

Use of More Women Key to Upping Birthrate Helping Women Work, Rear Children

Interviewer: OTSUKA Keiichiro

Women account for more than 70% of the group workforce of Japan's largest cosmetics maker Shiseido Co. The company has established onsite childcare facilities as part of its support measures for employees to raise their children. Shiseido has aggressively taken various measures to help its employees continue work and rear their children after marriage. It worked out a three-year action plan for gender equality in April 2007. In Japan, women account for only 10% of those in managerial positions. The Shiseido plan incorporates a target to raise women's share in holders of the "leader" managerial post at group firms in Japan to 30% by 2013, more than double the current level. A former director general of the Equal Employment, Children and Families Bureau at the Ministry of Health, Labor and Welfare, Iwata Kimie, who is currently Shiseido's corporate executive officer in charge of personnel affairs, speaks about the company's policy to ensure a working environment where women find it easy to fully display their capabilities while raising children.



Photo: SHISEIDO

Japan Must Do More to Help Women Return to Work

Japan has long had men play a central role on the working front, falling behind the United States and European countries in the use of women. But greater use of women workers has come to be called for amid the country's declining birthrate, graying society, and population beginning to shrink. Many Japanese working women admire you as a front-running woman serving as head of the Equal Employment, Children and Families Bureau at the Ministry of Health, Labor and Welfare, and then becoming a board member of Shiseido while raising two daughters. What is your understanding of the current state of labor conditions for working women in Japan?

Iwata: Japanese women faced a major turning point in their labor environment in April 1986 when the Equal Employment Opportunity Law for Men and Women came into force. Until then, men and women had worked in completely different ways. Men used to get employed upon graduation from school, serve various posts at the same company, pile up experience through various duties at work, receive



Iwata Kimie, Director, Corporate Executive Officer Responsible for Personnel & Consumer, Shiseido Co.

training occasionally, and get promoted to managerial posts before retiring at the age limit. On the other hand, women used to work until marriage. Women saw no job transfers, partly because they used to work for only a few years after graduation from school and get married at young age. Few women worked for a long time and advanced to managerial positions.

The situation has greatly changed. Business corporations have come to find it important to consider each worker's capability, job adequacy, achievements and family conditions, regardless of gender, and to manage workers in such a way as to help

them display their abilities to the maximum. In connection with the declining birthrate, however, Japan differs from other countries in that women cannot continue their work as regular employees because they are busy raising children. Currently, 70% of all Japanese working women – regular, temporary and contract workers – are quitting companies to give birth or raise children. The figure stands at 60% for regular women workers alone. In other countries, many women take maternity and childcare leave and continue their work. In Japan, only a limited number of women are allowed to go back to work as regular workers when they seek reinstatement. This issue remains unresolved.

Men's Long Working Hours Remain Another Challenge

Japanese men spend much shorter hours on childcare duties than those in the United States and Europe. This is also questioned.

Iwata: It's true that Japanese husbands are less engaged in home and childcare duties. The situation must be improved. OECD data shows that husbands spend only 0.8 hour on home and childcare duties in Japan, much smaller than in many other countries

where men spend more than three hours on such duties. The data is an international comparison of childcare hours spent by couples with children aged 4 or younger. This does not mean that Japanese men are neglecting home and childcare responsibilities. It stems from regular Japanese male workers' long working hours. Japanese women cannot rely on help from their husbands for home and childcare duties. In such a situation, Japanese women face great difficulties with continuing work while raising children. Therefore, many women are giving up jobs to raise children. In response, Shiseido has taken an action allowing its workers to take childcare leave and shorten their working hours. So, the situation for women workers has improved at Shiseido.

Leaving Office Early for Childcare

Shiseido has established onsite childcare facilities and taken other various measures for its workers' child-raising. What is the most meaningful one among them?

Iwata: I think Shiseido has been able to play leading roles in Japanese society in several fields. One is to send a contract worker as a substitute for a beauty consultant (who advises customers on makeup and skin care taking their needs into account) when she leaves for home early for childcare. A substitute person is necessary because there are many customers in the evening, including those who are on their way home from work. I think there are many Japanese companies that use contract workers as substitutes for regular workers on childcare leave. But Shiseido was probably the first Japanese firm to use substitute personnel to help regular workers cut their working hours. I think it was a bold management decision.

Shiseido launched the substitute personnel system in April across Japan. Is the system functioning well in the workplace?

Iwata: Yes, it is. As of April, the number of workers who were allowed to leave early came to 487, showing a 2.3-fold increase from a year earlier. I think the substitute scheme produced favorable results.

30% Goal for Women Managers Seen Attained Easily

Shiseido has set a target to raise women's share in employees in the "leader" managerial post at group firms in Japan to 30% by 2013 from the present 13.7%. The Japanese government has also established a similar goal seeking to raise to 30% by 2020 the share of women in leadership posts such as section chiefs in various fields of society. Why does Shiseido plan to clear the goal seven years faster than the government?

Iwata: It is because it would be a waste of human resources on the part of Shiseido if the company failed to fully train women and promote them to leaders. In Japan the labor force has begun to shrink, and corporations saw some difficulties this year and last in recruiting new employees. As such a trend is expected to continue and grow stronger, companies will face more difficulties in securing high-quality human resources. Under the circumstances, we need to further boost the capability of each worker on the payroll now. Moreover, in the cosmetics industry, where most customers are women, regular employees must be well aware of women's makeup practices, habits and sense of fashion. In a broad sense, our company is engaged in a business helping women with their sense of value and philosophy of life. Women workers can understand this more easily than men because this is also their own theme. So there are many more women managers at foreign cosmetics makers than at Japanese companies. Even at the Shiseido group, women's share in managerial staff at its overseas subsidiaries and affiliates has reached

53%. In comparison, the present 13.7% figure at group firms in Japan is too low. This mindset was at the very beginning of our move to set the 30% target.

The reason for setting the 2013 goal of 30% is our belief that the target can be attained without straining to do so if we make steady efforts. I have decided not to give favorable treatment to women. I don't want to promote a female worker instead of a more competent male worker only to attain the 30% goal. Women themselves don't want preferential treatment, which is discriminatory against men. Shiseido will never give women favorable treatment because it would be a loss for the company if it neglected a more competent man and picked a less competent woman.

We decided not to set any unreasonable target. So, we have worked out a projection on the future percentage of women managers on the assumption that they are steadily brought up and developed through job relocations and training and that the pace of promotion is speeded up a bit. For example, women accounted for 23% of workers who were promoted in April to the rank of *sanji* (counselor, a qualification necessary to obtain manager status) for the first time. Above *sanji* is *kacho* (section chief). Women accounted for 21% of those who were promoted to *kacho* for the first time. These percentage figures are on the rise year after year. We have concluded that the 30% target can be achieved in 2013 if the pace can be a little accelerated.

Is Shiseido planning to further raise the target above 30% beyond 2013?

Photo: SHISEIDO



Children at Shiseido's day-care center "Kangaroom" in Shiodome, Tokyo

Photo: SHISEIDO



A “Kangaroo staff” member (left) sent in as a substitute for a beauty consultant leaving for home early for childcare takes over the duty of advising customers on makeup and skin care.

Iwata: I don’t know what to do beyond that year at this point. We have not yet discussed at all if the women’s share will rise without taking any particular measures or if we will have to set another numerical target.

You earlier mentioned growing difficulties to hire new staff. Is Shiseido’s program to help employees achieve a good balance between work and childcare duties useful in recruiting human resources?

Iwata: Yes, it is. Only female students used to ask if workers can achieve a balance between work and child-raising at Shiseido. Male students have come to pose such a question in recent years. It has also become an issue for male students as well amid an increasing number of working couples in Japan. Regardless of gender, I think the balance between work and child-raising or any other personal affair is a very important working condition.

Gov’t Labeling of Balance-oriented Firms Successful

Under a law designed to promote support for next-generation education, the Ministry of Health, Labor and Welfare has asked businesses to work

out action plans for helping employees achieve a balance between work and child-rearing. The ministry has begun to certify companies that are actively helping employees achieve such a balance. And the ministry allows those firms to use the “Kurumin” logo symbolizing a swaddled baby for their products or job-placement ads. What is your assessment of these government efforts?

Iwata: I think such efforts have been successful. There were voices doubting the effects of the law during parliamentary deliberations. The law requires business offices with 301 or more workers to prepare action plans for helping employees raise the next generation of people. The legislation turned out to be a major turning point. Corporations can use the *Kurumin* logo upon government certification if they clear certain requirements. I think major corporations are aiming to acquire the government label. There has been major progress at advanced companies in achieving a balance between work and child-raising particularly before children reach the age to go to primary school.

An action plan is simply a nonbinding target for smaller companies with 300 or less on the payroll. Don’t you think this may produce a gap between big businesses and smaller companies?

Iwata: I think it is possible. But the purpose of the legislation is to create a society conducive to a better balance between work and child-rearing at any business corporation, regardless of size. Support measures for the balancing of work and childcare impose no major cost pressures on companies. I therefore don’t think smaller firms cannot adopt such measures. The Shiseido group has worked out an action plan that covers small subsidiaries and affiliates with a workforce of 300 or less. Four group companies, including Shiseido Beautech Co., whose workforce is only 80, were awarded government certification.

When I speak outside Shiseido, many operators of smaller firms tell me, “Your company is a big business and that’s why you can help employees achieve a work/childcare balance.” I then shoot back: “Why do you think so?” Many of them reply that major companies with a large

number of workers can cover the absence of workers on childcare leave but that small firms need to hire substitute workers and cannot afford such extra costs. But workers on childcare leave usually get no pay. So I tell them that if a worker with an annual income of ¥3 million takes childcare leave, then your company can hire a temporary staffer or a part-time worker with the ¥3 million budget. They then understand that such support measures are not expensive. In fact, however, a company needs to shoulder costs for building some facilities such as an in-house childcare center. I would like to see employees of small and midsize firms become able to easily take childcare leave or easily shorten work hours. If possible, I would like to have smaller firms introduce flexible work hours.

Some business managers mistakenly believe workers might turn lazy if balance-supporting measures are introduced.

Iwata: That’s right. Corporate support measures for the balancing of work and child-rearing are definitely mentioned in various reports by government panels and business organizations, such as the Japan Business Federation (Nippon Keidanren) and the Japan Chamber of Commerce and Industry, in connection with the country’s falling birthrate. In response, some business managers often oppose such support measures, saying they may be costly or may be taken as a wrong message that workers do not need to work. But corporate support measures do not mean that workers do not have to work but contain the message that in a sense they are asked to work harder. Corporations can increase the number of employees and reduce overtime working hours. But few companies can afford to do so because of intensifying business competition. We are trying to reduce overtime hours without increasing the number of employees. This means employees are asked to raise their productivity per hour and to make their way of working more efficient. The resultant time spared would be used for the shortening of work hours and for a better work/life balance enabling employees to spend more time on regional volunteer activities and lifelong learning as well as childcare and other household duties. We are demanding of employees in this regard.

Job Transfer Rules Needed

You have made considerable progress in supporting the work/life balance. Are there any issues yet to be resolved at Shiseido?

Iwata: There still remain two major challenges. I can say Shiseido is an advanced company in terms of a variety of support measures for achieving the balance. But these measures are effective for employees whose children are still little. One challenge is that we have not yet established an overall support system covering all employees. Child-rearing takes a long period of time. I have raised two daughters. I felt free from childcare duties only after my children graduated from high school. More than 20 years are necessary to raise two or more children. Under the support measures, some working women do not have to quit their jobs in favor of child-raising. But it is not sufficient. Neither women workers nor their employers can find benefits unless the women can improve their career during their child-raising period in the same manner as fellow women workers without children or male workers. In parallel, a reduction in overtime hours is necessary.

Another major problem is job transfers. Shiseido has no definite rules governing employee job transfers. When I was a government employee, I was assigned a fresh post in Matsuyama (western Japan) and I took my children there from Tokyo. But I left alone for another post in Osaka. This was possible because I was supposed to return to Tokyo in two years to live with my whole family again. At Shiseido, there are 735 career-track women who have yet to be promoted to managerial posts and 165 others already in such positions. In total, 900 women are supposed to be transferred to jobs across the country. But I am afraid it will be difficult to move them while children are little. Their spouses may be also relocated and, regrettably, several women quit every year due to their husbands' transfers. Shiseido is currently studying what systems can be introduced in such a case – allowing women to accompany their husbands for their new assignments or take leave or seek re-hiring after quitting once. I think the job relocation issue remains unresolved for both women and their spouses.

Many industrial countries, such as Sweden, Britain, other European countries and the United States, are advanced in terms of helping women workers achieve a work/life balance. Aren't there any model cases abroad to settle such issues?

Iwata: I don't think Japan can follow examples in Europe and the United States because the way of working differs at home and abroad. In these countries, long working hours and job transfer problems involve only a limited number of mainliners. Male and female workers in general would not go to places of new assignment easily only upon a company order. They do not need to work overtime. So we can find no model case abroad for resolving issues involving job transfers. European and U.S. job descriptions clearly state the duty coverage of each worker. Basically, each worker is to perform duties alone and to be evaluated independently. In Japan, on the other hand, teamwork is seen important and a worker cannot go home simply because his or her work is finished early. We are asking the whole workplace to review job duties for better work efficiency.

Employee Ideas Taken Up to Cut Overtime

What specific reform is Shiseido pursuing?

Iwata: All the heads of sections and offices are asked to work out plans to reform the way of working to help workers achieve a work/life balance. They are asked to incorporate numerical targets in reducing overtime hours or increasing the use of paid holidays. They are also asked to spell out plans to achieve the targets. Two favorable cases have emerged. One is the case of the finance department where employees had to work overtime. The head of the department instructed each member of his staff to file a set of three proposals for duties to be eliminated and for cutting overtime hours. All staffers produced three proposals each. Leaders of various groups at the department discussed the ideas filed and

categorized into four ranks – “to be implemented immediately,” “to be implemented after being modified,” “to propose to other departments for implementation because they cannot be done upon the financial department's own authority,” and “to be turned down.” Ideas in the first two categories were enforced immediately, and this led to a 30% reduction in overtime hours from their year-earlier level.

Another is one concerning Shiseido's plant in Kuki, Saitama Prefecture. I visited the factory to tell the staff there about the importance of corporate support for balancing work and child-rearing. The factory manager agreed with me and took on the challenge. This led to a reduction of more than 30% in overtime hours at the Kuki plant in the 2006 business year from the year earlier. The plant worked on 40 major items. All employees there continued efforts to work on minor affairs carefully and produced major results. For example, the plant consolidated duties scattered through various groups into a single group. The two cases are the only good examples that I can tell you. There is a long way to go from now on.

I hear Shiseido has added a review of work and an improvement in labor productivity to a set of subjects for performance evaluation of group leaders.

Iwata: Yes, that's right. I would like to increase favorable cases while promoting support measures for the balancing.

You belong to the generation that experienced difficulties to balance work and life because of insufficient social infrastructure to support the balancing. Are you going to use your own difficulties in promoting such support measures?

Iwata: Yes, I am. It was my own problem. I am planning to help women in Japanese society, particularly my junior fellows at Shiseido, to balance work and child-rearing. I would like to see those women continue working while performing child-rearing duties. **JS**

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