

## **Japanese-German-Symposium:**

### **Work Style Reform – How Will Home, Company and Society Shine More and How Can Gender Equality Contribute?**

**(November 6<sup>th</sup>, 2018 in Tōkyō)**

## **Workshop:**

### **Work Style Reform, Gender Time Gap, Work-Life Balance, and Gender Equality in Japan and Germany**

**(November 7<sup>th</sup>, 2018 in Tōkyō)**

## **Conference Report<sup>(1)</sup>**

Nora KOTTMANN (Senior Research Fellow, German Institute for Japanese Studies)

Work Style Reform and Gender Equality were the main topics of two events jointly organized by the Japanese-German Center Berlin (JDZB), the Friedrich Ebert Foundation (FES), the German Institute for Japanese Studies (DIJ), and the Japan Institute of Social and Economic Affairs (Keizai Kōhō Center/KKC) on November 6<sup>th</sup> and 7<sup>th</sup>, 2018. Both events took place in Tōkyō and were respectively hosted by KKC (November 6<sup>th</sup>) and the DIJ (November 7<sup>th</sup>).

Japan and Germany are facing very similar problems with regard to demographic change and its subsequent challenges on societal, political, and economic levels. These challenges – including an escalating labor shortage as well as the demand for women’s increased participation in the labor force – require family-friendly working conditions as a fundamental prerequisite for better reconciling family and work life. Both countries are aware of this problem and have enacted various laws from the late 1980s onwards which address gender equality and work-life balance (WLB). In Japan, the concept of WLB received renewed attention in 2013 through Womenomics, a core pillar of Prime Minister ABE Shinzō’s<sup>(2)</sup> national growth strategy, which aimed “to make women (and society as a whole) shine.” Womenomics focuses on empowering women and increasing their numbers in the workforce. However, the rationale is not about gender equality, but economic factors and the assumption that women are an underutilized resource.

Against this background, the aim of the symposium and workshop, which brought together a total of 25 renowned speakers, was to provide background information on the topics, to

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1. This report portrays the main line of argument of the symposium and the workshop and it summarizes the presentations and discussions according to the understanding of the author. We therefore ask not to quote single remarks of the speakers.

2. Conventional Japanese name order is generally followed here: FAMILY NAME – given name.

generate mutual exchange between stakeholders from business, politics, media, and academia and to look into both the challenges and opportunities from different angles. While the symposium mainly addressed stakeholders from business and politics as well as the general public, the workshop served as a forum for academic exchange and discussion. Both events were met with great interest by the public and experts alike.

## Japanese-German-Symposium: Work Style Reform – How Will Home, Company and Society Shine More and How Can Gender Equality Contribute?

November 6<sup>th</sup>, 2018

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### Opening

The well-attended symposium at the Keidanren’s Diamond Hall addressed the correlation between working style, working time, and gender equality as well as pursued the question of “How Will Home, Company, and Society Shine More and How can Gender Equality Contribute?” YAMAKOSHI Atsushi (Managing Director, KKC) and MAE Michiko (University of Düsseldorf/Foundation Council JDZB) delivered the greetings, warmly welcoming organizers, speakers, and the large audience. Both speakers mentioned previous successful collaborations, outlined the opportunities of this joint event and stressed the relevance and timeliness of the topics for both countries.



Prof. Dr. MAE Michiko

While YAMAKOSHI called for demographic change to be seen as a historical opportunity to implement a fundamental, strategically developed work style reform, which in turn would lead to more gender equality, MAE emphasized the fact that both countries can learn a lot from each other in the face of similar problems. The issue of excessive working hours in particular – which has made Japan notorious and hinders women in the Japanese labor market – needs to be tackled. She attributed a great deal of potential to digitization and the creation of a so-called "Society 5.0". Despite clearly identifying existing problem areas and challenges, MAE still found motivating and encouraging words for the representatives from politics, media, and the business community.



Colette RÜCKERT-HENNEN

### Keynote Speech

Colette RÜCKERT-HENNEN (Member of the Board, EJOT Holding GmbH & Co. KG) delivered the keynote speech, where she spoke about “Work Style Reform and Gender Equality in Germany.” She framed her talk by stating that her interest in gender equality was less induced by the fact of being female but due to the insight that women are crucial in facing contemporary challenges like the labor shortage and the international pressure for innovation. Despite positive examples of women in high-profile

positions and legal improvements, “we are not as far as we should be.” RÜCKERT-HENNEN argued on the basis of daily prejudices, the gender equality index, the proportion of women in management positions as well as the gender pay gap. In order to tackle these issues, she argued, responses are needed from companies and politicians alike: They will have to work together and address the problem from different angles, as companies that fear regulations are unlikely to change on their own. The awareness that gender equality is a requirement for future economic success has yet to be developed within companies.

## Session 1

Session 1 was chaired by SUMITA Kan (Special Advisor, The Japanese-German Business Association) and followed RÜCKERT-HENNEN’s lead by addressing “Challenges for Industry, Business, and Labor Relations”. The session started with a talk by Elke HOLST (Research Director Gender Studies, The German Institute for Economic Research) entitled “Gender Gaps in Promotion and Pay & the Effects of Gender Working Time Gaps. Focus on Managerial Occupations”. Just like RÜCKERT-HENNEN, HOLST argued for a change in company culture. She identified the heightened competition for specialists and young talents in industrialized countries (“war of talents”) as the greatest challenge for the economy. In order to keep up with this development while at the same time generating economic growth, the complete integration of women into the labor market is necessary. However, there are three major problems that significantly hinder this, as she explained in detail: a gender gap in job promotion, a gender pay gap (based on a statistically proven devaluation of women’s work), and a gender bias in working time requirements.

In her talk “How We Work”, Michiko ACHILLES (Vice President, SAP Japan) addressed concrete measures and working styles of SAP. She began with the observation that “the” right working style is difficult to grasp and subject to change. Yet, some core topics from the entrepreneur’s point of view were the questions of “How to work successfully and productively? How to get (or to improve) the employees engagement?” In order to address these topics and develop successful measures, SAP employs a model that locates the employee’s commitment between four areas of life, namely “growth”, “career”, “well-being”, and “life”. Employees can individually decide which to focus on. To further strengthen this process, ACHILLES pointed out, employees are actively encouraged to bring in ideas and help realize the company’s vision to “help the world run better and improve people’s lives.”

The general discussion revolved around the buzzwords commitment/engagement and changes in corporate culture. Here, the German side largely emphasized the responsibility of leaders: They have to act as role models for their employees by actively initiating these changes and seeing them through. RÜCKERT-HENNEN for example called change a “tough cookie” and emphasized that “only the leaders can change the company and the culture through being truthfully engaged and living their own slogans.” In this context, the need for monetary incentives for companies was clearly formulated – a topic that was addressed in session 2.



Session 1



Ralf KLEINDIEK

## Session 2

“Challenges for Government: Regulation” was the title of the second session, which was chaired by Martin POHL (Counselor, Labor and Health Affairs, Embassy of the Federal Republic of Germany). The first panelist was Ralf KLEINDIEK (Senior Advisor, Boston Consulting Group/former State Secretary, Federal Ministry for Family Affairs, Senior Citizens, Women and Youth). He opened the panel with his talk on gender equality and the question of adequate policies. Starting from the observation that gender equality is still far from the norm in both countries, KLEINDIEK shed light

on recent policies and their potential success in Germany as outlined in the *Gender Equality Reports* (2012, 2017). Both reports, which were issued by the German government and compiled by an independent committee, stress the importance of the “time” factor – on a daily as well as biographical basis – for gender equality. According to KLEINDIEK, the reports show that policies (and the political will) are currently insufficient. In particular, the field of care must be funded in monetary terms. KLEINDIEK ended on several recommendations: Policies will only be successful if they 1.) are mandatory (and not voluntary) and 2.) imply effective monitoring and rigid sanctions. From his perspective as an advisor to the Boston Consulting Group, he expressed his strong belief that realizing diversity and gender equality will be the “key to (future) success”.

“Work Style Reform” was also the topic of MATOBA Yasuko (Executive Researcher, Life Design Research Department, Dai-Ichi Life Research Institute). She similarly emphasized policies and pursued the question of “(How) to (Create) a Society Where Both Men and Women can Work Actively?” She described the status quo as inadequate, despite a multitude of buzzwords and slogans. In addition to the gender pay gap mentioned by previous speakers and women’s low participation rate in the labor market, she highlighted the unequal distribution of (unpaid) domestic work: There has to be a change of culture, not only in companies but also in families; an attitude change would be an indispensable prerequisite for true gender equality. Overall, she suggested policies in three areas – support for women’s health, support for women’s re-employment, and re-learning implementation strategies – for realizing a society “in which everybody who wants to work can work.”

Like previous speakers, the third panelist, KUROKI Rie (Director, Gender Equality Bureau, Cabinet Office of Japan), stressed the economic necessity of actively integrating women into the workforce. On the basis of statistical data on topics like the proportion of female administrative and managerial workers or the work history of wives before and after giving birth, she shed light on the status quo of gender equality in the subsequent fields. Gender equality, she pointed out, is still marginal, also when compared internationally. However, KUROKI emphasized that the Japanese government is well aware of the problem and is actively pursuing countermeasures, which have already achieved substantial success.



## Discussion

After a lively discussion, the symposium's main findings could be summarized in three points: 1.) It became obvious, that a reform of work-style is an important *precondition* for gender equality and the elimination of various "gaps" in the realm of pay, time, pension, and care. 2.) Despite resistance on the part of companies, the government must take action and implement policies that include monetary incentives and rigid sanctions. 3.) All speakers agreed that these measures will pay off, as a fundamental work style reform and gender equality will lead to economic strength and success in the context of labor shortages and the "war for talents".



## Workshop: Work Style Reform, Gender Time Gap, Work-Life Balance, and Gender Equality in Japan and Germany

November 7<sup>th</sup>, 2018

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### Welcome Remarks and Introduction

Academic exchange was the focus of the Workshop "Work Style Reform, Gender Time Gap, Work-Life Balance and Gender Equality in Japan and Germany" on November 7<sup>th</sup>, 2018. Topics, concepts, and slogans of the previous day's symposium were supplemented in four panels as well as a panel discussion featuring theoretical perspectives and in depth analyzes by Japanese and German experts. Franz WALDENBERGER (Director, DIJ) and Claudia SCHMITZ (Secretary General, JDZB) made the welcome remarks on behalf of the organizers. Both highlighted the symposium's success and summarized important findings that served as the starting point for the workshop.

MAE delivered the introduction, where she presented the workshop's main topics and raised the question of "How can we Overcome the Gender Time and Pay Gap for a Gender-Equal Society?" She first underscored that "across our entire lifetime – including old age – our lives are determined fundamentally by the time we spend working, because in modern society it is this time, together with income, that decides our life chances. (Therefore) working time and income relation have a strong influence on gender equality," especially in the long-term, as one can see in the "shocking" case of pensions. Despite an increase of female participation in the Japanese and German labor markets, much of this is due to an increase of part time employment in both countries. Although part time employment might be appealing at first glance – for creating more possibilities to combine work and family – this model has its downsides and is highly gendered: While most mothers work part-time, only a very small amount of fathers do so. This shows, MAE argues, that despite improvements, the male breadwinner model – one of the main reasons for the



discriminatory gender gap – is still predominant in both countries. MAE then turned to the workshop’s structure and topics. The aims of the four panels were 1.) to address working time and income differences between men and women, 2.) to evaluate possible effects of the newly adopted Work Style Reform (*hatarakikata kaikaku*) in Japan, 3.) to explore a variety of alternative models for new forms of work and ways of working, and 4.) to examine problems and obstacles that must be overcome in order to achieve a good work-life balance. The panel discussion at the end of the event brought together representatives from a variety of firms, who presented and discussed concrete examples of working models and their (potential) influence on gender equality. This reconnected to the symposium on the day before, but also offered a different perspective.

### Panel 1: Gender Time and Pay Gap

The first panel was chaired by Steffen HEINRICH (Senior Research Fellow, DIJ) and started with a talk by ŌSAWA Mari (The University of Tōkyō) on “Issues for ‘Society 5.0’ – Poverty Reduction as a Vital Way of ‘Investing in Society’”. In her talk, she focused on the new concept of “investment”, which “seems to be one of the key words in recent Japanese politics and policy making,” as seen in the establishment of the *Future Investment Council* (September 2016) and the publications *Investments for the Future Strategy* (June 2017, June 2018). ŌSAWA shed light on the importance attached to work style reforms in this strategy – i. e. as measures to achieve maximum productivity through workplace diversity, flexible work, and work-life balancing. This, ŌSAWA explained, shows the interrelation of the concepts of investment and gender equality. In her closing remarks, she argued that poverty reduction through gender equality at work – including the reduction of the gender pay gap – and a reform of tax and social security systems are a vital form of social investment, or rather “investment in society”.

The gender pay gap, especially its underlying causes, was the starting point for Ute KLAMMER’s (Duisburg-Essen University) talk. Based on the findings of the research project *Comparable Worth*, she argued that “(gendered) job evaluation (is) a blind spot in the analysis of the gender pay gap.” While there are statistically identified causes for the gender pay gap – formal qualifications, vertical and horizontal labor market segregation as well as business interruptions and reductions – the hypothesis of a gender-differentiated remuneration system (“devaluation hypothesis/evaluative discrimination”) suggests that the occupational demands and burdens in the area of female gainful employment are paid less than in the area of male gainful employment. In order to statistically measure occupational demands in a gender neutral way, KLAMMER introduced the so-called Comparable Worth-Index that she and her team had developed. Through multivariate analyses, they came to the conclusions that professional demands and burdens in the context of female gainful employment – one example here being care work – are paid less than the demands and burdens in the context of male gainful employment.



Ute KLAMMER



MURAO Yumiko & Elke HOLST

## Panel 2: Can “Work Style Reform” Create More Career Opportunities for Women?

Panel 2 was chaired by MAE. It addressed the questions of what impact laws (especially the newly implemented one in Japan) can be expected to have on the gender time and pay gap, and what will they contribute to gender equality. Given that there was no overtime regulation law in Japan prior to the Work Style Reform that will be enacted by April 1<sup>st</sup>, 2019 and that promotion was/is evidently connected with long working hours, MURAO Yumiko (Tōyō University) focused in her talk on the question

of “Will Setting the Upper Limit of Overtime Increase Japanese Women's Promotion Opportunities?” She pointed out that this is closely related to the question of whether working couples will be encouraged to both work less than 45 hours of overtime and share family responsibilities equally, as mentioned in the reform. Although reducing excessively long overtime sounds promising with regard to gender equality, MURAO concluded – based on a secondary analysis of the Japan’s Life Course Panel Survey – that new overtime limitations will have slightly negative effects on women’s promotion to the rank of section chief. Furthermore, new overtime limitations will fail to create more career opportunities for Japanese wives, as couples will not feel free to choose the option of both parties working less than 45 hours overtime and sharing family responsibilities.

HOLST, the second speaker, dealt with the situation in Germany in her presentation entitled “Germany Needs More Individual Time Sovereignty for Women and Men to Reduce the Gender Pay Gap.” To contextualize her considerations, she outlined a “war for talents” on the one hand and the strong wish of individuals to have a fulfilling work-life balance on the other hand. HOLST initially gave an overview of the gender gap in specific sectors – the largest being in the finance and insurance sectors. Following this, she highlighted that working or having worked part-time is one of the major reasons for the gender pay gap in countries with a high female participation rate. However, as men increasingly desire more family time and women more working time, the key to success is to “give women the chance to work more and men to work less.” As individuals’ time-demands vary over their life course (and are especially tight during the so-called “rush hour of life”), flexibility and individual time sovereignty are imperative. Company culture has to change in order to realize this: She strongly stressed, that “it’s time to modernize the idea of an ideal worker from always available to autonomous, independent, and highly flexible (due to digital devices).”

## Panel 3: Alternative Work Forms (Style) and Their Intra-Organizational Preconditions

After a lunch break, the third panel addressed the topic of “Alternative Work Forms (Style) and Their Intra-Organizational Preconditions” as well as the questions of which alternative models for new ways of working and working hours are already being put into practice. NEMOTO Kumiko (Kyōto University of Foreign Studies) looked at “Corporate Changes and Workplace Gender Division in Japan”, how the custom of long working hours has been changing, and to what extent this had impacts on vertical sex segregation. Based on her own fieldwork, she emphasized that working hours still remain excessive. As reasons for this, she identified the workload on the one hand and normative reasons on the other: She showed that many of her male interviewees link long working hours to their identity and manhood. While some of the respondents did refer to the benefits of having more time with the family, it turned out that the level of devotion to work is still often measured in terms of working hours. This culture of long working hours – that affects women as well

– is clearly a factor in vertical sex segregation and is, according to NEMOTO, one of the main reasons why women still opt out.

WALDENBERGER gave the second talk on “Japan’s In-house Career System – a Structural Barrier to Work Style Reform and Inclusion”. He focused on an institutional factor that determines long working hours, namely in-house careers. Pursuing one’s career in just one company is a system that is very much rooted in the high growth period after the war. Although there has been change in recent decades, WALDENBERGER argued that this “core element” of Japanese companies – strongly tied up with mass hiring every April and the principle of seniority – has been well preserved, as can be seen with the in-house careers of almost all executive directors of larger Japanese companies. WALDENBERGER highlighted that in-house careers are characterized by very slow promotion (no fast tracks), ongoing competition, and no exit options. This along with the underlying strong dependence on superiors are the main reasons why it is extremely difficult to cultivate criticism from below or accept and develop diversity. WALDENBERGER ended his talk with several recommendations for successfully establishing an open career system, such as 1.) developing an outside market for managerial careers, 2.) ensuring career ownership with the employee, and 3.) generating more task- and performance-oriented management styles.

#### **Panel 4: Social and Political Preconditions for a Better Work-Life Balance**

The fourth and last panel of the day was chaired by Nora KOTTMANN (Senior Research Fellow, DIJ) and focused on the question of how it is possible to solve the (institutional) problems and challenges discussed by previous speakers and make it possible for every member of society to individually balance every area of life. First, ŌSAWA Machiko (Japan Women’s University) gave a short overview of Japan’s “Work-Life Balance Policies: Characteristics and Limitations”. She brought up the point that the concept of WLB was first adopted by the Japanese government in the *Work-Life Balance Charter* in 2007, that was jointly issued with the federation of trade unions and the employer’s association (Keidanren). The document described the realization of a “work-life balance society” as a “crucial investment for the future”. Yet, ŌSAWA pointed out that whereas work-life balance reforms have gained momentum in Japan, ongoing gender inequality (as well as systemic discrimination) remains a strong impediment to the realization of a work-life balance society. In her closing remarks, she argued that legal and policy reforms will have no effect and gender inequality will remain strong unless significant penalties for non-compliance are introduced.

The German situation was discussed by KLEINDIEK in his talk “Work-Life Balance in Germany – the Role of Companies and the Government”. Just alike ŌSAWA, KLEINDIEK emphasized the necessity for comprehensive policies. Further on, he outlined the need for the state and the economy to work together in the context of contemporary social upheavals. To face these challenges – KLEINDIEK referred in particular to the care of elder relatives – a Work Style Reform that implies individual time sovereignty across the life course is imperative. This need was clearly recognized by the German government and found expression in the two *Gender Equality Reports* compiled in 2011 and 2017. However, KLEINDIEK summarized that the political measures and monetary incentives in Germany so far are not far-reaching enough, especially as “companies have done too little for this cause on their own initiative.” KLEINDIEK thus argued that state imposed measures are needed. These thoughts clearly related to the previous day’s findings and provided an ideal transition to the following panel discussion.



## Panel discussion

The goal of the final panel discussion, which was chaired by WALDENBERGER, was to shift the perspective from research to practice and offer insight into the concrete measures being pursued by some companies. Prior to the final discussion, four company representatives from different industries – AKIYAMA Noriko (Asahi Shinbun), Laura MELFI (OMRON Japan), TORAYAMA Kuniko (DIC Japan) and TAKAGI Shōko (Furukawa Electric)<sup>(3)</sup> – each made short statements. All four speakers reported on their own experiences – both positive and negative – as well as their company’s abstract visions and concrete measures. Significant differences were found between the report by AKIYAMA, who works as a political journalist, and those by the other speakers who were employed in large, international corporations. AKIYAMA joined Asahi Shinbun in the 1990s and described her career with the words “first female of”: She was the first female team leader, the first female assistant political editor, the first female senior political writer, and so on. Nonetheless, she still pointed out the persistent hurdles: Gender equality in the political world, she elaborated, is far from being reality, as seen in the number of women in the lower house (or the number of female toilets in the National Diet Building). MELFI – a part-time working mother in a career track position – contrastingly elaborated on the advantages she could enjoy from various measures to promote women’s activity in the workplace, measures that the OMRON group undertook in line with the company’s mission “to improve lives and contribute to a better society” and “to promote diversity”. Like MELFI, TORAYAMA and TAKAGI discussed improvements in terms of a “second chance” after childbirth, expanded career opportunities, and the reconciliation of family and work. The examples offered here were in the areas of management training, parental leave, or teleworking systems. In summary, the statements made slow but steady changes obvious. However, it also became clear that the limitations can still be considered serious, depending on the sector. This was especially the case concerning the percentage of women in managerial positions – currently less than 5 % in the companies presented – and the actual utilization of various systems. The speakers stated that there is still a long way to go.

Following the four statements, TORAYAMA, WALEDENBERGER, and EGAMI Shigeki (Satō Holdings Corporation) came together for a final discussion: Like the four previous presenters, EGAMI reported on his personal experiences and impressions. He focused on the influence of foreign interference, which he had experienced as fundamental and comprehensive. Achieving such a change in Japanese companies without foreign interference, he remarked, is “very very difficult” – many measures and slogans are simply window dressing. However, after the discussion, the panelists concluded optimistically with regard to a possible future change: Some companies can already serve as exemplary, as they are interested in real change.



panel discussion

## Closing Remarks and Summary

In his closing remarks WALDENBERGER warmly thanked all participants and emphasized the success of the workshop and the previous symposium: Mutual (knowledge) exchange and discussion between companies, politics, and academia as well as between Germany and Japan has proven to be extremely fruitful and necessary and should be continued in the near future. Both events clearly proved the relevance and timeliness of the topics – not only in the context of demographic decline. In summary, two main findings can be recorded with regard to both events: 1.) the clear

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3. Due to a business trip, TAKAGI couldn’t attend personally; her slides were presented by NEMOTO instead.

interrelation of work style reform and gender equality with the first being a prerequisite for the latter, and 2.) the urgent need for politics and economics to work together to address the hard questions. The speakers all agreed that further progress can only be made through state induced regulations with effective sanctions for non-compliance. Although companies fight against binding regulations, work style reform and gender equality will pay off for them in the end, since “diversity is no longer an option, but an economic imperative, and the benefits of greater diversity will be enjoyed by all” (Kathy MATSUI<sup>(4)</sup>; Japan Times 25./26.5.2016). To sum up: Slow changes and improvements with regard to work style reform and gender equality are visible. However, there is still an overall need to address these topics seriously and implement further, more comprehensive policies, not only for women but for all individuals regardless of their nationality, race, skin color, religion, family lineage, ethnic group, marital status, sex, sexuality, gender identity, disability, or age.

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4. Matsui, who is chief strategist at Goldman Sachs, coined the term Womenomics as early as in the year 1999.