

Principles of the Company and CSR Activity Promoting Gender Equality and Employment of Disabled People

by

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Introduction

We had already shown the corporate culture model that achieved gender equality and employment of disabled people (Saito & Nakano, 2006). According to the model (Fig. 1), the basic assumption lies at the foundation of the corporate culture. Actual values and ideal values of the company derive from the basic assumption. These two values make the principals of a company and its corporate ethics, which in turn produces the correct attitude for human rights. Naturally, the correct attitude for human rights is linked to gender equality management and employment of disabled people. When the corporate culture includes consideration of human rights, the companies are consistent between gender equality and employment of disabled people.

In Japan, both gender equality management and employment of disabled people have difficulties, however if a closer look is taken at them, employment

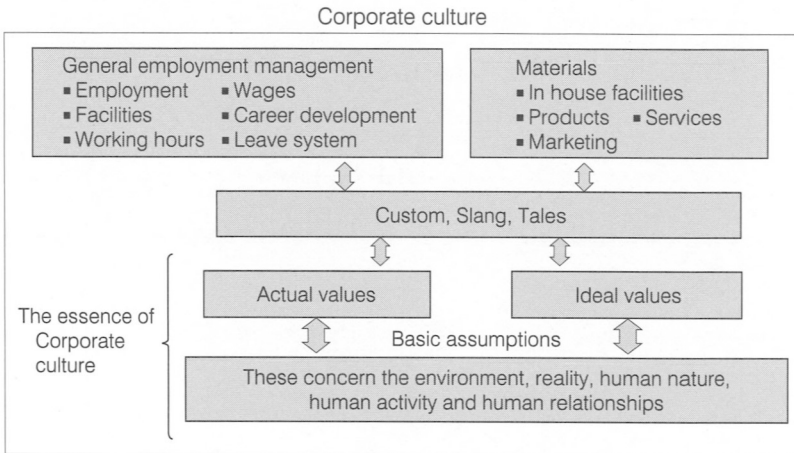


Fig. 1. Corporate culture model of this study

of disabled people is lower. As to the employment of disabled people, the Japanese government stipulates the legal rate employment of disabled people at 1.8%. The actual rate of employment of disabled people was 1.46%, big companies were a little higher (1.6%), but 70% of big companies don't comply with the legal rate¹⁾ (see Table 1, Ministry of Health, Labour and Welfare, 2004). Furthermore, "the act for supporting independent living for persons with disability" will be enacted from April of 2006. This new law is supposed to help disabled people become independent, but in reality the employment of disabled people will not increase. So the commitment to employ disabled people needs to be more effective.

We use the corporate culture model (Saito & Nakano, 2006) and examine the actual condition of gender equality and employment of disabled people. The purpose of this paper is to make 3 points.

1. The relationship between gender equality and employment of disabled people
2. How do the principals of a company work with corporate ethics and CSR activities that realise gender equality and employment of disabled people.
3. What effect do the factors have on the extent of fulfillment of gender

Table 1. Actual status of employment of disabled people
by the size of company (2004)

(Unit: %)

<i>The number of employees</i>	<i>Actual rate of employment of disabled people</i>	<i>The percentage of non-compliance companies</i>
56-99	1.46	55.7
100-299	1.25	57.4
300-499	1.44	62.4
500-999	1.44	68.1
Over 1000	1.60	70.6
<i>Total average</i>	1.46	58.3

Source: Ministry of Health, Labour and Welfare, 2004.

equality and employment of disabled people? In the following chapter, we will clarify these points.

Method

Saito & Nakano (2006) have already conducted a questionnaire survey on gender equality and employment of disabled people. Most of the companies in the previous survey were taken from the book "The Social Contribution of Excellent Companies 2003" by the Asahi newspaper company. Some of them were awarded for (1) improving gender equality, (2) making an effort at family-friendly, (3) high employment of disabled people by the Ministry of Health, Labour and Welfare.

We classified types of companies in gender equal management (GEM) and employment of disabled people (EDP). Fig. 2 shows two types of companies, Type 1 is a good company in both aspects, Type 2 is a behind the times company.

In this study, we are using previous questionnaires and rating companies by a numerical value concerning gender equality management and employment of disabled people. By using a numerical value we are able to classify companies into specific types. We conducted interview surveys of Type 1 and Type 2.

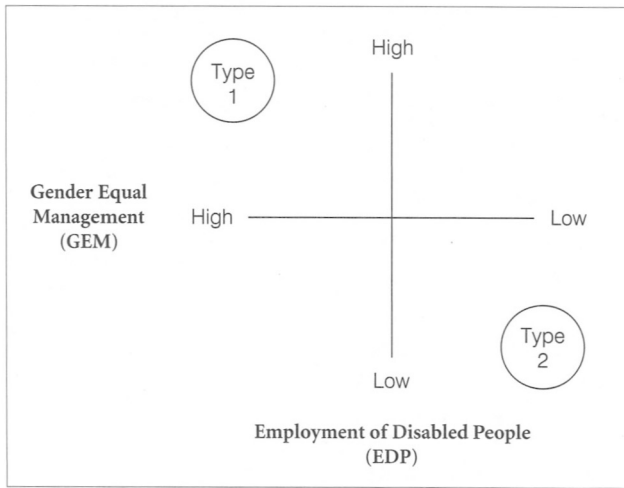


Fig. 2. Types of companies by Gender Equal Management (GEM) and Employment of Disabled People (EDP)

Table 2. Interview questions

<i>Gender equal management: GEM</i>	<p>The average length of employment of women</p> <p>Why is the length of women's employment shorter than men?</p> <p>The actual status of managerial positions of women</p> <p>How does your company view the career development of women?</p>
<i>Employment of disabled people: EDP</i>	<p>The rate of employment of disabled people</p> <p>What is your companies attitude toward the law concerning the employment of disabled people?</p> <p>What kind of jobs do disabled people have?</p> <p>How does your company view the employment of disabled people?</p>
<i>Principals of company & CSR</i>	<p>What are your company's principals?</p> <p>How to instill your company's principals into employees?</p> <p>What does your company do for CSR?</p> <p>Are GEM and EDP related to CSR in your company?</p>

These are shown in Table 2.

Result

1. *Type 1 (GEM high, EDP high)*

We chose “Company A” from type 1. “Company A” is a big chain food service, established in 1971 and restructured in 2002. The number of employees is 4581. There were two interviewees. One was the manager of the national recruit department and the other was the Sr. manager of the communications and public relations department.

(1) Gender equal management (GEM)

In Company A, 58% of all employees are women. However, the average length of employment for women is 5 years which is half that of men. As to the managerial positions of women, women shop managers are 14%, women in managerial positions at head office are 11.5%, owner operators²⁾ are 0.9%. The reasons for the shorter length of employment and the lower managerial positions occurred because of working style and career path, which is, every employee has to experience working in a store. This is shift work, so employees keep irregular hours. Furthermore, to be a shop manager, it takes about 8 years. Irregular hours disrupt daily life, therefore many women employees resign for marriage or maternity reasons.

For improving actual status, “Company A” takes some steps. As to longer length of employment, (1) The length and benefit of maternity and childcare leave have been improved and women employees have been made fully aware of these improvements. (2) “Company A” has created a work friendly environment where it is much easier for women employees to take leave. (3) They have increased the number of women employees. “Company A” thinks that the length of women’s employment is related to the number of women in managerial positions. As to increasing the number of women in managerial positions, (1) the goal of “Company A” is to increase the number of women in managerial position to 60% which is the same as in the USA. (2) “Company

A” has set up a mentoring system whereby women mentor women which strengthens their resolve.

On career development, it takes 8 years to be a shop manager by that time they are 30. In their 30's they face big changes in their lives, for example; marriage, childbirth, childcare, etc. They hesitate which they should choose either career or family. Eventually many women employees chose to retire. “Company A” is rethinking this situation, they are going to change the way of career development. To make this change possible, they have conducted a survey of employees. And the solution they found is the value of the employees and the customers which is related to the principal of “Company A” that is “Quality, Service, Cleanliness + Value”. For women employees this is how working in “Company A” has effected their lives. To clarify, this effect is the improvement of women's working conditions. Moreover women are important consumers, so how women view “Company A” is important for the company to prosper.

Even though “Company A” has a high score of GEM, this actual status does not accomplish GEM. According to this interview, we found that “Company A” became aware of the lack of consideration to women and have made an effort to create a better working climate.

(2) Employment of disabled people (EDP)

In “Company A”, EDP started in 1993, because of an administrative warning. Since then, they have maintained EDP. Nowadays, there are 10941 regular employees (including part time employees who pay social insurance). They employ 276 disabled people of which 261 are intellectually disabled, 15 are physically disabled, the rate of disabled people is 3.4%, the legal rate is complied with. 80% of disabled employees come from a school for disabled children. “Company A” conducts on the job training. There are two types of part time employment. These are employees hired by head office and those hired by shop managers. They are paid by the hour, contracted hours are 30 hours per week.

What does “Company A” think about EDP? They answered, “we provide the place and the time for working”, “They should be supported by job

coaches, teachers from school and parents/guardians”, “The EDP is a successful partnership between the company, teachers and parents/guardians”.

In “Company A”, disabled people are not given special treatment, they work the same as ordinary people. It makes “normalization” come true, because of this “Company A” does not make a special company for disabled people.

Regarding the outlook of EDP, “Company A” maintains EDP, by making sure that each shop has training for disabled people, so every shop has one disabled trainee. When the rate of employment of disabled people exceeds 3%, “Company A” needs to find a way to retain the disabled employees.

The stability of the work force is the responsibility of the individual, but “Company A” should arrange for the cooperation of job coaches and trainers. Nowadays “Company A” has 7 counselors to help disabled people, though more counselors are needed. And for EDP, the campaign to enlighten employees about disabled workers is being carried out.

(3) The principals of company and CSR

The principals of “Company A” are “Quality, Service, Cleanliness + Value”, it has an effect on GEM and EDP. Especially, “+ value” which means the identity of employees, “Company A” finds the value of each employee and employees are motivated by these principals. As a result, women and disabled employees play their roles in the company, they ponder their lives and the way of working.

As to corporate ethics, firstly they comply with the legal rate of employment of disabled people, and the recognition of the individual leads to this company’s ethics, that is the respect of human rights.

CSR of “Company A” is to improve gender equal management and to raise the company image for women consumers. The key to success is how women view the company as employees and as consumers.

The other side, that is EDP is carefully dealt with in CSR. “Company A” is improving EDP in Japan. However this fact is not publicized. In the USA, “Company A” has a commercial film which shows disabled employees working with employees with no disability. In Japan, “Company A” has judged that it is not yet time to publicize about EDP. The reasons are (1) enlightenment is

not fully integrated in their company, (2) people thinking is closed about disabled people. At this time “Company A” does not recognize EDP as part of corporate contribution because they feel this should be decided by Japanese society.

2. Type 2 (GEM low, EDP low)

We chose “Company B” from type 2. “Company B” is a big steel conglomerate which merged in 2003. The numbers of employees are 14272. The interviewee was a staff of the personnel section.

(1) Gender equality management (GEM)

In “Company B”, 7% of all employees are women. This company was warned by the Ministry of Health, Labour and Welfare that the number of women employee is too low. When hiring, women are separated into two groups. They call this “Group 1” and “Group 2”. “Group 1” is general staff, they are able to transfer, develop their careers, they are key employees in “Company B”. Of all women employees, only 1% of them are in “Group 1”. In “Group 2”, women are hired as secretarial staff, they do routine work, and they are not able to transfer.

As to the managerial positions of women, women subsection chiefs are 1%, women section chiefs are 0.5%, women directors are 0%.

The gender issues of “Company B” are the number of women employees and the low position of women. As to the reason, the interviewee said that the image of steel and image of women do not match. So the interviewee felt that women were reluctant to join the company.

To improve actual status, “Company B” takes some steps. As to employment of more women, (1) It is necessary to change the image of the company. (2) For women employees, maternity leave and childcare leave should be improved; for example, a nursery school should be opened in the company. However it will be expensive, so it is difficult to make a decision.

As to increasing the number of women in managerial positions, they should have a policy of adding new responsibilities to women’s jobs. We found “Company B” knew about the issues of women employees, but they have not

decided how to deal with these problems in reality.

(2) Employment of disabled people (EDP)

Before the merger there were two special companies for disabled people. Nowadays, there are 153 disabled employees, the rate of EDP is 1%. These special companies aim at making a profit. Many special companies for disabled people do not make a profit, but “Company B” thinks even special companies can make a profit.

Regarding the outlook of EDP, “Company B” wants to comply with the legal rate of employment of disabled people. In “Company B”, EDP is viewed as “the setting up of a special company for disabled people that is not a social contribution, but a production activity.”

(3) The principals of company and CSR

When the companies merged and formed “Company B”, the company’s principals changed to “we always contribute to society with the best skills in the world”. Therefore the principals are new.

As to corporate ethics, we think the company is in compliance with the law. There is committee that oversees compliance and organization of human rights. But there are no set written guidelines.

The ethical actions of “Company B” are conducted in compliance with the law, this follows the Carroll’s model “management unrelated to ethics” (Demise, 2003) that is regulated by the rules of the company. This results in negative GEM and low EDP.

As to CSR, they are making an environmental report. Now they are discussing what factors to include in the report. If the public were aware of their low EDP and negative GEM, “Company B” would be concerned with their image.

Conclusions

Previously, we showed the corporate culture model that is able to manage both GEM and EDP (see Fig. 1). And then we modified the figure to show more

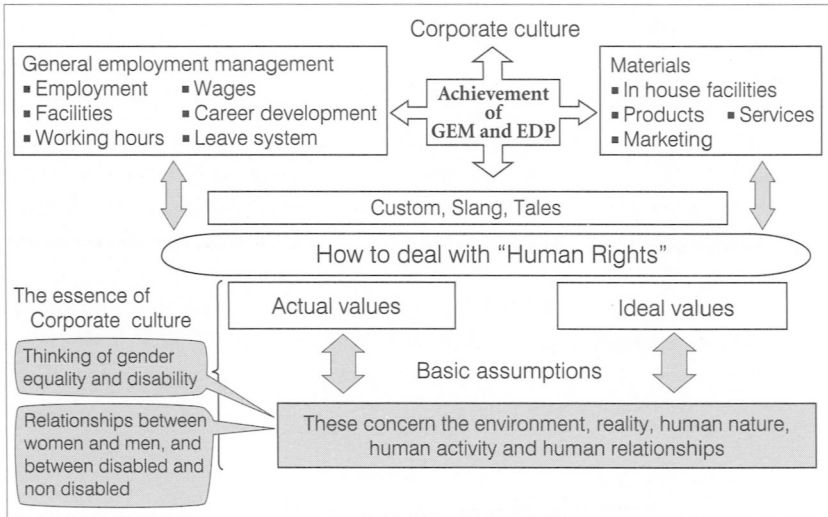


Fig. 3. The factors having an effect on Gender Equality Management (GEM) and Employment of Disabled People (EDP)

detail (see Fig. 3). An important part of GEM and EDP is based on the essence of the corporate culture. The essence of the corporate culture is basic assumptions. In this basic assumption, how do they feel about the importance of gender equality and disability? What do they do to improve the relationship between male and female employees and also disabled employees? These factors, including human rights strongly effect the actual and ideal values, which in turn decide the principals of the company and the corporate ethics. Which leads to strong GEM and high EDP.

From our interview, we separated the features of these companies (see Table 3).

In "Company A", they are consistent with high GEM and high EDP, the key is a stable base and a link between principals of the company and corporate ethics. And they have an ongoing policy about GEM and EDP, following these principals and ethics. However with "Company B", we did not find linkage between principals of the company and corporate ethics. As to GEM and EDP,

Table 3. Contrasting “Company A” and “Company B”

Type	High GEM, High EDP	Low GEM, Low EDP
	Company A	Company B
Principals of the companies	“Quality, Service, Cleanliness + Value”	“We always contribute to society with the best skills in the world”
Corporate ethics	Compliance with the legal rate of EDP, Recognition of individual value	Compliance with the legal rate of EDP
CSR	Improvement of gender equality, dealing with EDP carefully	Making an environmental report
The issues of GEM	The short length of employment and the low managerial positions	The number of women employees is too low, and the low managerial positions
<i>For improving issues of GEM</i>	Maternity and childcare leave have been improved	Changing the image of the company
	Setting a goal to increase the number of women in managerial positions to 60%	Maternity leave and child care leave should be improved
	Setting up a mentoring system	Having a policy of adding new responsibilities to women
The issues of EDP	The stability of the work force	To comply with the legal rate
<i>For improving issues of EDP</i>	Every shop has one disabled trainee	Special companies for disabled people make a profit
	More counselors are needed	
	The campaign to enlighten employees about disabled workers	

“Company B” did not set any concrete measures. Their solution to these issues is rather vague. Regarding EDP of “Company B”, we feel that this problem was not handled correctly, because they only set up special companies for EDP. We wonder if this is the correct way to deal with EDP.

To improve GEM and EDP, the essence of the corporate culture needed to be reconsidered especially considering the issue of human rights. In this study, we surveyed each company in detail but we should not forget that there is another perspective, which is social and welfare policy (Reynolds, Nicholls and

Alferoff, 2001). Recently, Japanese society has started to implement a workfare policy (Miyamoto, 2001) and diversity management (Nippon Keidanren, 2006). These new guidelines will have an effect on companies, and we will continue to study these issues.

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Notes

1) Non-compliance companies (over 301 employees) must pay money to “The Association for Employment of Persons with Disability”. The payment is 50 000 yen per month for every disabled person not employed.

2) This is a position made by Company A. These employees are responsible for advising shop owners.

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