Workplace Matters: The Use of Parental Leave Policy in Japan

Eunmi Mun¹ and Mary C. Brinton²

Abstract
Policies to render employment and family more compatible have been adopted in many postindustrial countries. But the organizational contexts that facilitate or hinder employees’ policy usage have been underexamined. This article addresses this gap by analyzing the organizational conditions associated with greater use of parental leave policy in the workplace. The authors draw on organizational data from contemporary Japan, a setting that epitomizes norms of the ideal worker and intensive parenting that are increasingly highlighted in studies of work–family conflict in the United States. Analyzing panel data on more than 500 large Japanese companies from 2001 to 2009, the authors find greater utilization of parental leave policies in firms that have a higher representation of women in managerial positions and that include human resource executives on the corporate board. Usage does not increase, however, in firms that offer parental leave that is longer than legally mandated. These results highlight the importance of key features of the organizational context in enhancing employees’ use of parental leave policy.

Keywords
family/medical leave, work and family, diversity

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Parental leave policies have diffused widely across postindustrial societies. Most OECD countries provide parental leave ranging from several weeks to a few years (Hegewisch & Gornick, 2011; Sleebos, 2003; Thévenon, 2011).1 A substantial literature examines the relationship between leave policies and aggregate-level outcomes for women such as labor force participation, wages, and fertility (Büttner & Lutz, 1990; Gauthier, 2007; Jaumotte, 2003; Mandel & Semyonov, 2005; Neyer & Andersson, 2008; Ruhm, 1998; Sleebos, 2003). Parallel to this, many individual-level studies have examined the effect of women’s use of leave policies on their probability of returning to the workplace (Boushey, 2011; Hofferth & Curtin, 2006; Joesch, 1997; Waldfogel, 1998) and on their subsequent wage trajectory (Albrecht, Edin, Sundström, & Vroman, 1999; Boushey, 2011; Goldin & Katz, 2011; Waldfogel, 1998).

Scholars and policy makers often focus on the importance of extending the coverage and amount of policy benefits to help employees achieve better work–family balance. While increases in benefit levels may indeed make policies more attractive, the organizational context is likely to be key in terms of whether employees consider policies to be usable. An important reason for low policy usage rates is employees’ perception of a hostile workplace culture and their apprehension about the career disadvantages that may accrue if they use existing policies (Albiston, 2010; Munsch, Ridgeway, & Williams, 2014; Perlow, 1998). Indeed, studies show that women tend to receive lower performance evaluations, have a lower chance of promotion, and suffer from a wage penalty if they use work–family policies (Briscoe & Kellogg, 2011; Glass, 2004; Judiesch & Lyness, 1999). These disadvantages appear to be specific to the organizational context in which they use the policies; Glass (2004) finds that the career penalties do not carry over when women change jobs.

The salience of organizational context is also indicated by research that suggests the positive impact on employees’ policy usage of being in a work group with supportive coworkers and supervisors (Blair-Loy & Wharton, 2002). How managers attribute reasons to employees for using parental leave and other work–family policies has been shown to be important in terms of whether salary penalties are incurred (Leslie, Manchester, Park, & Mehng, 2012). The effect of organizational culture and managerial and supervisory support is likely to be particularly important when ideal worker norms of strong work commitment are especially prevalent (Cole, 1979; Lincoln & Kalleberg, 1990). Such norms understandably heighten
employees’ sensitivity and hesitation toward utilizing work–family policies (Cooper, 2000; Perlow, 1998; Wharton, Chivers, & Blair-Loy, 2008). Recent research has sought to identify workplace models that change the way work is organized and that de-stigmatize employees’ use of policies by building policy usage into the design of work practices and reward systems themselves (Perlow & Kelly, 2014). This type of work redesign underscores the point that if policies exist but are used only on a selective basis by a few individuals and are not integrated into the organizational culture, it is unlikely that policy use will become widespread.

This article analyzes the impact of organizational context on women’s leave taking in Japan. As an environment that epitomizes the ideal worker and intensive mothering norms that American scholars have increasingly used to characterize the United States in the 21st century (Correll, Kelly, O’Connor, & Williams, 2014), Japan is an especially relevant case. The Japanese government has mandated a generous parental leave policy that has been adopted by nearly 100% of large firms. Thus, parental leave is widely available. However, nearly 60% of Japanese women choose not to utilize the leave and instead exit the labor force when they have their first child (National Institute of Population and Social Security Research, 2012). The case of Japan thus constitutes an important opportunity to analyze the salience of organizational conditions in promoting or discouraging employees’ use of available policies.

Our research design takes advantage of a unique panel data set covering more than 500 large Japanese companies, all of which are publicly traded and provide generous parental leave benefits. The data include detailed information on firm characteristics, childcare leave policy (length of leave), and policy usage. Because the data extend over 9 years, we are able to analyze the relationship between intraorganizational change and policy utilization change. We focus on the policy usage of women in full-time white-collar jobs, as these are the jobs that hold the greatest potential for women’s career advancement and, unlike part-time jobs, are covered by leave policies. Our results suggest that workplaces that have a more equitable gender climate and a higher representation of women in managerial positions are environments where policy usage becomes more widespread. Moreover, firm-internal structures that make the firm accountable for its policies also increase female employees’ policy usage.

We first review existing literature on organizational policy implementation and then provide background on the Japanese case. This is
followed by our empirical analysis and results, and a discussion of implications for future research.

Organizational Contexts of Parental Leave Policy Implementation

There are a number of reasons why policies that exist on paper may not be used by employees. Organizations often implement new practices in compliance with normative pressures in order to achieve legitimacy from external constituents such as the government, courts, and the public (Meyer & Rowan, 1977; Oliver, 1991). In this way, organizational policies may be symbolic gestures that signal compliance to the law rather than a true effort to carry out a legal intervention’s intended goals (Dobbin & Sutton, 1998; Edelman, 1992; Kalev, Dobbin, & Kelly, 2006; Krawiec, 2003). It follows that employee skepticism may arise about whether management is truly supportive of employees’ policy use. Managers can discourage usage by failing to inform employees of policy benefits or requesting, for instance, that employees who take leave return to the workplace before their term of leave has finished (Albiston, 2010; Armenia, Gerstel, & Wing, 2014; Starrels, 1992). Employees may also informally stigmatize other colleagues for utilizing leave policies (Bailyn, 1993; Fried, 1998; Ogasawara, 1998; Perlow, 1998), leading to hesitation on the part of eligible employees (Blair-Loy & Wharton, 2002, 2004; Eaton, 2003; Hochschild, 1997; Perlow, 1998). Studies of the Family & Medical Leave Act (FMLA) in the United States show mixed evidence for increases in leave taking, despite the increase in the percentage of workers with access to leave policy (Han & Waldfogel, 2003). This accentuates the need for researchers to investigate how policy availability translates into employees’ policy usage (Eaton, 2003; Kelly et al., 2008).

A number of studies have utilized a case-study approach to study how the organizational context impacts employees’ use of leave policies (Blair-Loy & Wharton, 2002; Perlow, 1998; Thompson, Beauvais, & Lyness, 1999). In their study of employee usage of family-care and flexible hours policies, Blair-Loy and Wharton (2002) used individual-level data from a leading financial services company to study the effect of variation in work group context on employees’ use of existing policies. Thompson et al. (1999) looked at employees’ perceptions of whether their organization’s culture was supportive of work–family balance to predict employees’ policy utilization. The general inaccessibility of data from a large number of firms, though, has made it difficult to generalize
about how variation in organizational contexts may affect employees’ uptake of policies.

We suggest that when parental leave is available, two organizational conditions will make it more likely that female employees utilize the policy: an organizational gender climate that demonstrates women’s career advancement potential, and an organizational decision-making structure that increases the firm’s accountability toward leave policies.

**Organizational Gender Climate**

Scholars of work–family policy research suggest that the internal climate of organizations can discourage employees from taking advantage of leave policies (Drago et al., 2006; Gottfried & Hayashi-Kato, 1998; Thompson et al., 1999; Turco, 2010). Strong ideal worker norms are incompatible with the ideology of work–family balance because of the value placed on long working hours, face time, and 24/7 availability (Blair-Loy & Jacobs, 2003; Cha, 2010; Damaske, Ecklund, Lincoln, & White, 2014; Perlow, 1998). In such organizations, users of work–family policies may get labeled as lacking in work commitment (Albiston, 2010; Bergmann, 2008; Leslie et al., 2012; Rogier & Padgett, 2004). Even when firms have generous leave policies on the books, women may not consider it legitimate to use the policies if the organizational message is that acceding to family demands will damage one’s career.

Policy use may increase in an organizational climate that is more gender-equal and demonstrates the possibilities for women’s career advancement. Organizational gender climate constitutes a sociocultural context that either reinforces or weakens gender-stereotypical behaviors and perceptions of employees (Ridgeway, 2011). Some organizations grant women more access to opportunities, while others that demonstrate more bias against women do not (Smith-Doerr, 2004; Williams, Kilanski, & Muller, 2014). A more gender-equal climate can be signaled by the presence of women in managerial or higher echelon positions. Women’s representation in such positions influences the gender climate of the workplace by altering the cultural understanding of gender within the firm and demonstrating structural support for women.

Supporting Kanter’s (1977) classic *strength-in-numbers* argument, empirical studies have demonstrated that women’s presence in leadership positions can indeed strengthen gender equality in the workplace.
In her study of the construction of gender identity in law firms, Ely (1995) shows that male-dominated firms with few women in managerial positions tend to develop a gender climate that devalues women’s abilities and reproduces strong gender stereotypes. Conversely, studies using large-scale quantitative data provide evidence that gender integration in managerial positions helps create a more gender-equal climate; when women are well represented in management, women’s performance and occupational integration in the workplace improve (Huffman, Cohen, & Pearlman, 2010; Kurtulus & Tomaskovic-Devey, 2012), the gender wage gap is lower (Hultin & Szulkin, 1999), and rates of female promotion into managerial positions are higher (Cohen, Broschak, & Haveman, 1998). Also, firms with more women in management tend to adopt more work–family policies and diversity programs (Dobbin, Kim, & Kalev, 2011; Guthrie & Roth, 1999), thereby altering the organizational environment toward issues women are often concerned about (Dobbin et al., 2011). Finally, the presence of women in high-status positions in organizations can demonstrate to women that career advancement is possible within the present context. If women perceive that they have a career trajectory in the firm, they may be more likely to utilize parental leave so as to retain their job. Thus,

**Hypothesis 1:** The higher women’s representation in managerial positions, the higher the rate of leave policy usage will be.

Women’s presence in the boardroom may also have a positive impact on the construction of a gender-equal climate. Becoming a board member signals a highly successful career. Empirical findings on the trickle-down effects of female CEOs and female board membership, however, have been mixed. For example, Guthrie and Roth (1999) find that female CEOs increase the chance of an organization adopting family leave policies. But Broome and Krawiec (2008) provide evidence suggesting that female board members are often mere tokens who have little decision-making power. If female board members fail to reach the status of a critical mass, their presence may even have a negative influence on the organizational gender climate because their very presence renders women’s status symbolic rather than substantive (Konrad, Kramer, & Erkut, 2008). Bertrand, Black, Jensen, and Lleras-Muney (2014) find that in the case of Norway, where a 2003 law mandated 40% representation of women on the board of publicly limited liability companies, there was no discernible change in the gender wage gap or in
other gender-specific outcomes. Based on these conflicting predictions, we propose the following competing hypotheses:

**Hypothesis 2a:** If women have a presence on the board of directors, the rate of leave policy usage will increase.

**Hypothesis 2b:** The presence of women on the board of directors will either have no effect or a negative effect on the rate of leave policy usage.

**Organizational Accountability for Leave Policies**

Organizational scholars who have examined the diffusion of government-mandated policies suggest that internal support of the policies influences their successful implementation as well as their adoption (Dobbin et al., 2011; Kalev et al., 2006; Konrad & Linnehan, 1995). In contrast, they argue that the decoupling of adoption and implementation is common when organizations develop policies principally in response to regulatory pressures, translating into a pattern of organizational members simply ignoring the new policies and following old routines instead (Edelman & Peterson, 1999; Sutton & Dobbin, 1996). In order for externally imposed policies to be implemented and more broadly utilized, they require legitimacy not just in the external policy environment but **within** the individual organizational setting. Building internal legitimacy, however, may not be simple because organizational members often have different values and interests that make it hard for them to agree on the merit of externally imposed policies (Hallett & Ventresca, 2006; Stryker, 2000). Organizational institutionalists argue that an important mechanism for establishing internal legitimacy is the creation and promotion of a structure of accountability such as a specific office, person, or group who is in charge of the policies. Studies of Affirmative Action and Equal Employment Opportunity Law in the United States, for example, find that creating diversity committees and hiring diversity staff can generate dialogue, lead to problem-solving, and provide monitoring of results, all of which increase the organization’s accountability for the policies (Kalev et al., 2006; Sturm, 2001). When structural support is established, organizational members are more likely to see the policies as legitimate and rely on them.

Along with other work–family policies, parental leave policy is often adopted because of legal changes rather than employees’ demands. This can generate concern among employees about whether the organization
is truly accountable for the policy. Because parental leave policy is an employee welfare program that is typically implemented by human resources (HR) managers, it is rare for a firm to create a committee or hire a specialist to advocate the leave policy and monitor results. Instead of creating a new structure, structural support can be generated by increasing the power of the HR department. Ways of including HR managers in the decision-making process such as putting executives in charge of the HR function on the board of directors can provide HR managers with greater power and accountability. We thus hypothesize that employees’ usage of leave policy will increase in organizations that grant more power to the HR department:

**Hypothesis 3:** An increase in the power and visibility of the HR department through measures such as having HR managers on the board of directors is likely to increase the rate of leave policy usage.

We turn now to our research setting, contemporary Japan, to explain further why it is a particularly relevant case for examining the importance of organizational context for women’s use of parental leave policies.

**Parental Leave Policies: The Case of Japan**

In recent years, Japanese government policy makers have become increasingly concerned about the country’s rapid population aging, a phenomenon fuelled by historically low fertility rates. Facing the prospect of diminished numbers of prime-age workers in the near future, the government passed a series of parental leave policies over the past two decades that has compelled companies to become more family-friendly in order to help women remain in the labor force after they marry and bear children (Boling, 2008).

The Labor Standards Act of 1947 was already quite progressive in its time, specifying women’s right to request up to 14 weeks of childbirth (maternity) leave from their employer (typically taken as 6 weeks before childbirth and 8 weeks afterward), with a guarantee of 60% of pay during the leave. In 1992, a childcare leave law went into effect, specifying that employers should also strive to provide an additional year-long, job-protected leave for either the mother or the father at 40% of pay or more; this has since been raised to a 50% minimum. By 2008, about 60% of companies had put in place such a system (Atsumi, 2007), including nearly 100% of Japan’s largest firms (those employing more
than 1,000 workers; Takeishi, 2007). Employees who take maternity leave tend to take childcare leave as well, as the two are considered as one continuous parental leave. Employees have a strong incentive to return to the company after taking parental leave, as typically only a portion of leave pay is paid out during the leave itself and the remaining portion is paid 6 months after the employee has returned to work. Although these monetary benefits are provided through the employment insurance system managed by the government, firms create their own rules about the timing of leave payments in such a way as to motivate those employees who do not intend to come back to work after a leave to simply quit instead.

**Women’s Work Patterns**

The Japanese government’s encouragement of women to take parental leave so that they can retain their jobs once they become mothers is contrary to the life-cycle labor force participation pattern for women, which has been typical over the past 40 years. While the great majority of Japanese single women enter the labor force after completing school, a percentage of them quit at the time of marriage and a larger proportion leave at the time of first birth. The M-shaped curve of female labor force participation by age represents a pattern of discontinuous employment that sets Japan (along with South Korea) apart from the vast majority of other postindustrial economies. The rate of labor force exit is barely attenuated for highly educated women, who presumably have the most to gain by using leave policies to remain in their companies and increase their tenure. Figures from the 14th National Fertility Survey of Japan (conducted in 2010) show that between 1985 and 2009, the percentage of women who continue working after the birth of their first child has remained stagnant at just 38%—a rate that is very low by American standards (National Institute of Population and Social Security Research, 2012). Of these 38%, 82% take maternity leave. Fewer of the women who continue working also take childcare leave (63%), but this has risen substantially in recent years (from about 25% in the late 1980s).

**Corporate Environment and Norms**

Japanese women’s quit rates at birth have persisted because of a combination of a corporate environment that has generally been inhospitable to working mothers and male breadwinner–female caregiver norms
that have been slow to change (Brinton, 1993, 2001; Ochiai & Molony, 2009; Ogasawara, 1998; Schoppa, 2006; Yu, 2009). Large Japanese companies are characterized by long work hours, an emphasis on face time, and an expectation that employees demonstrate commitment to their work section and to the company. These workplace norms create a corporate culture that is less than ideal for mothers, who are generally in charge of childcare arrangements and housework and must engage in a difficult balancing act in order to continue working (Schoppa, 2006; Takahashi, Kamano, Matsuda, Onode, & Yoshizumi, 2014; Yu, 2009). This tension is heightened by strong male breadwinner norms, a highly gendered division of childcare and household work, and the cultural idealization of intensive mothering (Fuwa, 2004; Ochiai & Molony, 2009). Marriage bars, common in American companies until the 1940s, were only rendered formally illegal in Japan with the passage of the Equal Employment Opportunity Law in 1985; prior to that time, it was common for employers to actively encourage women to retire from the workplace once they married.

The inflexible structure of the Japanese labor market and prevailing attitudes on the part of Japanese managers also have presented strong obstacles to working mothers (Brinton, 1993; Mun, 2010; Ogasawara, 1998; Rebick, 2005; Schoppa, 2006; Tachibanaki, 2010; Takahashi et al., 2014; Yu, 2009). The prototypical firm-internal labor markets in large Japanese firms operate on the assumption that employees develop firm-specific skills that atrophy with time out of the labor market (Moriguchi & Ono, 2006; Rebick, 2005; Shuto, 2009). Many large Japanese workplaces have systematically excluded women from authority positions through a formalized two-track system that largely segregates men and women at the point of hire. This system was adopted after the Equal Employment Opportunity Law in the mid-1980s made it formally illegal for employers to designate jobs as male or female. The system comprises a career or promotional track (sōgōshoku) and a peripheral track (ippanshoku, or general clerical). The latter provides no promotional opportunities (Ogasawara, 1998; Shire, 2000; Shuto, 2009; Tachibanaki, 2010). Women constituted just 12% of new career-track hires in 2010 (Steinberg & Nakane, 2012).

Women in the career track can benefit greatly from taking childcare leave from their companies rather than exiting the labor market with the intention of later returning to a different company; midcareer hiring, while on the increase in Japan, still makes up a much smaller percentage of hires than recruitment of new graduates, rendering it difficult to reenter the labor force in one’s thirties or forties in a career-track
position in a different company. But given Japanese employers’ high expectations for employees’ work commitment, women as well as men face considerable pressure not to take childcare leave. Rates of male uptake are extremely low (less than 1%; Sakai, 2007). These are matched by very low managerial commitment to employees’ work–life balance. A recent poll conducted by the Japan Management Association showed that support of work–life balance ranked in last place as a priority of managers (Sato, 2012).

In addition to long work hours and the expectation that career-track workers will consistently privilege their responsibilities to their employer over family responsibilities, the ambivalence or hostility of management and the lack of collegial support for women’s use of maternal and childcare leave create a discouraging environment in many companies. In focus group interviews with Japanese female employees, Nagase and Yamaya (2011) found that many single women in the career track voiced uneasiness about their future and had difficulty imagining how they could stay in their jobs and have children. Moreover, many working mothers report feeling guilty that their leave increases their colleagues’ workloads (Schoppa, 2006; Takahashi et al., 2014).

In summary, the relatively hostile work environment for Japanese women suggests that organizational contexts that legitimate their use of parental leave policy will be especially important. It is also relevant that the Japanese government mandate is based almost entirely on corporate willingness, not direct enforcement. This too makes the organizational climate particularly salient for women’s uptake of their company’s leave policy.

**Data and Methods**

We use panel data on 526 large, publicly traded Japanese companies over the period 2001 to 2009. The data include detailed information on firm characteristics, childcare leave policy (i.e., length of leave), and policy usage. The panel data structure allows us to examine the relationships between the changing organizational gender climate and organizational accountability for policy implementation on the one hand and changes in policy usage on the other. Because the majority of companies in our sample are observed multiple times, we can investigate changes in female employees’ policy usage as organizational conditions change over time.

We compiled data on each company’s leave policy and policy usage from the annual *Japanese Company Handbook for Job Searchers*, which
includes information on more than thousands of the largest companies in Japan each year. This handbook is assembled by a prominent Japanese publisher (Tōyōkeizai Shinpōsha) of company data to provide information to university seniors entering the job market. Each year the publisher surveys companies that hired a large number of new graduates in the previous year, generating a comprehensive listing of large companies across industries. The majority of these companies has been continuously surveyed across time. The company handbook includes information about various employment practices and workplace benefits, including leave policies. We collected information about the presence and number of female board members and HR board members from a companion series to the handbook, the annual Japanese Company Handbook of Board Members, which publishes information on board members of publicly traded companies in Japan. Finally, we matched the companies listed in the Handbook with annual financial reports indicating company financial circumstances such as firm performance, assets, debt ratio, and labor cost.

We note two important sample characteristics. First, annual financial reports are submitted only by publicly traded companies, so only stock-market listed companies are included in our sample. This includes 65% of the companies in the Handbook for Job Searchers. Firms in the sample, therefore, are concentrated in industries that tend to be populated with large firms. Compared with the national industrial distribution of corporations, manufacturing firms are overrepresented in the sample, while service firms (many of which are small in size) are underrepresented. Construction and real estate firms are also underrepresented, which may be due to the smaller size of real estate firms in general (see Appendix Table A1). The sample is analytically appropriate for our study because large firms are more likely to provide leave and thus demonstrate variability in leave policy usage. In addition, among the sampled firms, 9% are affiliated with keiretsu groups, a form of interfirm network in Japan. Keiretsu-affiliated companies tend to be older and more traditional and have a significantly lower proportion of women in managerial positions. As we will explain shortly, using firm fixed-effects models accounts for time-invariant, firm-specific factors such as keiretsu affiliation.

Second, because the Handbook for Job Searchers publishes information on the largest companies each year, companies that became smaller, were bought, or disappeared are represented during only a portion of the survey years. Additional companies entered the sample if they were newly founded during the observation period. Although unbalanced,
these are the only company panel data that include comprehensive and detailed information about leave policies, so this is the best data source for our analysis. Our analysis of parental policy usage uses 2,566 company-years across 526 firms from 2001 to 2009. Table 1 reports descriptive statistics for the cases included in the analysis.

**Dependent Variable**

The dependent variable is the count of the number of women who took parental leave from the company during the observation year. Although there are officially two leave policies, maternity leave and childcare leave, the former is part of the latter; that is, a childcare leave of 12 months (or longer if the company provides a longer leave than legally mandated) includes the period of time considered as maternity or childbirth leave. We thus analyze the number of women who used the childcare leave policy. For consistency with the comparative literature, we term this parental leave in our analysis. We ran a supplementary analysis on the use of maternity leave policy, and the results are substantively the same. Although employees have a legal right to ask for a parental leave up to 12 months and still preserve their jobs, the availability of the policy does not necessarily translate into its use. As we discussed in the previous section, more than 60% of Japanese women still exit the workforce when they become pregnant or give birth, rather than taking parental leave.

The number of women utilizing a company’s leave policy naturally depends on the number of women who are pregnant. Although marriage is not a precondition for childbirth, out-of-wedlock births are extremely rare in Japan, making it reasonable to assume that the vast majority of women who use the leave policy are married women (Hertog, 2009). An ideal way to measure the pool of potential users of the leave policy in each company would be to calculate the number of married female employees of childbearing age. But the Handbook does not provide this information. As an alternative, we measure the number of married women employed in each company. We use this number as an upper bound in the analysis, thus limiting the value of the maximum count of policy users. This is implemented by including in our models the natural log of the number of married women as an offset variable, whose coefficient is constrained to one. In this way, our results can be interpreted in terms of the rate of leave policy usage. This is discussed further when we explain our analytical strategies below.
<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>SD</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Type</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of parental leave</td>
<td>14.896</td>
<td>24.151</td>
<td>0</td>
<td>216</td>
<td>Continuous</td>
<td>Handbook—job searchers</td>
</tr>
<tr>
<td>Women in management (%)</td>
<td>4.022</td>
<td>7.018</td>
<td>0</td>
<td>87.886</td>
<td>Continuous</td>
<td>Handbook—job searchers</td>
</tr>
<tr>
<td>Presence of female board members</td>
<td>0.110</td>
<td>0.312</td>
<td>0</td>
<td>1</td>
<td>Binary</td>
<td>Handbook—board member</td>
</tr>
<tr>
<td>Presence of HR board members</td>
<td>0.373</td>
<td>0.484</td>
<td>0</td>
<td>1</td>
<td>Binary</td>
<td>Handbook—board member</td>
</tr>
<tr>
<td>Length of parental leave beyond mandated time (in months)</td>
<td>3.741</td>
<td>6.889</td>
<td>0</td>
<td>60</td>
<td>Continuous</td>
<td>Handbook—job searchers</td>
</tr>
<tr>
<td>Gender-segregated hiring system</td>
<td>0.398</td>
<td>0.489</td>
<td>0</td>
<td>1</td>
<td>Binary</td>
<td>Handbook—job searchers</td>
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<tr>
<td>Merit-based payment system</td>
<td>0.254</td>
<td>0.435</td>
<td>0</td>
<td>1</td>
<td>Binary</td>
<td>Handbook—job searchers</td>
</tr>
<tr>
<td>Assets (in million yen)</td>
<td>293,505.9</td>
<td>606,921.3</td>
<td>3,653</td>
<td>6,247,962</td>
<td>Continuous</td>
<td>Financial report</td>
</tr>
<tr>
<td>Firm age</td>
<td>55.108</td>
<td>22.597</td>
<td>1</td>
<td>140</td>
<td>Continuous</td>
<td>Financial report</td>
</tr>
<tr>
<td>Return on assets (ROA)</td>
<td>2.539</td>
<td>4.441</td>
<td>–56.204</td>
<td>56.573</td>
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<tr>
<td>Labor cost per employee (in million yen)</td>
<td>6.454</td>
<td>20.842</td>
<td>0.061</td>
<td>686,500</td>
<td>Continuous</td>
<td>Financial report</td>
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<tr>
<td>Feminization of the industry (%)</td>
<td>19.792</td>
<td>6.209</td>
<td>10.413</td>
<td>39.050</td>
<td>Continuous</td>
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<td>Number of married women</td>
<td>113.082</td>
<td>169.374</td>
<td>0</td>
<td>1909</td>
<td>Continuous</td>
<td>Handbook—job searchers</td>
</tr>
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Note. HR = human resources.
Independent Variables

Our hypotheses focus on two sets of independent variables: (a) those measuring the organizational gender climate and (b) organizational accountability for parental leave policy.

We measure organizational gender climate with two variables reflecting women’s representation in leadership positions: the proportion of women in managerial positions and the presence of women on the board. The proportion of women in management is the most frequently used measure for women’s workplace authority (e.g., Dobbin et al., 2011; Huffman et al., 2010). In the Japanese context, this figure is very low (just 9% in 2009). The presence of female executives (female board members) also indicates that some women in the firm have access to power and decision-making processes. Because female executives are extremely rare in Japan (0.5% in 2009), we create a dummy variable that measures the presence rather than the proportion of women on the board.

To measure company accountability for leave policy implementation, we include a dummy variable that measures the presence of board members in charge of HR-related issues. The annual Handbook of Board Members provides information on the functional background of each board member. Although HR board members may not be directly implementing the parental leave policy, their presence indicates that policies implemented by the HR department will not be dismissed. In Japan, HR managers have traditionally had considerable power, and the HR department is still considered one of the more powerful departments in large Japanese corporations (Hirano, 2013; Jacoby, 2005). About 33% of companies in our sample had at least one HR board member as of 2009.

Control Variables

We include in our analysis other factors that may affect the use of leave policy. First, we include the amount of policy benefits that firms provide. Leave benefits have increased over time, as policies to date have largely failed due to female employees’ common decision to quit work rather than utilize the policy and return to work after taking leave. Behind the increase in benefits is the assumption that individuals will respond to an increase in policy incentives such as lengthy leaves and higher wage replacement rates. In order to control for the impact of these incentives on policy use, we create a variable that measures companies’ provision of leave benefits that go beyond the legal
recommendation. We calculate the amount of leave made available by each company beyond the legally mandated period of time; because the Childcare and Family Leave Act mandates employers to provide at least 12 months, this variable indicates the number of months beyond 12. The legally mandated amount of wage replacement for the childcare (non-maternity) portion of leave comes from the employment insurance program managed by the government and therefore does not vary by company. Employers are legally required to participate in this program. But companies can also provide additional wages to leave-takers if they choose to do so. Information about any additional wages provided to employees who take childcare leave was not collected administratively until 2008, and therefore it is not possible for us to use the wage replacement level as a variable. But based on our examination of the post-2008 data, very few companies do provide additional wages. Much more common is more generous wage replacement during childbirth (maternity) leave than is legally mandated. That information has been regularly collected over the years, and we therefore use the level of wage replacement during maternity leave in our supplementary analysis; the results are very similar to what we report below.

We include several other variables that may affect women’s utilization of leave policies. Two employment practices may be associated with leave policy usage. First, the existence of the two-track system may decrease leave policy usage. As described previously, the two-track system is a Japan-specific structural arrangement whereby men are assigned positions in the core workforce (i.e., in the firm-internal labor markets) and women are generally assigned noncareer track positions in a separate track. The two-track hiring system is a more appropriate measure of sex segregation for the Japanese organizational context than job- or occupation-level sex segregation (Shire, 2000; Shuto, 2009). Companies that hire men and women based on the two-track system are unlikely to encourage women who are assigned to noncore jobs to utilize the leave policy for which they are eligible. Second, the merit-based payment system, diffused as a reform of seniority-based payment since the late 1990s, reflects a policy change that may be positive for women. The traditional system that emphasizes seniority as the basis for promotion and wage increases disadvantages women overall due to their higher quit rate. The new merit-based pay system may lead to positive attitudinal changes toward female employees even if their organizational tenure tends to be short. In our sample, almost 40% of companies have the two-track system and 31% have the merit-based payment system as of 2009.
We control for a number of firm characteristics. Large firms tend to be particularly conscious of their reputation and thus often offer more generous work–family policies. If such firms consider an increase in employees’ policy usage to be important for the firm’s reputation, firm size may be associated with a higher usage rate. On the other hand, if usage is not considered to be as important for the firm’s reputation as the firm’s simple adoption of the policies, there may not be a positive effect of firm size. Firm size is measured by the amount of assets listed in each company’s financial report. Similarly, companies with a long history tend to be more publicly visible and therefore perhaps more conscious of reputational effects. At the same time, these companies may be more conservative vis-à-vis change. Supporting the latter possibility, previous studies find a negative effect of firm age on the provision of leave policies (Budd & Mumford, 2004). On balance, we expect older companies to be less likely to encourage employees to utilize leave policies. Firm age is measured as the number of years since the business was founded.

A company’s financial resources may be associated with employees’ use of parental leave. Companies with stronger financial performance have more resources and may be more accepting of employees who apply for leave benefits. Financial performance is measured as the return on assets (ROA). We also include a measure of labor cost, as companies that spend more on wages and employee welfare may be more supportive of employee benefit use (Glass, 2004).

Beyond the organizational level, industry feminization is included as a control. Companies in highly feminized industries are in an environment where women may have more job opportunities outside the company. These companies may thus perceive a need to keep pace with industry standards by offering female employees additional benefits and encouragement. Year dummies are included to control for yearly trends in leave policy laws as well as other macrolevel changes.

All independent and control variables vary over time and are lagged by 1 year in order to measure organizational conditions in the year prior to employees’ policy usage. Correlations between the independent and control variables are presented in Appendix Table A2.

**Analytical Strategy**

We use event count models because our dependent variable is the annual count of the number of women who utilize leave policies. For a count outcome, Poisson regression is the obvious choice, but it rests on the
assumption that the conditional variance and mean number of events are equal. When this assumption is violated, overdispersion can generate underestimated standard errors, leading to erroneous rejection of the null hypothesis. A commonly used alternative to avoid this potential problem is negative binomial regression, which addresses the issue of over- or underdispersion by adding a dispersion parameter $\alpha$ and hence allowing the conditional variance to differ from the mean (Cameron & Trivedi, 1986; Long, 1997). In the model estimation, we enter the natural log of the number of married women as an offset variable, setting an upper bound for the outcome variable; the log transformation is necessary because negative binomial regression models the natural log of the expected count. This allows us to interpret the results as the rate of event occurrence (i.e., the use of leave policies).

We prefer using an event count model to an ordinary linear regression model with the proportion of users among female employees as our dependent variable because the event count model better captures the underlying functional form of leave-taking patterns. Analyzing the proportion as the dependent variable using ordinary linear regression models would require the dependent variable to be an unbounded continuous function of the independent variables. Given that the event of leave taking is bounded on the left at zero, occurs rarely, and has a highly skewed distribution, the count of users is a more appropriate measure.

In order to analyze panel-structured data, we use negative binomial regression with fixed-effects models. If a company’s unobserved characteristics such as the founder’s vision or company traditions encourage managers to be more responsive in crafting work–family policies and nurturing a gender-equal climate while at the same time facilitating women’s leave taking, the association between the independent variables and the use of leave policies can be spurious. By analyzing only within-company variation, fixed-effects models control for the intrinsic and stable characteristics of companies, providing a more conservative test of relationships.

Despite these merits, one downside of fixed-effects models is that cases are dropped if there is no within-firm variation, which excludes companies that appeared only once in our sample or companies where the count of the number of female employees using leave policies is the same every year across the observation period. This somewhat reduces the number of observations used in the analysis, but we lose fewer than 200 company-year observations. In addition, there is the risk that coefficient estimates from fixed-effects models could be driven by
measurement errors and thus be biased if the amount of within-firm variation is not substantial. As a robustness check, we ran random-effects models that utilize across-firm as well as within-firm variation and thus are more efficient. We report fixed-effects models as our main results. The Hausman test suggests that coefficient estimates from random-effects models, although more efficient, may not be consistent. This is because, unlike fixed-effects models, random-effects models do not account for all time-invariant, firm-specific factors.

Results

Table 1 shows descriptive statistics for the 526 companies in our sample between 2001 and 2009. During this period, the mean number of leave usages was about 15 per company in a given year. Over time, the number increased from 14 to 19 (Figure 1). The gender climate of companies in the sample is not particularly good, nor did it improve very much: During this period, the mean percentage of women in management was only 4%, and just 11% of companies had women on the

![Figure 1](https://example.com/figure1.png)

**Figure 1.** Average number of parental leave usages per Japanese company, 2001–2009.
Source: Calculated from *Japanese Company Handbook for Job Searchers* (Shūshoku Shikihō, Tōyōkeizai Shinpōsha) for the sample of companies analyzed in this article.
board of directors. The number of board members from HR decreased in number across the period. Almost 50% of companies had one or more board members who were in charge of the HR function in 2001 but this decreased to 33% in 2009. However, companies in our sample provide generous leave benefits. Over the period, they increased the length of leave by 4 months beyond the legal mandate. In sum, these descriptive statistics show that during the 2000s, the gender climate within large Japanese companies did not improve significantly, but the amount of parental leave policy benefits increased substantially.

The results of fixed-effects models are shown in Table 2. In these models, the exponentiated coefficient estimates (i.e., $\exp(\beta) - 1 \times 100$) can be interpreted as the percentage change in leave policy usage associated with a one-unit change in a given explanatory variable. Model 1 tests the impact of the organizational climate after controlling for firm characteristics and the amount of leave benefits, and Model 2 tests the organizational accountability for leave policy. As predicted, leave policy usage increases as the organizational climate of a company becomes more gender-equal; in particular, women’s representation in management is significantly related to the rate of leave policy usage (Hypothesis 1). The coefficient for women in management shows that a 1% increase translates into a greater expected policy usage of about 1%. The coefficient for the presence of female board members, however, is not significant. Based on this finding, Hypothesis 2-a is rejected and Hypothesis 2-b is supported. We also find support for Hypothesis 3 regarding the positive effect of a more accountable structure; leave policy usage increases as organizations make a structural change that generates greater accountability for leave policy. Adding a board member who is in charge of HR increases expected policy usage by about 11%. In contrast, increasing the availability of a parental leave longer than the legal mandate does not significantly change policy usage, which is as we expected.

To illustrate the effects of a more gender-equal organizational climate and greater organizational accountability for policy implementation on women’s use of parental leave, we use the findings from Model 3 of Table 2 to compare two hypothetical companies with different profiles on these characteristics (Figure 2). In the first company, women hold 10% of managerial positions (at the 90th percentile of companies in the sample) and HR board members are on the board. In contrast, the second company has no female managers (at the 10th percentile of companies) and no board member in charge of HR issues. Holding other covariates at their mean levels, these two hypothetical companies
### Table 2. Fixed-Effects Negative Binomial Regression Analysis of Childcare Leave Usage

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender climate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women in management (%)</td>
<td>0.010*</td>
<td>0.010*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.004)</td>
<td>(0.004)</td>
<td></td>
</tr>
<tr>
<td>Female board members (¼)</td>
<td>−0.018</td>
<td>−0.022</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.050)</td>
<td>(0.050)</td>
<td></td>
</tr>
<tr>
<td><strong>Accountability of policy implementation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR board members (¼)</td>
<td>0.105***</td>
<td>0.103***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.030)</td>
<td></td>
</tr>
<tr>
<td><strong>Controls</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Length of leave beyond mandated time</td>
<td>0.003</td>
<td>0.003</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>(0.003)</td>
<td>(0.003)</td>
<td>(0.003)</td>
</tr>
<tr>
<td>Gender-segregated hiring system (¼)</td>
<td>0.023</td>
<td>0.028</td>
<td>0.027</td>
</tr>
<tr>
<td></td>
<td>(0.042)</td>
<td>(0.042)</td>
<td>(0.042)</td>
</tr>
<tr>
<td>Merit-based payment system (¼)</td>
<td>−0.013</td>
<td>−0.013</td>
<td>−0.01</td>
</tr>
<tr>
<td></td>
<td>(0.049)</td>
<td>(0.050)</td>
<td>(0.049)</td>
</tr>
<tr>
<td>Log assets</td>
<td>−0.478***</td>
<td>−0.480***</td>
<td>−0.476***</td>
</tr>
<tr>
<td></td>
<td>(0.041)</td>
<td>(0.041)</td>
<td>(0.041)</td>
</tr>
<tr>
<td>Log firm age</td>
<td>−0.447***</td>
<td>−0.496***</td>
<td>−0.482***</td>
</tr>
<tr>
<td></td>
<td>(0.125)</td>
<td>(0.126)</td>
<td>(0.127)</td>
</tr>
<tr>
<td>ROA</td>
<td>−0.006</td>
<td>−0.006</td>
<td>−0.006</td>
</tr>
<tr>
<td></td>
<td>(0.003)</td>
<td>(0.003)</td>
<td>(0.003)</td>
</tr>
<tr>
<td>Log labor cost per employee</td>
<td>0.059*</td>
<td>0.061*</td>
<td>0.070*</td>
</tr>
<tr>
<td></td>
<td>(0.029)</td>
<td>(0.028)</td>
<td>(0.029)</td>
</tr>
<tr>
<td>Feminization of the industry (%)</td>
<td>−0.001</td>
<td>−0.001</td>
<td>−0.004</td>
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<tr>
<td></td>
<td>(0.007)</td>
<td>(0.007)</td>
<td>(0.007)</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>4.572***</td>
<td>4.774***</td>
<td>4.679***</td>
</tr>
<tr>
<td></td>
<td>(0.615)</td>
<td>(0.614)</td>
<td>(0.617)</td>
</tr>
<tr>
<td>Firm and year fixed-effects</td>
<td>included</td>
<td>included</td>
<td>included</td>
</tr>
<tr>
<td>Number of observations</td>
<td>2.566</td>
<td>2.566</td>
<td>2.566</td>
</tr>
<tr>
<td>Number of firms</td>
<td>526</td>
<td>526</td>
<td>526</td>
</tr>
<tr>
<td>Log likelihood</td>
<td>−5296.595</td>
<td>−5293.685</td>
<td>−5290.707</td>
</tr>
</tbody>
</table>

**Note.** Standard errors are in parentheses. Offset: Number of married women in the company. HR = human resources; ROA = return on assets.

*p < .05. **p < .01. ***p < .001.
show a large gap in the expected use of parental leave policy. Holding the number of married women at the mean, that is, 113, in the first company about 13 women take parental leave and in the second company only eight women do so.

In sum, the results of the fixed-effects analyses show that parental leave policies are utilized more heavily in firms with a more equitable gender climate and in firms where executives who supervise HR issues are on the board. Further supporting the greater importance of organizational conditions that legitimate the usability of the policies rather than the amount of policy benefits themselves, the empirical results show that the amount of benefits is not significantly associated with policy usage, especially when firms are already providing generous benefits.

Discussion

While the length of parental leave in Japan has been progressively extended over the past two decades and coverage has extended to
virtually all large companies, this has not resulted in a noticeable increase in the percentage of women continuing employment after birth. Consistent with this, our analysis of the varied benefit levels offered by individual firms demonstrates that there is no significant relationship between the generosity of a firm’s leave policy and the number of female employees taking parental leave. Rather, we find significant effects for organizational conditions that demonstrate greater gender equality and that legitimate parental leave policies through HR presence among board members.

Some additional firm characteristics are related to employees’ use of parental leave policy. Leave policy use decreases with company size and age. While larger and older companies that are highly visible and thus conscious about their public image and reputation tend to provide generous work–family policies, their employees’ rate of policy usage is not higher. Also, the coefficient for ROA shows that financially successful companies do not have higher leave policy usage rates. Instead, the positive effect of labor cost suggests that the use of leave policy increases when companies increase their spending on employees. This suggests that the way organizations internally distribute resources may be more important for employee policy usage than overall company resources.

Conclusion

The Japanese context is characterized by an ironic combination of generous work–family policies and a work environment that makes work–family balance difficult. The tension between the Japanese government’s promotion of parental leave policies and a less-than-supportive corporate culture for mothers makes Japan an ideal case for studying the importance of the organizational context in fostering policy usage.

Although the existing literature provides theoretical arguments and qualitative evidence that a more gender-equal organizational climate can help women balance work and family, studies have not compared conditions in a large number of firms with each other and assessed the relationship to employees’ use of leave. The present article takes advantage of panel data for more than 500 large Japanese firms. We find that as organizations become more gender-equal through promoting women to managerial positions, leave policies tend to be utilized more. Our findings thus suggest that one mechanism through which gender equality may be enhanced by the presence of female managers is via
increased willingness on the part of female employees to utilize parental leave and thereby increase their attachment to the firm.

In addition to women’s managerial representation, we suggest that the internal legitimacy of parental leave is critical for women’s use of leave. According to the organizational institutionalism literature, workplace policies that are adopted due to government pressure are likely to be decoupled within organizations. Unless the policies are perceived as legitimate within organizations, employees are not likely to perceive organizational accountability for the policies and are less likely to use them. Our findings show that leave policy usage increases in organizations that include HR representatives as board members.

This article contributes to research on work–family policies by drawing attention to the organizational context within which employees take parental leave. Our results indicate that aspects of the organizational climate and firm-internal legitimation of policies make a significant difference even when the policy benefits are held constant. These findings hold implications not only for policy makers in Japan but for the implementation of work–family policies in American workplaces, where employees continue to report hesitation in utilizing the policies. Relative to the appeal of ever more generous policies, making the corporate gender climate more equal and creating visible accountability within organizations for policy usage are important goals to achieve.

Finally, we note that parental leave policies have increasingly been implemented at the national level as a policy measure to increase fertility rates, especially in low-fertility postindustrial contexts such as Japan, South Korea, and Southern European countries. Nevertheless, surprisingly little research has examined the factors that influence women’s actual use of policy, and hardly any research has investigated the influence of organizational conditions. Taking up the case of Japan, we show that it is not enough for the state to simply impose policies on work organizations. Incorporating the intraorganizational legitimation of leave policies into future studies will be critical for understanding the effect of leave policies on fertility outcomes in lowest-low fertility societies and for understanding the policy impact on women’s ability to combine employment and motherhood across postindustrial societies in general.
### Appendix

**Table A1. National Industrial Distribution and Within-Sample Industrial Distribution.**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage of Corporations by Industry (2001)</th>
<th>Percentage of Firms in the Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>16.1</td>
<td>35.9</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>11.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Retail trade</td>
<td>14.6</td>
<td>12.8</td>
</tr>
<tr>
<td>Construction and real estate</td>
<td>27.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Transport, communication, public utilities</td>
<td>3.2</td>
<td>15.4</td>
</tr>
<tr>
<td>Services</td>
<td>19.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Eating and drinking places, hotels</td>
<td>4.9</td>
<td>7.1</td>
</tr>
<tr>
<td>Finance, insurance</td>
<td>1.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Other</td>
<td>1.2</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Note.* The 18 detailed industries in the Japan Standard Industrial Classification (see Note 8) are not used in national statistics on the industrial distribution of corporations. The Japanese Statistics Bureau reports the industrial distribution using broader categories. For example, national statistics group manufacturing firms into one category, whereas eight detailed categories of manufacturing firms are included in the 18 industrial categories.

*Statistics Bureau of Japan (http://www.stat.go.jp/english/data/chouki/06.htm).*
### Table A2. Correlation Matrix ($N = 2,566$).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Use of parental leave</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Women in management (%)</td>
<td></td>
<td>0.153</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3. Presence of female board members</td>
<td></td>
<td></td>
<td>0.102</td>
<td>0.255</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4. Presence of HR board members</td>
<td></td>
<td></td>
<td></td>
<td>0.053</td>
<td>-0.059</td>
<td>0.018</td>
<td>1.000</td>
<td></td>
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</tr>
<tr>
<td>5. Length of parental leave beyond mandated time</td>
<td></td>
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<td></td>
<td></td>
<td>0.295</td>
<td>0.142</td>
<td>0.029</td>
<td>0.007</td>
<td>1.000</td>
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<tr>
<td>6. Gender-segregated hiring system</td>
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<td></td>
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<td>-0.060</td>
<td>-0.131</td>
<td>-0.081</td>
<td>-0.024</td>
<td>-0.136</td>
<td>1.000</td>
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<tr>
<td>7. Merit-based payment system</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0.000</td>
<td>0.140</td>
<td>0.010</td>
<td>-0.027</td>
<td>0.133</td>
<td>-0.160</td>
</tr>
<tr>
<td>8. Log assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.480</td>
<td>-0.156</td>
<td>-0.024</td>
<td>0.169</td>
<td>0.135</td>
</tr>
<tr>
<td>9. Log firm age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.160</td>
<td>-0.251</td>
<td>-0.163</td>
<td>0.155</td>
</tr>
<tr>
<td>10. Return on assets (ROA)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>0.003</td>
<td>0.096</td>
<td>0.125</td>
</tr>
<tr>
<td>11. Log labor cost per employee</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>0.016</td>
<td>0.101</td>
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<tr>
<td>12. Feminization of the industry (%)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.008</td>
</tr>
</tbody>
</table>

Note. HR = human resources.
Acknowledgments

The authors thank the editor and reviewers of Work and Occupations for their helpful comments.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

Notes

1. The United States is the only high-income OECD country that does not have a national mandate requiring employers to provide paid leave (Hegewisch & Gornick, 2011).
2. A recent study analyzes the association between minority CEOs and the percent minority on boards of directors, on the one hand, with several corporate diversity programs and practices on the other hand (Cook & Glass, 2014). Consistent with the theory of tokenism, no significant association was found between the presence of a minority CEO and a company’s diversity policies or practices. Racial diversity on the board, however, is positively associated with several of these outcomes.
3. The strong and persistent gender-role norms in Japan have been much reported in comparative studies. Ruppanner and Huffman (2014) find Japan to be the only country among the 31 countries included in the work orientations module of the 2005 International Social Survey Programme where the percentage of women exceeds the percentage of men who experience nonwork-work interference and work-nonwork interference. Additionally, Japan ties (with South Korea) as second-to-lowest on the gender empowerment score, a macrolevel measure of women’s economic and political power relative to men’s.
4. The average number of white-collar employees in companies surveyed by the publisher is around 2,800 between 2001 and 2009.
5. The publisher, Tōyōkeizai Shinpōsha, started the survey in 1984, sampling the largest companies based on the number of people hired in the previous year. In 1984, 1,005 companies were surveyed. After that, companies were followed unless they disappeared or did not answer the survey (for unknown reasons). In order to compensate for the loss of some companies, the survey added companies that were newly founded or grew significantly in the previous year. We use data from 2001 because that is the first year in which information on employees’ utilization of childcare leave policy was collected.
6. This is consistent with what other studies of keiretsu report. For instance, Gerlach’s study shows that around 10% of the industrial firms listed on the Tokyo Stock Exchange are affiliated with one of the big-six keiretsu groups (Gerlach, 1992). We thank an anonymous reviewer for suggesting the possible relevance of companies’ keiretsu affiliation.

7. This number is limited to women who did not quit their jobs upon childbirth. In some countries such as the United States, women often do not return to the same employer after taking maternity leave. But in Japan women almost always return to the same employer if they use parental leave (Waldfogel, 1998).

8. The dependent variable does not account for the actual length of leave taken by employees. It is possible that some women might come back to work before they use up the entire 12 months (or longer if an extended leave is provided), but knowing that childcare facilities are in short supply in Japan, it is not common for women to come back to work earlier.

9. Results are available upon request.

10. We constructed 18 industry categories based on the Japan Standard Industrial Classification (Statistics Bureau of Japan, http://www.stat.go.jp/english/index/seido/sangyo/index.htm). The industries include finance, publishing, telecommunications, wholesale trade, retail, service, electronics, automobiles and related products, machinery, food, pharmaceuticals and cosmetics, chemicals, clothing and textiles, iron/steel/nonferrous materials, other material manufacturing, construction and real estate, energy, and transportation.

11. Regarding the average amount of change in the main independent variables, the percentage of female managers varies from 3.6% to 4.5%, the percentage of companies that have female board members varies from 8.7% to 13.7%, and the percentage of companies that have HR board members varies between 33% and 48% over the observation period.

12. Because it may take some time for gender climate variables to show effects, we also tried longer lags for those variables. In the case of female managers, the effect is significantly positive for a longer period of time (i.e., 1-year, 2-year, and 3-year lags are significant). This suggests that the presence of female managers has a lasting positive effect.

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