.5 per cent in 1986 to 38.5 per cent in 2006 (Ministry of Education, Culture, Sports, Science and Technology, 2006). While this has a limited effect on the employment rate of women in Japan (OECD, 2006), it seems to have made more working women willing to work in the same firm even after marriage and childbirth. After all, women with a higher level of education are more likely to consider the development of their career (JTUC Research Institute for Advancement of Living Standards, 1996), and for that purpose, it is often better in Japan to stay in the same firm for a long time rather than change firms.

However, another survey revealed that only 30 per cent of those employed one year before childbirth had the same job one and a half years after childbirth (Ministry of Health, Welfare and Labour, 2004). There is a gap between aspiration and reality. Under that condition, it is not surprising that women who prefer to stay in the labour market are reluctant to marry and have children. In fact, the labour force participation rate of female workers in their late 20s and 30s has risen since 1970, but that is largely because of the increase in unmarried people, and not because more married women are working (Ministry of Finance, 2000: 36). The rise in female labour participation has been accompanied by a rise in the first marriage age for women, which is one reason for the falling birth rate (Maruo, 1998).

On the other hand, previous studies showed that human resource practices supporting working parents exert a positive impact on the decision of women to continue work after childbirth in Japan. Waldfogel *et al.* (1999) examined women with at least one child who were employed prior to their most recent birth in the United States, Britain and Japan, and found that in all three countries they were more likely to return to their previous employers after childbirth when they were eligible for maternity leave or parental leave. Morita and Kaneko (1998) observed that the availability of parental leave prolonged the period of women's first employment after school graduation. Shigeno and Okusa (1998) found a positive effect of the availability of parental leave even on job continuation of unmarried female workers. Shigeno (2006) identified a negative effect of women's employment on childbirth, which was nonetheless offset by their employers' provision of parental leave.

Against those backgrounds, the Japanese government has been eager to promote arrangements with firms whereby work and family life could be well balanced. The Japanese public seems to recognize well the importance

of this. According to a 2004 survey by the Cabinet Office (2005), a majority (51 per cent) selected promoting the support of employers for work–life balance as an important policy to counter the problem of the falling birth rate. Accordingly, several laws were promulgated to guarantee the support of employers.

However, the Japanese government does not take strong regulatory measures in that policy field, for three reasons. First, the attitude of the Japanese public is somewhat ambivalent. While over 40 per cent of the public think that it is better for women to continue working after childbirth, the rest still believe that women should not work at all (2.7 per cent), after marriage (6.7 per cent), after childbirth (10.2 per cent) or at least when children are small (34.9 per cent).[1]

The second reason for the absence of direct intervention is that strong state control over private businesses has become less acceptable, even in Japan. Resistance to direct state intervention may not be small even among those who agree on support for working parents.

Thirdly, the financial resources of the Japanese government are limited. An official of the Ministry of Health, Welfare and Labour commented in interview that this is the primary reason for the absence of strong regulation. It is true that Japan ranks among the lowest in terms of the ratio of public social expenditure to gross domestic product in OECD countries, but the country also ranks among the highest in terms of the pace of its growth. On top of that, the ageing of the population keeps increasing the burden of health care and pension expenditure. Under that condition, it is difficult for the government to spend much money to incentivize private employers to support working parents.

Despite the traditional image of strong bureaucratic control (Johnson, 1982), therefore, the Japanese government has been promoting voluntary arrangements from employers in this policy field, imposing normative pressure and avoiding direct intervention.

The main aim of this study is to assess the effect of the current 'soft regulation', examining why some employers are more responsive to the institutional demand than others. In the management literature, there are various studies focusing on employers' adoption of work–life balance arrangements as a response to institutional demands (Goodstein, 1994; Ingram and Simons, 1995; Milliken *et al.*, 1998; Arthur, 2003; Wood *et al.*, 2003), but not on Japan. Borrowing some ideas from previous studies, we identify a number of factors to explain the behaviour of Japanese employers regarding support for working parents. Despite our use of the phrase-working *parents,* however, it should be noted that we actually focus on measures to help *mothers*. We choose the word 'parents' because most of the measures are open to fathers as well, but that does not imply that they are equally applied to

fathers. As shown later, the reality is the opposite. A growing number of studies discuss the role of fathers in parenting in Japan (Steinberg *et al.*, 2000; Ishii-Kuntz *et al.*, 2004; Matsuda, 2006), but that is out of the scope of the study here.

The study is organized as follows. The next section follows the development of the institutional conditions for the support for working parents in Japan. The further section identifies the characteristics of employers to explain their responsiveness to the institutional demands. The subsequent sections provide empirical analysis and discussions. The final section concludes with a number of policy implications.

Institutional Conditions for the Support for Working Parents

The first legal provision concerning working parents in Japan was introduced as a part of the 1947 Labour Standards Law, which prohibits (Article 65) an employer from having female employees work within 8 weeks following childbirth. The law on parental leave was first established in 1975, but its scope was limited to female workers at such public organizations as schools and hospitals. The first law covering male as well as female workers with offspring less than 1 year old in all sectors came into force in 1992. The law also provided the duty of employers to offer such arrangements as reduced working hours, flexitime, avoidance of extra work, and nursing services for those not opting for parental leave and those caring for children less than 3 years old. In 1995, the Unemployment Insurance Law was reformed so as to compensate part of salary (currently 40 per cent)[2] for those taking parental leave. The childcare law underwent further reforms in 1999, 2002 and 2005. The 2002 reform added the provision that employers should make efforts to help those caring for preschooler(s), with such arrangements as additional parental leave and reduced working hours. After the 2005 reform, parental leave was extended to 18 months on the conditions that a leaver cannot find a vacancy in a nursery within 1 year, or that their partner, who is expected to take care of offspring after 1 year, cannot fulfil their task for such reasons as sickness, injury or death. The eligibility for parental leave was also extended to temporary employees who have worked for over a year and are expecting to work a year after childbirth.

Employers are legally obliged to fulfil these duties, but the law does not provide any surcharge or other punishment for violation. Violations are reported to the labour bureau of each prefecture, which then investigates and gives administrative guidance to employers, when necessary. In 2004, 5,602 employers received such administrative guidance (Ministry of Health, Welfare and Labour, 2005b).

Besides the development of the parental leave law, the government has been trying to promote actual support of employers for working parents, especially since 2001, when the law on parental leave adopted provisions on the duty of the state to take necessary measures to increase the understanding of employers, workers and the general public about work–life balance (Article 33). The Ministry of Health, Welfare and Labour published targets for the achievement of parental leave and other human resource arrangements supporting work–life balance in 2002 and 2003 (Ministry of Health, Welfare and Labour, 2002, 2003). According to these targets, it was expected that 10 per cent of male workers and 80 per cent of female workers would take parental leave and that 25 per cent of employers would offer temporary leave for sick/injured children, as well as other support arrangements, such as reduced working hours for parents of pre-schoolers. Furthermore, two new laws were passed in 2003. The first (the basic law on measures for a society with falling birth rate) provided a cabinet-based framework to discuss relevant problems and measures, leading to the establishment of a package of measures for a society with falling birth rate in 2004. The 5-year action plan (2005–2009) based on that package included several targets regarding work–life balance, such as reducing excessive overtime, increasing paid leave actually taken and increasing at-home workers. The second law (the law on measures to support the upbringing of the next generation) required all employers with more than 300 workers to establish plans to facilitate their employees' work–life balances. Plans and achievements must be reported to the local authority, which then gives certification.

The government is also keen to disseminate the idea that supporting work–life balance beyond legal requirements contributes to the reputation and value of a firm. For example, the Ministry of Health, Welfare and Labour honours some 30 companies as 'Family-Friendly Firms'. As a response to the request of the gender equality council at the Cabinet Office, furthermore, the Ministry of Health, Welfare and Labour elaborated 'Work–Life Balance Indices', a set of indices whereby an employer can assess the degree of its support for work–life balance. Several financial incentives are also provided, through the Japan Institute of Workers' Evolution, a foundation supervised by the ministry. They are directed to those employers who operate on-site child-care services; who provide allowances for off-site childcare and other home services; who employ extra staff substituting for parental leavers; who formalize the system of reduced working hours, flexitime and other systems to facilitate work–life balance; who actively encourage male workers to take parental leave; and who offer special training to those workers returning to work from parental leave.

In line with the institutional development, relevant arrangements have gradually become widespread. According to a survey on female employment in October 2004 (Ministry of Health, Welfare and Labour, 2005a), the share of

parental leavers among entitled female workers was 70.6 per cent, 6.6 points higher than in the previous survey (64.0 per cent) in 2002. The corresponding figure for larger firms (100 or more employees) is over 83 per cent. The figure may be regarded as fairly good in light of the numerical target (80 per cent).

However, we should remember that only 30 per cent of those employed a year before childbirth kept the same job 18 months after childbirth. Besides, the ratio of parental leavers among entitled male workers is only 0.56 per cent. The government budgeted for a subsidy to those employers whose male workers actually took parental leave in 2003, but it was never utilized and was abolished after 2 years. The female employment survey also showed that the ratio of employers offering such support arrangements as reduced working hours to parents was 41.9 per cent, with only 12.8 per cent covering workers with children of 3 years and older. 58.0 per cent of the respondents answered that they had no such arrangement, even though employers have been legally required to make such arrangements since the first enactment of the parental leave law in 1992, at least for those with children less than 3 years old.

On balance, it is fair to say that employers' support for working parents in Japan is improving, but not sufficiently in many aspects. Therefore, it is significant to consider why some employers are more responsive to such an institutional development than others. The next section identifies factors explaining the variety of responsiveness across employers.

Explaining Firms' Responsiveness to Institutional Demands

For the identification of factors explaining firms' responsiveness to institutional demands, it is useful to divide the process of response into the following three stages: recognition, calculation and adoption. To respond to institutional demands, a firm recognizes the demands, calculates the value of conformity and adopts relevant practices. Each factor identified in the following is concerned with one or more of those three stages.

Size

The size of a firm is an important factor in predicting its recognition of institutional demands. Large and/or profitable firms are more resourceful and more likely to meet institutional demands. At the calculation stage, large firms may well put higher value on conformity. As Ingram and Simons noted, 'large organisations are more visible and receive more attention from regulators, the media and the public, and they are therefore held to higher standards of institutional compliance than smaller organisations' (1995: 1468). Workers at larger companies may also be more demanding, as their companies generally

have more extra resources than smaller companies. The more demanding they are, the more risky it is to ignore them.

Size is also important for the consideration of a firm's capacity to adopt relevant practices. The perceived cost of the same practice may well be different between large and small firms. It is easier for large firms to adopt practices that require extra financial resources. Consequently, our first hypothesis is formalized as follows:

Hypothesis 1: The greater the size of a firm, the greater the level of its support for working parents.

Female workers

Female workers experience more substantial trade-offs between their work and family lives than male workers (Greenhaus and Parasuraman, 1999; Friedman and Greenhaus, 2000). Therefore, female workers may more often convey the institutional demand for supporting working parents to their firms. Female workers may propose an explicit demand, or employers may recognize it spontaneously. In either case, the strength of the recognition of the demand is related to a firm's dependence on female workers. The effectiveness of organizations 'derives from the management of demands, particularly the demands of interest groups upon which the organizations depend for resources and support' (Pfeffer and Salancik, 1978: 2). A firm's dependence on female workers is proportional to their presence in the firm, which may be measured by the share of female workers in the total workforce, by the promotion of female workers to management position and by the organizational tenure of female workers. The larger the share of female workers, the more equally they are promoted to management positions; and/ or the longer they work, the more female workers in a firm. A large presence of female workers may itself indicate a firm's perception of their value, but it may also help produce a fairer view on female workers in the firm. As pointed out by Kanter (1977), skewed sex ratios may lead to disproportionate awareness of female workers' performance, exaggeration of gender differences and over-emphasis on stereotyped views. Those problems are less likely to occur when female workers are more numerous.

A firm's dependence on female workers may also affect its calculation of the benefit of working parent support. It may be natural that those employers who depend more on female workers are more likely to make a positive calculation.

Hypothesis 2: The greater the presence of female workers in a firm, measured by the ratio of female workers, their promotion to management positions and their organizational tenure, the greater the level of a firm's support for working parents.

Labour unions

Labour unions may play an important role at the stages of recognition and calculation. Collective action is often more visible than individual negotiations, hence promoting more recognition. Furthermore, labour unions may well help institutional demands reach their firm, because the support for working parents is largely a benefit for their members. At the calculation stage, the strength of labour unions may be proportional to the risk of non-support for working parents.

Hypothesis 3: The greater the ratio of unionized workforce in a firm, the greater the level of its support for working parents.

Foreign ownership

The degree of a firm's recognition of institutional demands may also be related to its ownership structure, that is, the share of foreign ownership. Foreign firms, mostly from Western developed countries, are often attentive to demands for working parent support. They are also generally more flexible in the adoption of arrangements deviating from Japan's traditional working style. Furthermore, they are anxious to attract female workers for two reasons: first, women are often free from the domestic traditional male-oriented view on business operation, which depreciates the role of female workers; second, many are less sought-after in recruitment, because they are latecomers in the Japanese market.

Since many domestic firms prefer male workers, many foreign firms may turn to female workers with high qualifications than to male workers with lower qualifications. For those firms, working parent support is an effective recruitment tool, attracting more candidates with higher qualification (Hall and Parker, 1993). The necessity to attract female workers may enhance the recognition of demands for working parent support and lead to a calculation in the favour of support. Hence, foreign firms are more willing to adopt relevant arrangements.

Hypothesis 4: The greater the share of foreign ownership of a firm, the greater the level of its support for working parents.

Attentiveness to corporate social responsibility

In recent years, support for working parents is often regarded as a crucial issue of corporate social responsibility (CSR). This is not surprising, given that the falling birth rate is a social problem, and that working parent support is

considered one of its solutions. A firm's attentiveness to CSR may therefore increase its recognition of the significance of working parent support. In fact, support for working parents is mentioned as part of CSR in interviews with some firms.

Moreover, those firms that emphasize CSR tend to think more of long-term benefits than immediate costs. Accordingly, they may well make a more positive calculation for working parent support.

It is true that the current CSR boom came from North America and Europe. Indeed, many Japanese firms have learned a potential risk of non-support for working parents largely from questionnaires and interviews serving the analysis of foreign investors. To that extent, the share of foreign ownership may partly represent attentiveness to CSR. Nowadays, however, the difference between foreign and domestic firms seems small. The interest in socially responsible investment is also growing in Japan (Tanimoto, 2003). Hence, attentiveness to CSR is identified as a factor separate from foreign ownership.

Hypothesis 5: The more attentive a firm is to the recent public focus on CSR, the greater the level of its support for working parents.

Sectoral difference

The last factor is concerned with diversity across business sectors. Firms may well recognize institutional demands when they look at other firms in the same business sector. They may also take account of what others do when calculating the benefit of conformity and when adopting relevant practices. Firms are more likely to tailor their support for working parents in the same way as others in their sector, since they often compete in the same labour market. If a firm does not adopt the practices of its peers, it may well fail to attract good workers, who will instead work for its rivals. Conversely, a firm is less likely to give support if it does not have to do so for the sake of recruitment.

Furthermore, a firm may well follow the practice of others just because they adopt it. It may understand that others have calculated that the practice is beneficial. By the same token, a firm is less likely to adopt a practice adopted by few firms, presumably suspecting that the practice is costly, or that there is some obstacle to its adoption. In short, a practice may gain or lose legitimacy just because it is adopted or not by many firms. This is especially the case when it is difficult to estimate the value of the practice. Uncertainty is a powerful force that encourages imitation (DiMaggio and Powell, 1983: 151). Such isomorphism primarily occurs in the same business sector. Firms in the same sector often examine each other as competitors in the same market. They often communicate with each other through trade associations. Business sector is a

major unit of shared assumptions and values (Gordon, 1991). The result of isomorphism is therefore diversity across business sectors.

Hypothesis 6: The level of a firm's support for working parents varies across business sectors.

Data and Analyses

To test the above hypotheses, we use the data obtained from *CSR Kigyo Soran* (Firm Data on CSR) by Toyokeizai Shinposha. The survey was sent in February and March 2005 to 3,799 firms, mainly consisting of those listed on the Japanese stock market, but also including some that are not listed but large enough to be considered. 749 firms responded, and the response rate was 19.7 per cent. In addition, we referred to a number of other publications, such as *Shushoku Shikiho* (Firm Data on Recruitment) and *Kaisha Shikiho* (Japan Company Handbook), as well as annual reports of individual firms, in order to supplement the main data.

The survey investigated the supportiveness of firms for working parents by asking the availability of relevant arrangements. The respondents were asked to indicate the maximum length of parental leave and whether employees were provided with such arrangements as reduced working hours, flexitime, half-day leave, at-home work and childcare benefit.[3] Half-day leave is an arrangement to allow workers to take paid leave by half-days, making their schedule more flexible. Childcare benefit only includes on-site childcare service and allowances for off-site childcare services,[4] excluding such intangible services as information provision and referral services.

In the literature, only a few studies examine the association of firm characteristics with the availability of individual arrangements (Budd and Mumford, 2004). Other studies identify the supportiveness of firms for working parents at a more aggregate level. Some count the number of specific arrangements (Morgan and Milliken, 1992; Osterman, 1995; Konrad and Mangel, 2000) to identify overall supportiveness. Similarly, Goodstein (1994) and Ingram and Simons (1995) define the responsiveness of firms primarily based on the number of specific types of arrangement. The assumption underlying those studies is that different arrangements or groups of arrangements are compatible and may be treated equally.

However, other studies do not make that assumption. Most notably, Wood *et al.* (2003) conducted statistical analysis and clearly rejected the hypothesis that the pattern of associations among different arrangements is reducible to a uni-dimensional structure. In line with this, many recent studies conducted their analysis separately by a small number of discrete types of arrangement.

While some identify analytical types on grounds of purely qualitative consideration (Glass and Estes, 1997; Bardoel *et al.*, 1999), others draw help from statistical methods such as factor analysis (Milliken *et al.*, 1998; Perry-Smith and Blum, 2000; Wood *et al.*, 2003).

It is difficult to say *a priori* which approach is best applicable to our study. After all, none of the above are based on data from Japanese firms, and the way in which firms support working parents may vary across national economies. In order to see if the supportiveness of firms may also be discussed at aggregate level in the Japanese context, we conducted factor analysis.

For the analysis, the adoption of individual arrangements was coded as binary: 1 if a firm adopts an arrangement, 0 otherwise. With regard to parental leave, however, only the adoption of parental leave beyond legal requirements, that is, 1 year in general and 18 months in some special cases, was coded as 1.

The prevalence rates of all arrangements are shown in Table 1. The most popular arrangement was half-day leave, by 72.2 per cent of the respondents. This is followed by reduced working hours (61.0 per cent) and flexitime (50.3 per cent). Over a quarter (26.4 per cent) adopted parental leave beyond legal requirements. At-home work and childcare benefits were much less prevalent, at 4.8 and 8.7 per cent, respectively.

Table 2 shows the result of the factor analysis. The factors were estimated by the maximum likelihood method, and the factor loadings were adjusted by varimax rotation. The chi-square tests for model fitness statistically justified the retention of two factors at 5 per cent level ($p = 0.023$). The first factor seems to represent progressiveness, since its loadings are high on long parental leave, at-home work and childcare benefit, all of which are considered rather progressive in Japan, currently at least. The second factor shows strong connection with arrangements related to time-flexibility — reduced working hours, flexitime and half-day paid leave. It should be noted that the loading of long parental leave is also relatively high on this factor.

The scores of those two factors represent general characteristics of the support of firms for working parents. They are therefore utilized as the

Table 1 Prevalence of arrangements to support working parents (total 749 firms)

	Available	*Not available*	*NA*
Long parental leave	198 (26.4%)	504 (67.3%)	47 (6.3%)
Reduced work hours	457 (61.0%)	285 (38.1%)	7 (0.9%)
Flexitime	377 (50.3%)	367 (49.0%)	5 (0.7%)
Half-day paid leave	541 (72.2%)	203 (27.1%)	5 (0.7%)
At-home work	36 (4.8%)	704 (94.0%)	9 (1.2%)
Child care benefit	65 (8.7%)	674 (90.0%)	10 (1.3%)

Table 2 Result of the factor analysis

Variable	*Rotated factor loadings*		*Uniqueness*
	1 (progressiveness)	*2 (time flexibility)*	
Long parental leave	0.325	0.319	0.792
Reduced work hours	0.199	0.506	0.705
Flexitime	0.159	0.380	0.830
Half-day paid leave	0.062	0.519	0.727
At-home work	0.340	0.147	0.863
Child care benefit	0.758	0.086	0.418

dependent variables in the model to test the hypotheses discussed in the last section. For the statistical model, a simple multiple regression is applied. The independent variables are defined as follows. To test Hypothesis 1, the size of a firm is defined as the natural logarithm of the size of its workforce, i.e. the number of its workers. Here the data are only concerned with 'regular workforce', which in Japan generally means full-time permanent employees, because most Japanese firms limit the availability of their support arrangements to regular workers.

Hypothesis 2 includes three variables. The first is the proportion of female workers in the regular workforce. The second variable, the promotion of female workers to management positions, is measured by the ratio of the share of female managers in the total female workforce to the share of male managers in the total male workforce. Again, this only concerns regular workers. While some previous studies simply apply the ratio of female managers in total managers (Ingram and Simons, 1995; Sasaki, 2005), we do not follow their approach on the ground that the definition of management positions and the difficulty of promotion vary across firms. The third variable of Hypothesis 2 is also defined in relative terms, that is, as the ratio of the average organizational tenure of female regular workers to that of male regular workers. The purpose of applying a relative definition is to see how favourable a firm's working environment is to the job continuation of female regular workers, compared with male regular workers.

With regard to Hypotheses 3 and 4, the participation rate of labour unions and the share of foreign investors are included in the list of independent variables. Attentiveness to CSR, concerning Hypothesis 5, is measured by the dummy variable, which takes 1 if a firm assigns, or plans to assign, a special duty for the management of CSR to a member of its executive board.

Finally, Hypothesis 6 is tested by examining the impact of sectoral difference. Eight dummy variables are introduced to represent the following sectoral categories: construction; electricity, gas and water; information and

communication; transport; wholesale; retailing; financial services; and other services. The reference category is the manufacturing sector.

The means, standard deviations and correlations of all variables are shown in Table 3.

Results and Discussion

The result of the regression analysis is shown in Table 3. Interestingly, the correlation pattern is quite different between progressiveness and time-flexibility. However, firm size holds strong positive correlation with both support factors, which firmly supports our first hypothesis. Larger firms are more likely to be progressive, as they are more sensitive to public relations and have more financial capacity to introduce new practices. Since larger firms have more capacity to find substitutes either within the same department or elsewhere for absent workers, they may well be more generous regarding the adoption of time-related arrangements.

The ratio of female workers has strong positive association with progressiveness, but no significant association with time-flexibility. This is not surprising, because two of the three time-related arrangements, flexitime and half-day paid leave, are used not only by female but also by male workers. By contrast, the use of all progressive arrangements is largely limited to child-raising female workers. It is true that the use of at-home work is not necessarily limited to those female workers. A recent survey of firms adopting the arrangement of at-home work indicated that 50 per cent of respondents did not have any such limitation (Telework Promotion Forum, 2006). In reality, however, our interviews revealed that child-raising female workers were, and were often supposed to be, the main users.

The patterns of association of the other female-related variables, the promotion of female workers and organizational tenure of female workers, are contrasting. On one hand, the promotion of female workers was associated with progressiveness, but not with time-flexibility. Such arrangements as long parental leave, at-home work and childcare benefits may be particularly useful in firms that are active in promoting female workers to management positions, because the child-raising female workers work at the same time as other workers. This typically applies to childcare benefits, but it also applies to at-home work, if the location of the working place does not matter. Parental leave gives total absence from work, but workers are expected to work in the same way as others after they return. In other words, arrangements related to time-flexibility may not be very useful to female workers with upward mobility. In fact, interviews with firms revealed that Japanese firms were not very generous to those who work less than other workers, in terms of salary evaluation and

Table 3 Means, standard deviations and correlations of variables

	Variable	*Mean*	*S.D.*	*1*	*2*	*3*	*4*	*5*	*6*
1	Long parental leave	0.28	0.45						
2	Reduced work hours	0.62	0.49	0.22**					
3	Flexitime	0.51	0.50	0.24**	0.20**				
4	Half-day paid leave	0.73	0.45	0.14**	0.24**	0.29**			
5	Stay home work	0.05	0.22	0.12**	0.17**	0.14**	0.08*		
6	Child care benefit	0.09	0.28	0.28**	0.14**	0.19**	0.10**	0.26**	
7	Size	6.97	1.55	0.35**	0.24**	0.39**	0.19**	0.16**	0.25**
8	Share of female workers	0.19	0.13	0.02	−0.01	−0.22**	−0.13**	−0.02	0.06
9	Promotion of female workers	0.10	0.16	0.01	−0.07	−0.06	−0.13**	−0.02	0.08*
10	Organizational tenure of female workers	0.73	0.21	0.04	0.09*	0.01	0.05	−0.03	0.01
11	Participation rate of labour unions	0.50	0.37	0.17**	0.13**	0.29**	0.16**	0.03	0.11**
12	Share of foreign investors	0.11	0.12	0.28**	0.18**	0.18**	0.21**	0.13**	0.24**
13	Attentiveness to CSR	0.44	0.50	0.20**	0.18**	0.31**	0.22**	0.13**	0.16**
14	Construction	0.07	0.25	−0.05	−0.03	−0.09*	−0.09*	−0.04	−0.05
15	Electricity, gas and water	0.02	0.13	0.14**	0.04	0.06	0.05	−0.03	0.00
16	Information and communication	0.07	0.25	0.14**	0.03	0.00	0.03	−0.01	−0.06
17	Transport	0.03	0.16	0.02	−0.04	0.05	−0.08*	−0.04	0.10**
18	Wholesale	0.07	0.25	−0.03	−0.05	−0.08*	0.04	−0.01	−0.05
19	Retailing	0.06	0.25	0.09*	0.04	−0.08*	−0.29**	−0.03	0.07*
20	Financial services	0.09	0.28	−0.02	−0.04	−0.20**	−0.13**	0.00	0.04
21	Other services	0.07	0.26	−0.10*	−0.10**	−0.14**	−0.08*	−0.06	−0.07

Table 3 (***continued***)

	Variable	*Mean*	*S.D.*	*1*	*2*	*3*	*4*	*5*	*6*
		7	*8*	*9*	*10*	*11*	*12*	*13*	*14*
8	Share of female workers	−0.06							
9	Promotion of female workers	−0.12**	0.10**						
10	Working length of female workers	−0.07	0.04	0.12**					
11	Participation rate of labour unions	0.48**	−0.18**	−0.19**	−0.09*				
12	Share of foreign investors	0.45**	0.01	−0.04	0.07	0.14**			
13	Attentiveness to CSR	0.33**	−0.11**	−0.04	−0.01	0.16**	0.27**		
14	Construction	0.05	−0.22**	−0.07	−0.07	−0.01	−0.04	−0.03	
15	Electricity, gas and water	0.13**	−0.07	−0.03	−0.01	0.07	−0.04	0.04	−0.03
16	Information and communication	−0.06	0.02	0.21**	0.05	−0.18**	−0.04	0.03	−0.07
17	Transport	0.01	−0.09*	0.15**	−0.06	0.11**	−0.04	0.01	−0.04
18	Wholesale	−0.11**	0.08*	−0.01	−0.02	−0.12**	−0.04	−0.01	−0.07*
19	Retailing	−0.04	0.10**	0.20**	0.02	−0.07	−0.08*	−0.11**	−0.07
20	Financial services	0.09*	0.38**	−0.02	−0.01	0.08*	0.07*	0.00	−0.08*
21	Other services	−0.17**	0.22**	0.15**	0.06	−0.22**	−0.07	−0.11**	−0.07*
		15	*16*	*17*	*18*	*19*	*20*		
16	Information and communication	−0.03							
17	Transport	−0.02	−0.04						
18	Wholesale	−0.03	−0.07*	−0.05					
19	Retailing	−0.03	−0.07	−0.04	−0.07				
20	Financial services	−0.04	−0.08*	−0.05	−0.08*	−0.08*			
21	Other services	−0.04	−0.07*	−0.05	−0.08*	−0.07*	−0.09*		

NB: Asterisks indicate statistical significance at 5 per cent (*) and 1 per cent (**) levels.

promotion. A number of firms take positive action to reduce such disadvantage, but they are quite exceptional. Many of the others admitted that the application of those arrangements that involved leave from work could delay the promotion of workers, although they often insisted that it was possible for them to catch up with others in the long run. On balance, it seems better to advise female workers to leave their children in nursery schools as long as possible, rather than take full or part-time leave, if they wish to be promoted at the same rate as their colleagues.

On the other hand, the organizational tenure of female workers was associated with time-flexibility, but not with progressiveness. This implies that female workers have less difficulty in continuing their jobs when such time-flexible arrangements as reduced working hours, flexitime and half-day leave are available. This is consistent with the results of a recent survey of workers with small children (Matsuda, 2006), according to which those arrangements related to time-flexibility were generally more popular than such arrangements as long parental leave, at-home work and childcare benefit.

With regard to the promotion of female workers and the length of their organizational tenure, it should be remembered that these two variables are correlated positively. As Table 3 indicates, their simple correlation is statistically significant at 5 per cent level. Therefore, those firms with a higher ratio of female worker promotion tend to have female workers working longer, hence adopting both types of support arrangements.

The labour union participation rate shows a significant association with time-flexibility, but not with progressiveness. From this, it may follow that labour unions simply focus less on issues specific to female workers, because progressive arrangements are more specifically available to female workers. In other words, the opposite to the share of female workers applies here. This is not surprising, given that women are in general under-represented in Japanese labour unions. For instance, a recent Japan Trade Union Confederation (Rengo) survey revealed that the proportion of women members in affiliated unions and in executive positions of those unions were 26.8 per cent and 5.0 per cent, respectively (Rengo, 2003).

The interpretation is also possible that Japanese labour unions do consider the working conditions of female workers, but more often prioritize job continuation over promotion. As discussed above, time-flexible arrangements seem to be more helpful to female workers' job continuation. However, such a prioritization may also reflect a male-oriented view of Japanese labour unions, which tend to think less about the promotion of female workers.

The share of foreign investors was associated modestly with progressiveness and weakly with time-flexibility. This supports our hypothesis that there is asymmetry between domestic and foreign firms, although not very strongly. The attentiveness to CSR, represented by the dummy variable for the (planned)

assignment of the CSR management to a board executive, is associated strongly with both support factors. This implies that attentiveness to CSR increases the level of support as hypothesized, in both support directions.

Finally, the results clearly indicated the diversity across business sectors in the characteristics of support. Most remarkably, five business sectors (construction, transport, retailing, financial services and other services) are significantly less committed to the adoption of time-flexible arrangements than the manufacturing sector, as the reference category. It is not clear how technically difficult it is for those sectors to introduce time-flexible arrangements. However, the main reason may not always be technical. After all, our interviews revealed that Japanese firms often referred to the practices of other firms in the same sector. Those firms seem to just follow the general practice, without considering the applicability of arrangements to their own workplace.

As for progressive arrangements, two business sectors, transport and retailing, are more positive in adopting them than manufacturing. Since these

Table 4 Results of the regression analysis

	Progressiveness		*Time flexibility*	
	Coefficient	*Standard error*	*Coefficient*	*Standard error*
Size	0.126***	0.028	0.110***	0.023
Share of female workers	0.809***	0.295	−0.247	0.245
Promotion of female workers	0.408*	0.218	−0.184	0.181
Organizational tenure of female workers	0.052	0.141	0.247**	0.118
Participation rate of labour unions	0.031	0.099	0.202**	0.082
Share of foreign investors	0.689**	0.304	0.483*	0.253
Attentiveness to CSR	0.182***	0.064	0.251***	0.053
Industrial sector				
Construction	−0.064	0.122	−0.427***	0.101
Electricity, gas and water	0.114	0.290	0.205	0.241
Information and communication	−0.093	0.131	0.124	0.109
Transport	0.523***	0.192	−0.489***	0.159
Wholesale	0.041	0.126	−0.060	0.104
Retailing	0.308**	0.130	−0.500***	0.108
Financial services	−0.049	0.116	−0.615***	0.096
Other services	−0.111	0.133	−0.303***	0.110
Intercept	−1.323***	0.218	−1.013***	0.181
Number of observations	558		558	
F value	7.46***		19.18***	
Adjusted R^2	0.148		0.329	

Note: Asterisks indicate statistical significance at the 10 per cent (*), 5 per cent (**) and 1 per cent (***) levels. The reference category for business sectors is the manufacturing sector.

two sectors are included in the above group of those reluctant to adopt time-flexible arrangements, it appears that they adopt progressive arrangements as a substitute for time-flexible arrangements (Table 4).

Conclusion

The support for working parents, especially mothers, is an interesting case of 'soft regulation' in Japan. It is possible that the government will take a stronger approach in the long run, since public opinion will probably lean more towards working women. There is no doubt that women will be more important in the labour force as a result of the falling birth rate. Nonetheless, radical change will not be an option in near future, not least due to the government's severe financial conditions. Therefore, the management of 'soft regulation' is a crucial challenge for the government at least in the years to come. We believe that this study has provided an analysis to improve such management.

At the first step of the empirical study, we identified two factors underlying the support of firms for working parents, progressiveness and time-flexibility. The regression analysis shows that those two factors hold different patterns of association with various characteristics of firms. However, the government apparently pays little attention to such a difference. The childcare law only lists relevant arrangements and stipulates the duty of employers to provide at least one of them. Here it is assumed that all arrangements are substitutable, which is apparently not the case in reality.

We have discussed why certain types of firms are more likely to adopt certain types of arrangement. For a political implication, the specification of sectoral difference particularly may be valuable. While the Ministry of Health, Welfare and Labour plays a central role in promoting working parent support, it is often more effective for other ministries to guide business sectors with which they are closely related. If isomorphism is a more fundamental cause of sectoral difference than technical difficulty, as discussed above, there is a large potential to improve the support for working parents, at least in some sectors.

It is noteworthy that attentiveness to CSR is significantly associated with both support factors. Just now, CSR is a popular concept in Japan. The connection of working parent support with CSR may be beneficial, as it increases the awareness of firms of such support. At the same time, however, it implies the risk that working parent support may fade when CSR loses attention. It is not clear how long the current CSR boom will last, but attempts should be made to keep public attention on CSR even after initial enthusiasm has dwindled.

It is true that our analysis is weak in the sense that it was based on data from a relatively small number of firms. As stated earlier, the sample firms represent

about 20 per cent of leading firms in Japan. On top of that, the sample may well be biased, as respondents are more likely to boast about their arrangements than those who did not respond.

Furthermore, our interpretation severely suffers from the lack of longitudinal data, which leaves a question of causality. Readers should note these problems. Besides, the scope of our analysis is very limited, as it only counted the adoption of arrangements, and did not include such information as the qualification for use and the number of actual users. However, it seems that Japanese firms on the whole have become more prepared to divulge relevant information to the public. Future studies will benefit from this. We believe that the current study provides some implications for them.

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Notes

1 For details of the episode of 'birth-giving machines', see *The Independent*, 29 January 2007, for example.
2 Parental leavers may obtain 30 per cent of salary when they take leave. The additional 10 per cent is paid after they return and work for 6 months.
3 The survey also included questions about the adoption of satellite offices and paid parental leave, but the understanding of those arrangements seemed quite different across firms. For example, some firms identified satellite office with distant work treatment, others as an ordinary branch. Some firms confused paid parental leave with ordinary paid leave, which all workers receive as a basic legal entitlement. Consequently, we decided to exclude those arrangements from the analysis.
4 It may be better to distinguish on-site childcare service and allowances from off-site childcare services, given that the former is generally much more costly for employers than the latter. This is impossible, however, because the survey failed to distinguish them.

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Appendix

See Table A1.

Table A1 Sectoral profile of interviewed firms

Business sector	*Number of interviewed firms*
Manufacturing	57
Construction	2
Electricity, gas and water	5
Information and communication	16
Transport	2
Wholesale	1
Retailing	9
Financial services	10
Other services	8
Total	110

Note: Interviews conducted February–October 2005.