Case Study: Women career issues in Japan

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Abstract

Employment issues and challenges are different from country to country. Some may face talent shortage while the others face barriers to recruitment created by culture of the country or a mindset based on a general trend. Japan although being a developed country faces several issues regarding employment and remains a traditional society with strong social and employment hierarchies. An aging workforce and male dominating society are the major threat for Japan to remain competitive in the market. New ideas and talent are curbed. Presence of multinational companies in Japan has brought in many reforms. Japanese women who were considered to be docile and restricted to be “good wife, wise mom” are now hired by MNCs in Japan for various responsible positions. Bringing diversity to the table is the key for them to remain competitive in market. The irony however is that women are not recruited at the top positions in the domestic Japanese firms considering them to be inferior to their men counterparts. This case study attempts to find the issues related with women employment in Japan, steps taken by the government to improve the status of women in the Japanese society and how employers can play a key role in getting more women into every office.

Keywords: Women issues, Trends in Japan

History of Japan

Japan’s history has been classified into two periods. One is the pre-war era and the second is post-war era. The pre-war era was the final period of traditional Japan, a time of internal peace, political stability, and economic growth under the military dictatorship. The Edo period which is also known as Tokugawa period (1603-1867), which was founded by Tokugawa Leyasu. The national economy expanded rapidly from the 1680s to the early 1700s. The emphasis placed on agricultural production by the Tokugawa shogunate encouraged considerable growth in that economic sector. Expansion of commerce and the manufacturing industry was even greater, stimulated by the development of large urban centers, most notably Edo, Osaka, and Kyōto, in the wake of the government’s efforts at centralization and its success in maintaining peace.

After World War II had ended, Japan was devastated. All the large cities, the industries and the transportation networks were severely damaged. A severe shortage of food continued for several years. The occupation of Japan by the Allied Powers started in August 1945 and ended in April 1952. General MacArthur was its first Supreme Commander. The whole operation was mainly carried out by the United States.
The "economic miracle" is the name given to the historical phenomenon of Japan's record period of economic growth between post-World War II eras to the end of Cold War. During the economic boom, Japan was recognized as the world's second largest economy (after the United States) by the 1980s. However, it suffered its longest economic stagnation since World War II in the 1990s.

Contribution of Japan to Management Field

Japan has a significant role in the theories, practices and principles in management that is followed and practiced worldwide. Following are some of the contributions of Japan in management field:

**W Edward Deming** - W Edwards Deming (1900-1993) is known as a management thinker of quality, and credited as an influential agitator of Japan's post-war economic renovation. The key idea of Deming on quality lies in the importance of variation. He invented a variation theory in which he mentioned that special causes of variation are usually easily attributable to quickly recognisable factors such as changes of procedure, change of shift or operator etc., but that common causes will remain when special causes have been eliminated. These common causes are often recognised by workers, but only managers have the authority to change them to avoid repeated occurrence of the problem. Deming estimated that management was responsible for more than 85% of the causes of variation. This formed his central message to the Japanese. His systematic approach of problem solving led to the development of 14 points which have gained widespread recognition and which are central to the quality movement. He came to be viewed as the "father" of quality control, quality circles, and the quality movement generally.

**Walter A. Shewhart** - Walter A. Shewhart invented Total Quality Management (TQM) in the form of statistical quality control. It was initially implemented at Western Electric Company, in the form developed by Joseph Juran who had worked there with the method. TQM was demonstrated on a grand scale by Japanese industry through the intervention of W. Edwards Deming. It refers to management methods used to enhance quality and productivity in business organizations. TQM is a comprehensive management approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients or customers.

**Kaizen** - Kaizen is a Japanese word for continuous improvement. It is a tool, a problem solving method that strives toward perfection by eliminating waste. In Japan, Kaizen was created after World War II. Kaizen is a system, which involves every employee from upper management to lower management. Everyone is encouraged to give their improvement suggestions in a company on a regular basis and this is a continuous process. Kaizen has been practiced in The Toyota Production System, where all line employees are expected to stop their current production line in case of any problem and, along with their supervisor; improvement suggestion is given to resolve the abnormality that initiates a Kaizen.

Cultural Background of Japan

The Japanese culture is a multilayered and complex system that has been developing within itself and forming new layers for thousands of years. Shinto and Buddhism are the two major religions followed by the Japanese. Shinto is as old as the Japanese culture, while Buddhism was imported from the mainland in the 6th
century. "Shinto gods" are called kami. They are sacred spirits, which take the form of things and concepts important to life, such as wind, rain, mountains, trees, rivers and fertility. Because of Shinto beliefs about ritual purity and pollution, women were not permitted to enter certain sacred spaces, and in some communities were forbidden to board fishing vessels or enter mines or tunnels.

In Japan, the official guiding philosophy of the Tokugawa period was Neo-Confucianism. This philosophy profoundly influenced the thought and behavior of the educated class. Neo-Confucianism defined all social roles in terms of hierarchical relationships; including the domination of husband over wife and of father over children. In the late nineteenth century, when new legal codes institutionalized family norms, the control of husband over wife was codified.

Authority and autonomy for women traditionally were confined to domestic matters. A male household head represented the family to the outside world and controlled its public affairs while within the home, his wife might exercise great control in managing the day-to-day life of the family.

The Japanese language includes sharply divergent styles of speech for men and women. Women often are expected to use a more polite and formal style of speech that implies deference and observance of the established hierarchy. Women's social participation also reflects various gendered divides.

In a survey conducted by Japan Times, less than one in 14 Japanese companies have a female president and more than half of the women inherited the role from a relative. The constitution of 1947 made equality of the sexes an established principle, and the legal framework of the traditional family structure has been dismantled. However, the practical impact of legal changes on women's status has been gradual despite new employment laws, equality in education, and employment, career advancement remains an ideal, and "glass ceilings," gender gaps in salaries, and different educational and employment tracks remain common.

Japan has the highest proportion of aged population in the world. As they grow older, Japanese tend to spend more. According to Japan's statistics bureau, those in their 60s spent 94 percent of their disposable income last year compared to 74 percent for 50-year-olds and less than 70 percent for those in their 30s and 40s. The 60-plus age group's average monthly expenditure was more than 300,000 yen in 2011($3,831) compared with around 260,000 yen for those under 39, official data show. Analysts said one reason for the increased spending among older Japanese was devastating tsunami and earthquake of 2011. "Older people looked at disaster of 2011 and said, 'Well you have money, you can't take it with you, so you might as well spend it,'" said Nicholas Smith, Japan strategist at CLSA in Tokyo.

Concept of Lifetime Employment

Lifetime employment is a long-established practice or distinctive feature of Japan's postwar labor system, which prevailed during years of high economic growth, which began about 1955. It was applied to many large Japanese firms but not to many workers in the labor force and now it is declining. After World War II, because of the abolition of military services and continuous growth of large companies, employment practices changed so as to recruit a new work force mostly of fresh graduates. Therefore, the workers were employed right after their graduation from school with a particular company and the employer cannot lay off his workers if possible even in the course of depression. The employee in turn will not quit his job at this
company but tend to continue working there until he reaches his retirement age. Although there is no such
written agreement guaranteeing lifetime employment, both employer and employee understand their mutual
obligations under this system. In the 1990s, during a prolonged economic recession and with an aging
workforce, the lifetime employment system has begun to break down.

**Employment Scenario of Japan**

The employment scenario of Japan has undergone significant changes, particularly in the term of growth of
new companies, participation of females at workplace, gender based income inequality etc. Japan is known
for the largest gender gaps in the world. Even though Japanese women are highly educated, indeed, the
university enrollment rate for 18-year-old females now exceeds that for 18-year-old males.

The female employment rate is about 25 percentage points lower than the rate for men, and ranks among the
lowest in the developed countries. Japan also has the largest gender pay gap of any country in the
Organization for Economic Cooperation and Development, with the exception of South Korea. On average,
Japanese women earn about 72 percent of the compensation of men for equivalent jobs. And the reason for
the gender pay gap rises during childbearing and child-rearing years indicating a “motherhood pay penalty”,
and, this penalty is larger in Japan than in any other O.E.C.D. country, including Korea.

About 70 percent of Japanese women leave the work force after their first child. Only about one-third of
Japanese mothers with young children work, compared with 50 to 60 percent in the United States, Britain
and Germany, and 75 percent in Sweden. And the main reason for this is that a woman cannot secure a job
until a child-care slot is available, and they are not eligible for such a slot until they have a job. And rigid
immigration laws make it impossible for Japanese families to sponsor foreign workers to provide domestic
help. A Japanese woman cannot get a visa for a foreign nanny, but a Japanese nightclub owner can get a visa
for a foreign female entertainer.

But it’s not just kids and care-giving activities, which keep them out of the workforce. A recent survey said
the women employees are pointing at unsupportive managers and work environments that offer only dead-
end part-time jobs. That has resulted in Japan having the developed world’s record (batting it out with South
Korea) for the lowest number of women in management, around 10%.

Many foreign multinationals operating have begun to understand the importance of gender balancing in
Japan. According to them women are better educated and more mature than a man. It is difficult in an
organization for older men to accept young female bosses but for this they have shifted their style of working
to performance-based hierarchies. Japanese women now prefer to work for a multinational company rather
than a domestic Japanese company, while; Japanese men still prefer the high-status boost of a big local
brand.

**Management Scenario of Japan**

Japan’s management scenario is more male-dominated than females. While the number of female employees
increased gradually after the war but there was severe gender discrimination in the workplace. Japanese
women were not allowed to work after marriage, many companies required women to retire when they get
married. With the constitutional provisions for gender equality, women started filing lawsuits against the
companies that forced them into retirement. In 1966, the Tokyo District Court ruled that a woman could not be dismissed because of her marital status. It has been shifting towards more participation of women in management but still the situation has not changed a lot.

- Women hold only 3 percent of seats on the boards of directors at Japan’s largest companies, the lowest ratio of 20 major economies, a new study shows according to the study by Catalyst Inc., a New York-based organization that advocates for greater female representation in the workplace.
- In a research by Credit research agency, Teikoku Databank researched the records of the countries’ 1,175,505 registered companies and found that there were 87,167 female presidents, or 7.4 percent of the total as compared with more than a million men in the role. The supervisor of the survey, Hayakawa said that in many cases the women were appointed “out of necessity” to fill a vacancy created by their relatives.
- Prime Minister Shinzo Abe has set a goal of increasing the ratio of female managers in the workforce to 30 percent by 2020. He wants to eliminate day-care waiting lists by creating 200,000 new day-care openings in authorized public facilities by 2015, with another 200,000 by 2017. He wants businesses to double their child-care leave to three years. And he is considering both changes in tax laws that discourage mothers from working and new training subsidies to help them return to the workplace following child-care leave.
- So far, only two companies, gaming company Square Enix Holdings Company and consulting company Globis Corporation reached the 30 percent target, according to a survey by the business lobby. A meager 19 firms, including furniture company Nitori Holdings Co., cosmetic-maker Shiseido Co. and Resona Bank, have set targets for raising the proportion of female workers in management positions to 30 percent or higher.

Diversity Issues in Japan

Japan is the world’s third largest economy and home to some of the most known companies. It is also growing older faster than any other country in the world. It has the highest proportion of gray population. Japan’s workforce is shrinking rapidly as a result of a sagging birth rate and an aging population. The share of citizens older than 65 was expected to jump from 24 percent in 2012 to 38 percent in 2050, when the ratio of the working population to the elderly population will be 1 to 1. The percentage of population as on September 2014 is as follows:

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Below 60 years</td>
<td>28.6%</td>
</tr>
<tr>
<td>60-65 years</td>
<td>33%</td>
</tr>
<tr>
<td>65-75 years</td>
<td>25.9%</td>
</tr>
<tr>
<td>75 years and above</td>
<td>12.5%</td>
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</tbody>
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The main causes of increase in ageing workforce are low mortality rate and low fertility of Japanese people. One main cause for the low fertility rate is the religious Shinto belief that overpopulation will disturb the Kamis and natural balance. There are many other various factors like increase in devotion of raising
healthy children, high education, and education about the problems of overpopulation, late marriage, increased women participation, small living spaces, and high costs of childcare and education. The expected mortality age at the end of World War II, for both males and females, was 50 years but increased up to 76.4 years for men and 82.2 years for women in 1993 being highest in the world.

The increase in the proportion of old generation impacted the spending of government because the chances of diseases increase with age, so the health care and pension plans will come under severe strain. In the mid-1980s, the government again reevaluated the burdens of government and private sector in health care and pensions, and then it established policies to cut the government costs on these programs.

According to a poll recently conducted by the leading newspaper, Japan Today:

- 59% of population don’t think that the aging population will have any negative impact, and;
- 36% believe that it will have a positive impact on solving overpopulation;
- While, 5% don’t think that it will have any impact on the economy

A research has found that married couples of Japan wants to have more children, but still the birth rate of Japan is only 1.75. To improve the consistency of population Japan has developed goals for the ideal work-life balance to provide an environment for couples to improve the birth rate by developing Child Care and Family Care Leave Law, which took effect in June 2010. The goals of the law expected to achieve the following results in coming 10 years:

<table>
<thead>
<tr>
<th></th>
<th>Increase from 65% to 72%</th>
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<tbody>
<tr>
<td>Female Employment Rate</td>
<td>Increase from 11% to 6%</td>
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<tr>
<td>Employees working 60 hours or more per week</td>
<td>Increase from 47% to 100%</td>
</tr>
<tr>
<td>Rate of use of annual paid leave</td>
<td>Increase from 72% to 80% for females and 6% to 10% for males</td>
</tr>
<tr>
<td>Rate of child care leave</td>
<td>Increase from 1 hour to 2.5 hours a day</td>
</tr>
<tr>
<td>Hours spent by men on child care and housework in households with a child</td>
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Conclusion

Japan has grown rapidly after the post-war expansion, which was propelled by highly successful consumer electronic industries and car industries but still it remains the traditional society with strong employment and social hierarchies. The employment relations of Japan have evolved from its history. Japan is known for the highest ratio of elderly population and this is still on the rise. This is an impediment for the growth of the nation. Japan needs more young people to make it stable, dynamic and competitive for survival in business.
Some of the major incidences in Japan’s post war economic conditions has confined the women workforce to houses and restricted their participation in various companies, which led the country towards male dominated society. Japanese men have worked for the same employees throughout their lives. And, the male employees who have tended to work for a long period of time hold most of the top management positions in the local companies. This has paused a question on the overall economic development of Japan. Multinational companies have been offering employment to women as a part of their overall corporate strategies. They have offered women top management positions as they feel that the Japanese women are more mature and dedicated towards their work.

Japanese Government has been taking major steps to improve the workforce diversity and role of females at workplaces so that it could lead to the overall development of the country. And, with the increasing number of multinational companies and actions taken to improve the status of women at workplaces will definitely lead to a better profile country.

References