

The Next Step in Securing Women Workers—New Work Arrangements for Non-Working Housewives

by Tamie Matsuura
Social Improvement and Life Design Research Group
matsuura@nli-research.co.jp

As employers vie for the dwindling number of new workers entering the labor force, we explore strategies to “lock in” new women workers, particularly the talented pool of housewives returning to the labor force. They tend to prefer flexible arrangements for working at home and new forms of short-time work such as short-work-week and school term-time only work.

1. Competition for Human Resources

After slumping for years, the effective ratio of job openings to job applicants began climbing in 2003, reaching 1.01 in September 2007 (*Report on Employment Service*, Ministry of Health, Labor and Welfare).¹ The uptrend is seen as more than a cyclical phenomenon, especially since the shrinking labor force is projected to continue declining due to the low birthrate and aging. In view of the demographic trends, the government has introduced measures to mobilize the non-working population of elderly persons, women, and young persons. Surprisingly, some forward-looking private employers already exceed the legal requirements as they pursue a strategy to secure or “lock in” existing human resources for the long term.

For example, in the past few years, many employers have introduced or enhanced work-life balance arrangements. Large employers such as Kawasaki Heavy Industries (transport equipment industry) and Aeon (retail industry) have raised the mandatory retirement age.² Uniqlo (manufacturing and retailing) initiated a bold program to provide permanent employment to current employees on a large scale.³ In these cases, the chief aim is to retain employees who would otherwise leave the labor force. Amid the decline in new graduates entering the labor force, these strategies will compete directly against other efforts to mobilize new workers from the non-working population.

Exhibit 1 shows the labor force participation status of persons aged 15 and over by gender and age. Compared to men, a larger share of working-age women are non-working, and a larger share of employed women are non-permanent employees. In addition, the swell of non-working women at age 35 to 44—presumably the main child-raising years—creates a dip that forms the M-shaped labor participation curve, itself a unique occurrence among industrialized economies. Apparently, many married women leave the labor force at this age to concentrate on raising children.

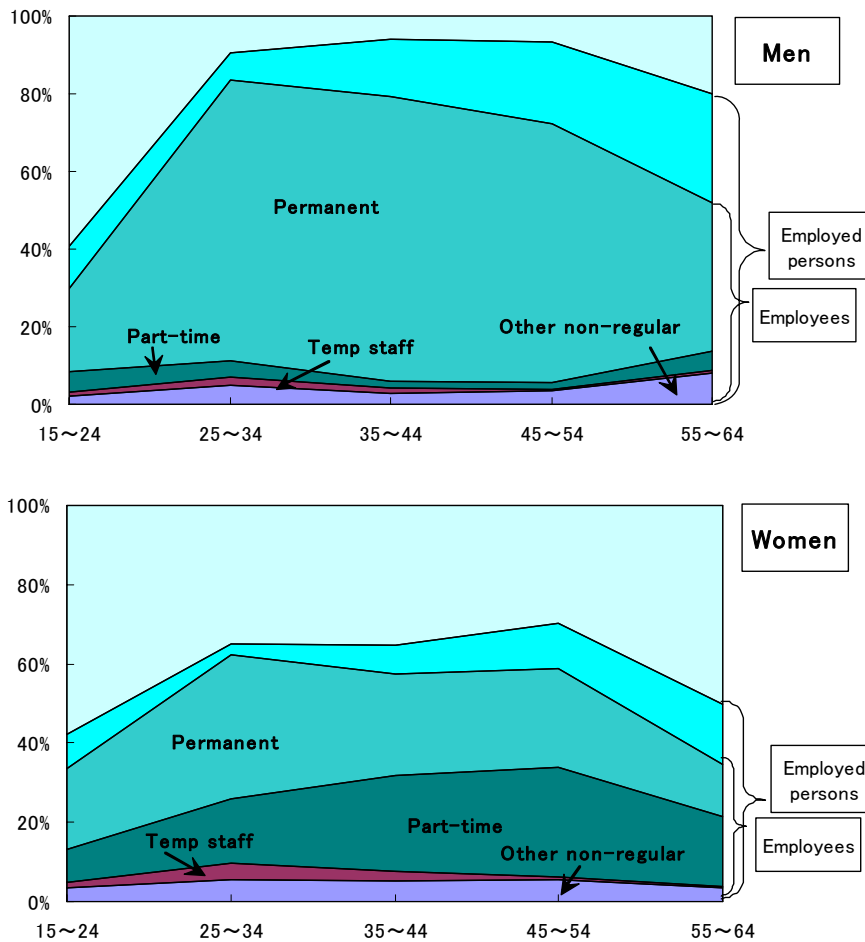
The women who eventually return to the labor force represent a sizeable and talented labor pool. Below we explore strategies to attract and retain women workers for the long term, focusing on the return of non-working housewives to the labor force.

2. Employment Needs of Housewives

We first examine the attributes and employment needs of non-working housewives based on data from the *Comprehensive Survey of Risk Awareness of Individuals*, conducted by NLI Research Institute in March 2007. The Internet-based survey collected 25,278 responses nationwide from a registered survey sample of men and women aged 20 and over.

The respondents include 5,245 non-working

Exhibit 1 Labor Force Composition by Age and Gender



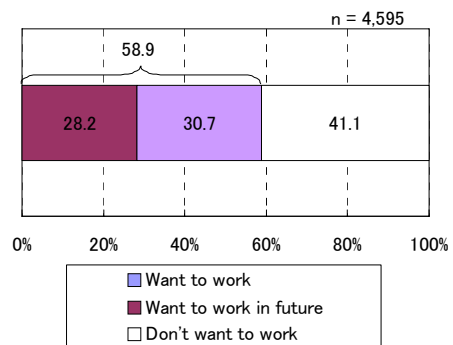
Notes: Employees exclude executives. The 15-to-24 age group excludes students.
Source: Ministry of Internal Affairs and Communications, *Labour Force Survey*.

women, of whom 87.6% (4,595 persons) are married. It is this last group that comprises our sample of non-working housewives.

while roughly one in four (23.5%) is a graduate of college or graduate school. As these results show, many non-working housewives have invested a fair amount of time and money into education.

When asked about employment intentions, 28.2% of the non-working housewives said they want to work now, and another 30.7% want to work in the future. Thus almost 60% of our sample expressed a desire to work at some time in the future (Exhibit 2).

Exhibit 2 Employment Intention of Non-Working Housewives

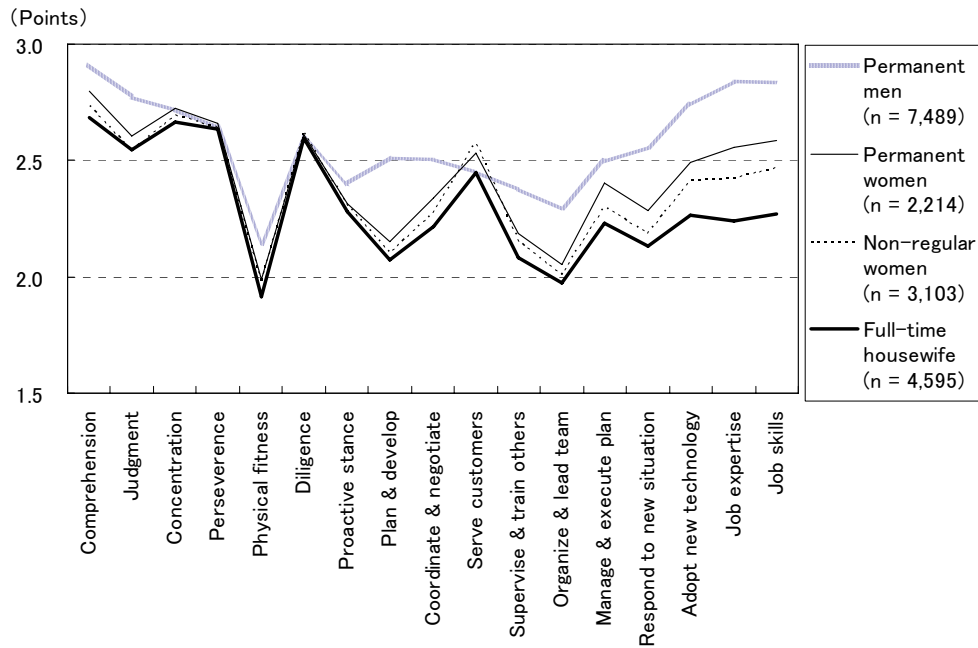


Source: NLI Research Institute, *Comprehensive Survey of Risk Awareness of Individuals (2007)*.

1. Attributes of Non-Working Housewives

By age, the sample of non-working housewives is evenly distributed from age 25 to 64. However, among housewives with employment intentions, 66.9% are clustered in the presumed primary parenting age group of 25 to 44. In terms of educational attainment, 33.8% of them are graduates of a junior college or vocational school,

Exhibit 3 Self-Evaluation of Attitude, Competency and Skill



Notes: Shows average self-evaluation based on a 4-point scale from confident (4 points) to somewhat confident (3 points), not very confident (2 points), and not confident (1 point). Averages exclude responses of don't know, does not apply, and no response.
 Source: NLI Research Institute, *Comprehensive Survey of Risk Awareness of Individuals (2007)*.

In the survey, respondents are asked to evaluate their self-confidence on various work attitudes, skills and competencies. Average values are compared with those of various types of current employees in Exhibit 3. For competencies that require work experience (such as planning & development, organizing and leading teams, adopting new technologies, job expertise, and job skills), housewives score significantly below current employees, particularly permanent male employees, who are the most experienced and skilled in core work duties. On the other hand, for basic competencies and attitudes such as comprehension, concentration, perseverance, diligence, pro-activeness, and dealing with customers, housewives evaluate themselves much closer to current employees.

Obviously, the long absence from the labor force means that housewives seeking reemployment will need to brush up on their work attitudes, skills and competencies. However, with proper training from employers, they represent a talented labor pool that.

2. Desired Work Arrangements

Among non-working housewives with employment intentions, the primary considerations (multiple response) in choosing where to work are work hours (86.8%), wages (82.9%), and commuting time (73.6%; Exhibit 4).

The three most desired work arrangements (multiple response) are short-time work (64.9%), short-week work (fewer scheduled work days; 44.1%) and working at home (34.7%; Exhibit 5).

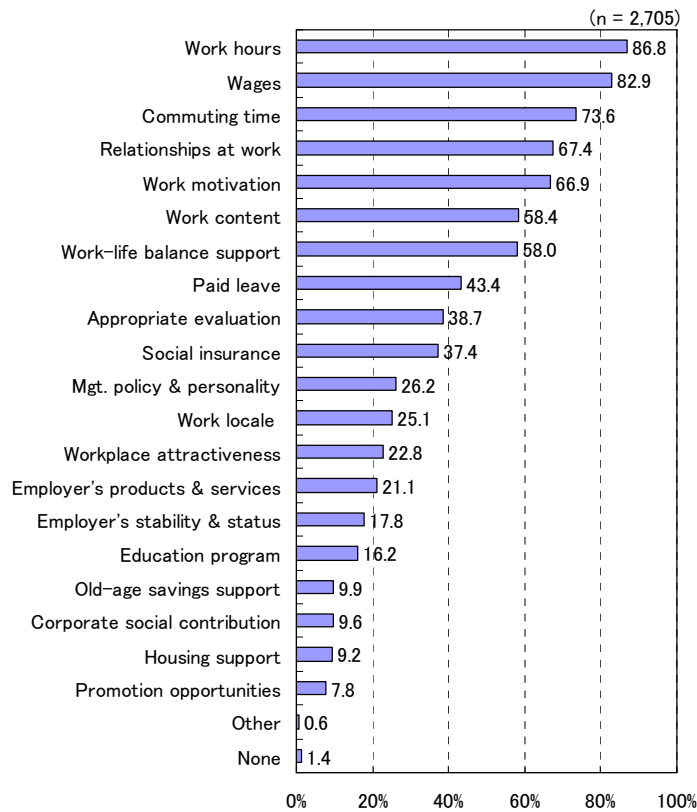
3. Flexible Work Arrangements

Below we examine the current status of flexible work arrangements most preferred by non-working housewives—working at home and short-time work (including short-week)—and consider ways to enhance current arrangements.

1. Working at Home

Work-at-home arrangement are still uncommon. According to the *Survey of Work-Life Balance Practices*, conducted in June-July 2006 by the Japan Institute for Labour Policy and Training (863 valid responses were received from 6,000

Exhibit 4 Employment Considerations of Non-Working Housewives



Notes: Shows responses of full-time housewives who intend to work now or in the future; multiple response.
Source: NLI Research Institute, *Comprehensive Survey of Risk Awareness of Individuals (2007)*.

Exhibit 5 Desired Work Arrangements, by Employment Type

(Percent)

	Sample size	Regular full-time work	Flex-time work	Discretionary work	Short-time work	Reduced work days	Work at home	Other
Non-working housewives	2,705	12.1	9.9	2.4	64.9	44.1	34.7	1.1
Current employees								
Non-regular women	3,103	28.2	13.7	3.1	34.8	25.6	17.0	1.3
Permanent women	2,214	48.9	28.9	3.6	12.7	9.3	13.8	0.3
Permanent men	7,489	47.8	30.5	9.3	5.8	6.3	12.0	0.4

Notes: Shows responses of women with employment intentions. Discretionary work is work that does not have scheduled work hours. Multiple response.
Source: NLI Research Institute, *Comprehensive Survey of Risk Awareness of Individuals (2007)*.

employers with at least 301 employees, for an effective response rate 14.4%), only 2.4% of employers currently offer work-at-home arrangements for working parents.

Employers may be reluctant to introduce this arrangement for several reasons. First, employees need adequate work experience, skills, and attitudes to work unsupervised while staying in contact with superiors. In addition,

some tasks such as meeting clients and attending meetings cannot be done from the home. Also, employers may need home offices to meet rigorous standards for security of information management or other criteria.

On the other hand, working at home can offer distinct merits, including the elimination of commuting time and ability to concentrate more on work. These conditions appeal strongly to

housewives who are pressed for time by house chores or parenting duties.

In 1991, Japan Novel Corporation (information technology services industry) pioneered a contractual arrangement for working at home, which successfully mobilized a large pool of non-working housewives with IT skills, and remains popular even today.⁴ In April 2007, Panasonic (electrical appliance industry) made available a work-at-home arrangement to 30,000 white collar employees. Employees are eligible if they have at least four to five years of experience and can efficiently perform work duties at home. The arrangement is taking root, and primarily used to work at home one to two days per week.⁵

We believe many employers could adopt a similar work-at-home arrangement for part of the work week by accommodating the work experience, skills and individual needs of employees.

2. Short-Time Work

1. Widespread adoption at large employers

In general, short-time work arrangements are defined as those involving less than the scheduled work hours per day or work days per week of full-time employees. Since April 2005, employers with at least 301 employees are required to draft and submit an action plan on work-life balance practices under the Law for Measures to Support the Development of the Next Generation. Employers who fulfill their plan and meet other prescribed criteria are awarded a certification mark. The law has had a remarkable impact in expediting the growth of short-time work arrangements. According to the JILPT survey, 75.7% of employers have already introduced short-time work arrangements.

Meanwhile, employers who had already launched short-time work initiatives ahead of the law are now moving to the next level—altering the workplace environment to promote greater usage. This entails several facets such as gaining acceptance for the program and its contents among eligible users (aspirants), managers, and ordinary employees, along with developing an

evaluation system at the firm level, and revising work duty allocation at the workplace level.

2. Emergence of school term-only work

The spread of short-time work arrangements has inevitably reduced their effectiveness in securing human resources. Actually, however, most employers who offer short-time work provide only one or a few alternatives at most. Few employers today offer a reduced work week. This may explain why many women turn down short-time work and instead choose part-time work with a reduced work week.

Moreover, according to a survey by Recruit Co., the work arrangement most preferred by non-working housewives is school term-only work (68.3%), in which the work periods coincide with the children's school term and vacation cycle. This can be considered the equivalent of a "short-month" arrangement (Exhibit 5).

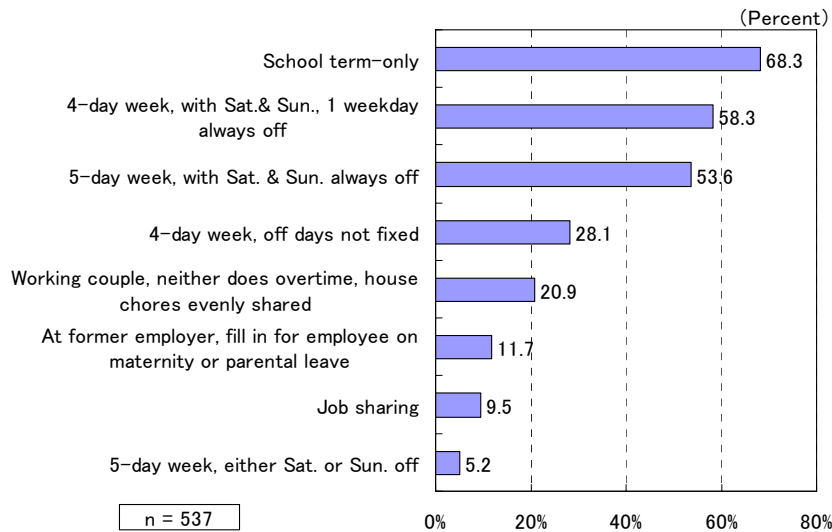
Since term-only work arrangements are practically non-existent in Japan, they may seem rather exotic. However, they make sense in some industries and occupations where business activity intensifies during fixed periods—for example, in limited-duration projects, monthly sales campaigns, customer expansion and retention drives, and maintenance programs of selected products. This type of work arrangement already exists in some European countries.⁶

Elderly workers and others can be used to fill in vacancies while housewives are on temporary leave. In addition, employers who cannot offer permanent employment can start by offering non-regular employment. To secure women workers over the long term, the important point is to hire housewives early on while they are raising children. They can then be promoted to full-time permanent status after the children have grown up.

4. Commitment of Employers

The labor force is projected to decrease by 15% from 2004 to 2030.⁷ However, not all employers

Exhibit 6 Desired Short-Time Work Arrangements



Notes: Internet survey was conducted in October 2006. Sample consists of 563 non-working housewives in the Tokyo area (four prefectures) who have previous work experience but are not currently in the labor force, and who have pre-school age children (0-6 years old).
Source: Recruit Co., *Survey of Reemployment Intentions of Non-Working Housewives with Pre-School Age Children (2006)*.

will be affected in the same way. Some will continue to hire as many or more workers as now by offering attractive employment conditions. Meanwhile, others will inevitably lag far behind. Unless employers commit to new strategies, the gap between successful and unsuccessful employers is likely to grow in the future.

We focused on human resource strategies to secure women workers. However, employers that can attract women can likely attract men as well. In fact, we have heard corporate recruiters express surprise at how their new work-life balance practices unexpectedly attracted male students. Conversely, at industries and employers where long work hours are the norm, complaints abound that neither male nor female workers are available.

Imitation of rivals is no longer viable as a human resource strategy. Employers must differentiate themselves by offering more competitive employment conditions, which in turn depends on shedding outdated preconceptions. The time has come for employers to boldly commit to new human resource strategies.

Endnotes

1. The number of job openings per applicant is a widely used gauge for strength of labor demand. Here it covers regular workers including part-time workers.
2. From April 2006, the Law Concerning Stabilization of Employment of Older Persons (amended in December 2004) requires employers to strive to provide employment to age 65 in one of three ways: raise the mandatory retirement age, introduce a continued employment system, or abolish mandatory retirement. In October 2007, MHLW reported that out of 88,166 employers with at least 51 employees, 85.8% had introduced continued employment, and only 12.1% had raised the retirement age. It is in this context that we should view the April 2005 decision by Kawasaki Heavy Industries to gradually raise the mandatory retirement age to 63, and by Aeon in February 2007 to raise the mandatory age to 65.
3. In the year from April 2007, Uniqlo plans to promote half of 5,000 non-regular employees to permanent status.
4. *Work Sharing Through Employment Diversity in the Information Technology Services Industry* (in Japanese), Japan Information Technology Services Industry Association (<http://www.jisa.or.jp/workshare/index.htm>).
5. *Nikkei Shimbun*, August 28, 2007 and November 13, 2007.
6. *The Second Work-Life Balance Study (2003)* by the U.K. Department of Trade and Industry surveyed 1,500 employers and 2,000 employees, and found that term-time only work had been introduced by 16% of all employers, and 55% of employers with at least 500 employees. Meanwhile, 32% of employees said the arrangement is usable (this rose to 37% of 2,081 employees in the third study of 2006).
7. Assuming that elderly persons, women and young persons continue to enter the labor force at the present pace, the labor force is projected to decrease from 66.42 million in 2004 to 55.97 million in 2030. *Projection for Labor Force Demand and Supply*, August 2005 (in Japanese), Japan Institute for Labour Policy and Training. (www.jil.go.jp/institute/chosa/2005/documents/05-006.pdf)