

Economic Growth Strategy and Jobs for Women (III)

- Women's employment structure and policy alternatives

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1. Background and problems

- The Korean economy is undergoing a long-term decrease in the economic growth rate and, in terms of structure, a decline in job creation capacity based on growth at the same time. That is, the real economic growth rate, which was 7.7% in the 1980s, has steadily dropped to 6.3% in the 1990s and 4.4% in the 2000s. In addition, employment coefficient, which represents the job creation capacity of our economy, or the number of jobs generated when one unit (one billion won) has been injected into a specific industrial sector, fell from 12.7 employees in 1995 to 7.2 in 2000 and 3.8 in 2010.
- As we examine the statistics of women's job creation over the last 10 years, based on employment coefficient by gender of the Input Output Tables, while 8.3 women employees were involved in producing one unit in an industrial sector in 1995, only 2.7 women were involved in producing the same amount in 2010. Due to this decline in the employment coefficient, coupled with the slowdown in economic growth, women's employment rate rose from 47.0% in 2000 to 48.1% in 2011.

Likewise, it is hard to expect a large quantitative increase in women's jobs, and in terms of the job creation structure, job

creation for women is confined to limited areas, including social services industry comprising of healthcare, social welfare service, education service and business service. Also, the phenomenon of employment polarization is emerging, with middle class jobs decreasing and high-paid and low-paid jobs increasing. In terms of employment patterns, although women's employment in regular jobs is rising, the quality or security of employment is not being protected as in the past.

- The study aimed to seek ways to promote and maintain young women's employment, understanding the status and problems of women in their youth or of the child-bearing and -raising age, which affect the level and structure of employment throughout women's lives, and developing policy alternatives to help solve the problems.
- To this end, the study examined the status and characteristics of women's job creation in our economy as well as imminent issues of the women's employment structure. It analyzed the changes in economic activities of young female employees by age, status and causes of turnover by female employees in their youth or of the child-bearing and -raising age, status and characteristics of job retention by child-bearing female employees and those who utilize maternity protection policy.

Then, the study evaluated survey results on the employment patterns, working hours and working patterns, family status, job satisfaction and changes in the employment status in the child-bearing and -raising age. Next, based on the analysis

results, detailed policy alternatives were proposed to solve the problems related to young women's employment and career discontinuity for women of the child-bearing and -raising age using the policy mix method.

2. Key study results

A. Status and structure of young women's employment

- Regarding the status of employment for men and women in their youth, less young men appear to enter the labor market in their early 20s than women due to their prolonged education period, as they need to carry out military duty, usually at around the age of 19 to 21. Therefore, among those in their early 20s, women employees outnumbered men by far due to factors including labor market conditions, military duty and prolonged higher education, and women's employment rate, especially that of female university graduates, is higher than men's.
- However, in their late 20s, most young men who used to be economically inactive due to attendance at regular educational institutions start to enter the labor market. In addition, although men's unemployment rate drops significantly as they reach their late 20s, the rate at around 10% (16~21% when the economically inactive population preparing for employment is included) still remains high. Meanwhile, the number of employees grows rapidly due to increased entry of a male labor force in the labor market.
- Women in their late 20s have lower unemployment rate than

men at around 3~7%, but the economically inactive population sharply increases due to marriage and childbirth. As a result, the number of women employees in their late 20s grows at a slower pace than that of men in the same age group.

- Men in their early 30s continue to enter the labor market and the number of male employees rises to 428,000 at the age of 31 as their unemployment rate drops to below 5%. By comparison, while women's unemployment rate decreases to about 2% as they reach their early 30s, the number of economically inactive women devoted to child care and housework is maintained at about 140,000 to 180,000. This shows that women tend to choose between employment or economic inactivity (due to marriage or childbirth) rather than to carry on job seeking activities. Thus, the gap between men and women's employment rates grows widely.
- In their early 20s, men prolong their education period due to military duty. Their share in the economically inactive population and unemployment rate is much higher than women's, with the number of male employees and the employment rate far lower than those of female employees.
- As they reach their late 20s, men who used to be economically inactive due to attendance at educational institutions enter the labor market to seek jobs, and the number of male employees and their employment rate become higher than those of younger age groups, although the percentages of men still undergoing unemployment and job seeking difficulties remain high.

- Meanwhile, women who are still unemployed as they reach their late 20s tend to stop job seeking activities or preparation for employment and get married. The economically inactive population rises rapidly due to child care and housework, and both their unemployment rate and employment rate fall as they grow older. This indicates the necessity for strengthening employment support programs such as career development programs for high school girls and internships for female high school graduates. In addition, various intensive training and employment support programs need to be provided for female university graduates before and after their graduation so that their job seeking difficulties can be solved swiftly.

- Concerning the worker status in the employment structure of the youth, a significant share of male and female employees in their early 20s have been temporary/daily workers. The percentage of regular workers surpasses that of temporary/daily workers at the age of 25 for men and 23 for women. After that, the percentage of regular workers rises sharply for both genders as they grow older, but it falls slightly for men and drastically for women at 30 years of age.

- Regardless of their level of education, employment security rose greatly for both men and women after they reached their late 20s. In both genders, employees with the educational attainment of college graduation or above had much higher employment security than those who were high school graduates or with lower educational attainment.

Most employees with educational attainment of college graduation or above appeared to be regular workers.

- Employment insecurity of employees with high levels of education was higher among men than women for those in their early 20s and higher among women than men for those 29 years of age or above.

- Comparison of the types of occupation of male and female employees in their youth showed that 94.6% of female college graduates had specialized or office jobs. This can be interpreted to mean a considerable improvement of job structure for female employees with high levels of education, but on the other hand, their occupation types seem to be quite limited.
- The number of female college graduates employed in specialized jobs increased with age in their 20s but started to fall after the age of 29, and the number of women working in offices continued to rise until the age of 26 and started to fall at the age of 27. The rapid drop in the number of female employees in specialized or office jobs after the age of 30 is related to the sharp surge of the economically inactive population due to child care. When the occupation types were looked into in more detail, most of the specialized women worked as lecturers of liberal arts and technical skills as well as school teachers, while most of women working at offices had managerial jobs.

B. Turnover and reemployment of female employees in their youth

- In this section, an analysis of risks and determinants of turnover was made on two groups - the entire group of paid workers and the group of paid workers aged 15 to 39 who have graduated or dropped out of schools - of both genders. In addition, the status and determinants of turnover of female employees who had just given birth were examined.
- Concerning the determinants of turnover for paid workers by gender, the risk of turnover was seen to decrease in female paid workers between 15 and 39 when they had higher wages, had longer tenure and were regular workers. In addition, women working at public institutions or private companies with labor unions and those to be covered by national pension or employment insurance system were more likely to continue working at their work places.
- In relation to reemployment after labor market exit, the result of analysis of the reemployment patterns and wage determinants after dividing employees into paid workers and self employed indicated considerable differences between paid workers and self employed. In the case of paid workers, there appeared to be large disparities between regular workers and temporary/daily workers, while among non-employees, distinctive differences were found between employers and self-employed.

Notably, there were similar characteristics between regular workers and employers, and at the time of changing jobs, more

regular workers tended to become employers than temporary/daily workers, and more employers tended to be reemployed as regular workers than becoming self-employed workers.

- First, concerning the reemployment patterns, both men and women show strong tendencies of trying to maintain employment patterns from their previous jobs. Men who worked regularly are likely to become employers rather than self-employed workers even if they moved to sole proprietorships. Here, women differ in that they are more likely to become self-employed workers than employers when they move to sole proprietorship. Also, both men and women are likely to be reemployed in the paid work sector as time passes, and this indirectly shows the contraction of the sole proprietorship market.
- In relation to service period in previous workplace, past work experience was assumed to have a positive impact on wage at the new workplace in men's case, but it appeared to be statistically insignificant in women's case. Also, a longer non-employment period was likely to lead to an unsatisfactory employment pattern at the new job, and the wage level also decreased for both men and women. When workers moved to disparate industrial sectors, wage dropped for both genders. This suggests the formation of industry-specific human capital.
- Therefore, to promote women's employment security and to mitigate their career discontinuity, it is important to expand their entry into highly-paid regular jobs where they can maintain long-term employment. However, various reasons

including direct and indirect gender discrimination, limitations of career development and burdens of child care and housework prevent many young women from getting career jobs or developing their careers.

- The analysis of patterns of women who enter non-employment and those who remain employed right before and after childbirth between paid workers and non-wage workers shows that the likelihood of female paid workers remaining employed or entering non-employment depends on the substitutability of child care cost and income. That is, if the income is not large enough to offset the child care cost, the mother is less likely to return to her job.
- The analysis on double-income and single-income families showed that the percentage of women employees in single-income households remaining employed dropped from 70.6% at the time of childbirth to 66.7% afterwards, showing that single-earner women are likely to enter non-employment as time passes. Single-earner non-wage workers tended more to remain employed if they belonged to the low-income group, whereas single-earner paid workers tended more to remain employed if they belonged to the high-income group. In the case of employees in double-income families, non-wage workers tended to remain employed more if they belonged to the low-income group, and paid workers tended to remain employed if they were members of the high-income group, just as in the case of those in the single-income families.

- When the educational level was considered, non-wage workers with educational attainment of high school graduation or below are more likely to remain employed if they belong to the low-income group, while paid workers are more likely to remain employed if they belong to the high-income group. Concerning employees who are college graduates or above, those who remain employed have higher wages and incomes than those who enter non-employment, among both non-wage workers and paid workers.

- The result of empirical analysis of turnover immediately after childbirth among paid workers proved that women with high levels of income who were satisfied with their jobs in general before childbirth tended to remain employed. Women with high levels of organizational commitment also remained employed immediately after childbirth, but the maternity protection system at the workplace didn't appear to have any influence.
- However, the maternity protection programs at the workplace appeared to have a significant impact on female employees returning to their jobs after a certain period following their childbirth.

Before childbirth, income and job satisfaction were more important factors of maintaining employment than the maternity support system or environment. However, after they spend some time following childbirth, these factors and other general factors for turnover appeared to affect job retention for women employees.

C. Maternity protection policy and women's career discontinuity

- Analysis on labor market exit of female employees aged between 20 and 39 was made by dividing the reasons for exit into family-related ones such as marriage, childbirth and child care, those related to dissatisfaction with work conditions (working hours, wages, etc.) and other work-related reasons including temporary or permanent business closure and voluntary/early retirement. The analysis result showed that 726,000 female employees aged between 20 and 39 quit their jobs within the past year, with 25.8% of them leaving their jobs for reasons related to marriage or children and 74.2% quitting for other reasons. The number of women aged 30 to 34 who quit their jobs, considered one of the major problems of women's employment structure in Korea, was 177,000, and among them, 53.5% quit due to work-related reasons and 46.5% experienced career discontinuity due to family-related reasons. In the case of female regular workers, the ratio of women who went through career discontinuity was the highest among specialized and office workers, with 80.7% of women undergoing career discontinuity belonging to these occupation types.
- Regarding the causes for turnover of women employees who quit their jobs due to work-related reasons, 48.8% pointed to reasons such as 'Unsuitable to my aptitude, knowledge or ability,' 'Discord with boss or colleagues' and 'To facilitate my business or a family member's business.' They were followed by reasons including dissatisfaction with work conditions (working hours, wage, etc.) and

termination of temporary or seasonal work. Still other reasons were temporary/permanent business closure, lack of work, business management difficulties, housework, etc.

- When paid working women were divided between regular workers and temporary/daily workers, the overall turnover rate of regular workers was 10.1% and the turnover rate leading to career discontinuity for reasons related to marriage or children among them was 3.8%. By comparison, these rates were much higher in the case of temporary/daily workers, with overall turnover rate of temporary/daily workers reaching 39.6% and turnover rate due to family-related reasons at 6.8%. Among regular workers, the ratios of women going through career discontinuity for reasons related to family were the highest among office workers (40.7%), followed by specialized workers (40.0%), and the numbers of career discontinuity in these two occupation types together took 80.7% of all women undergoing career discontinuity.
- The industries with the highest turnover rates of regular workers were electric, gas, steam, water supply and construction, and those with the lowest turnover rates were public administration, defense and social security administration. The same was true concerning the turnover rates leading to career discontinuity due to family-related reasons. However, in the case of temporary/daily workers, their turnover rates were the highest in public administration, defense, social security administration, publishing, visual industry, broadcasting, communications and IT industries, and the lowest in education service industry.

- Analysis of the status of job retention by female workers who had used maternity leave and child care leave was made by constructing panel data on individual workers in the employment insurance database. Regarding the status of turnover by female workers who had used maternity protection programs, the job retention rate for women who had used only maternity leave was 55.1%, which was somewhat higher than 47.0% of those who had used both maternity leave and child care leave.
- Job retention rate after using maternity protection programs was higher in larger companies, and the differences in women's job retention rates were quite big according to the size of businesses. Occupation type with the lowest job retention rate was manager, followed by service person and sales clerk. Average period of child care leave in the case of female workers who took it was 8.7 months. The period was 10.5 months for women who quit their jobs while on child care leave, 9.3 months for those who quit after the child care leave, and 7.9 months for those who retained their work. This shows that female workers who remain employed after child care leave tend to have shorter leave periods, while those who are considering quitting their jobs tend to have longer leave periods.
- Empirical study on the factors that influence job retention of women workers who had used maternity protection programs revealed that older women, those with longer service periods and those who had taken child care leave for older children appeared to have a higher job retention

rate. Concerning the work conditions, those with higher wages were likely to retain their jobs while those with longer real monthly working hours were unlikely to retain their jobs.

- In relation to this, for continued employment of female workers after maternity leave or child care leave, it is necessary to develop measures to promote employment retention rate in different sizes and types of businesses. In addition, having long child care leave periods in groups with low employment retention rates is against the purpose of the child care leave system and has a negative impact on the financing of employment insurance. The maternity leave system and child care leave system must be improved to promote employment retention of female workers who have used long periods of maternity leave and/or child care leave.

D. Survey results on the status of working women in the child-bearing and -rearing age and factors that influence their intention for turnover

- The survey looked into female workers' intention to use and actual use of maternity protection programs, (expected) periods and reasons for using these programs, children/family status of women employees in child-bearing and -rearing age, conditions related to income/commuting distance, positive/negative spillover between work and family, family-oriented attitude, family support, etc.

- Based on the survey results, women workers were divided into two groups (unmarried/married without children and married with children) to examine their intention to use and the actual use of maternity leave programs, and 81.3% and 78.8% of respondents in the respective groups answered that they intended to use maternity leave. However, 2.3% in the unmarried/married without children group and 15.7% in the married with children group were considering to quit or had quit their jobs due to reasons related to childbirth.
- Key reasons for quitting their jobs were 'Because the current job is temporary,' 'It is more economical to raise my children on my own' and 'Children should be raised by their parents,' with these three reasons taking up more than 60% of all reasons. Work-related reasons such as pressure to quit their jobs or company practices appeared to have less influence here than individual reasons including under-employment (temporary jobs), low wages, and personal attitudes toward child rearing.
- On the question about their use of or intention to apply for child care leave, 67.6% of working women in the unmarried/married without children group and 35.4% of those in the married with children group answered that they would 'Return to work' after child care leave. Those who chose the answer 'Will continue to work/have continued to work' without applying for child care leave took up 18.1% in the unmarried/married without children group who answered about future possibilities, whereas a higher percentage (47.2%) of the

married with children group who answered about past experience selected this answer. This shows that a large number of women in the unmarried/married without children group are likely to use child care leave in the future.

- The percentage of women who answered that they would not request for child care leave and 'Will quit the job/have quit the job' is 14.4% for the unmarried/married without children group and 17.4% for the married with children group. Main causes for their resignation were temporary work, economic reasons, and attitude toward child rearing in both groups.

In the case of the unmarried/married without children group, the factors of economic reasons and the opinion that children should be raised by their parents were selected by 28.3% of respondents, while 12.7% pointed to temporary work and 9.6% pointed to the conventional practice of resignation at some companies. The married with children group's main reason for quitting in the past was temporary work at 21.8%, followed by economic reasons and the opinion that children should be raised by their parents, which took 19.0% each. They also cited the conventional practice of resigning at the time of marriage/childbirth (15.0%).

- Regarding the question on the intention to use child care leave and the leave period, the average intended period of child care leave for the unmarried/married without children group was 8.05 months, which was longer than the actual leave period used by the married with children group (5.94 months).

- The period of child care leave appeared to be determined based on 'Company regulations,' 'Problem of work gap,' 'Expected possibility of child care after the leave,' etc. Notably, the married with children group with experiences of childbirth and child care showed a lot of concern about the work gap. This indicates the importance of policy measures such as a short-time working scheme for women of child-rearing age and support for return to work after the leave.
 - According to the analysis results, in addition to maternity protection policy and support programs, policy measures to deal with main causes of resignation such as 'Conventional practice of long working hours' and 'Irregular overtime work or holiday work' should be developed. Moreover, it is necessary to develop flexible work programs such as a staggered work hour program as well as promote organizational commitment and job satisfaction.
- On conditions about which they were concerned when returning to work after their child care leave, all groups were mostly worried about 'Difficulty of adapting to changed company environment.' In the unmarried group and married without children group, 46.6% and 39.2% chose this factor, along with 42.1% in the married with children group, who had already taken child care leave. They also pointed to the lack of assurance of reinstatement after the leave period, with 15.4% of the unmarried group, 11.4% of the married without children group, and 27.8% of the married with children group choosing this factor.

- It was confirmed that female workers were still concerned about the lack of assurance of reinstatement and the possibility that they might be forced to resign after using child care leave. The fact that they are more concerned about the guarantee of reinstatement than about the disadvantage related to promotion or wage level implies the need for active participation of businesses and promotion for the establishment of a solid foundation for the child care leave system.
- The results of the survey on women's consideration of resignation due to factors including children/family status of women of child-bearing and -rearing age, income/commuting distance and company-related conditions showed that most women cited 'Long working hours' and 'Irregular work types' among 11 situational factors as key reasons for immediate/serious consideration of resignation. Lower average value on the 4-point scale for each group signifies more serious consideration of resignation, and the value was 2.42 for the unmarried group, 2.37 for the married without children group, and 2.63 for the married with children group, which were much lower than in the cases of other situational factors. In addition to these factors, respondents also cited 'Long commuting distance which cannot be resolved in the short term' and 'Two or more children aged less than 5' as reasons for serious consideration of resignation.
- These analysis results indicated that various support programs were required for female workers with multiple

children aged less than 5, and that a short-time working system for women of child rearing age should be facilitated to meet their policy demands.

3. Policy suggestions

1) Expansion of women's jobs and employment service

- As economic growth slowed down and the job creation ability of its economy declined in Korea, creation of women's jobs also dwindled greatly. Unlike in the past, creation of women's jobs is being done in highly limited business areas. Under these circumstances, it is necessary to boost women's participation in jobs being newly created due to the promotion of new growth engine industries as well as pursue continued job creation through the government's financial support. In addition, the following policy measures should be adopted to improve employment security and work conditions for employees in the service industry, which has high employment absorption regarding women but lacks good employment conditions.
- To establish a virtuous circle of 'expansion of social services and creation of women's jobs', it is necessary to increase investment in social welfare and strengthen policy support for the social service industry. Investment in social services not only expands welfare programs but also creates a virtuous circle through multi-layered effects. In particular, it leads to an increase in women's employment by creating women-friendly jobs and a resultant growth in the demand for social services required for support of women's employment.

- It suggests to pursue continuously the job creation project in the social service sector with the government's financial support and carry out project evaluation through various government ministries regularly. Jobs created with government support are being expanded or reduced according to business fluctuations. However, these jobs provide welfare services and employment to various different groups of women, and should be maintained regardless of business fluctuations. To promote the efficiency of the job creation project in the social service sector, various ministries should regularly conduct coordination of programs to ensure the settlement of policy blind spots and minimize the overlaps in policy targets.
- It is necessary to project and provide the outlook for labor supply and demand by gender regularly to actively respond to qualitative and quantitative changes in the demand for manpower based on the economic growth strategy. Based on the outlook, develop and implement female workforce training and utilization plans for different types of businesses.

2) Increased support for young women's transition into the labor market

- Analysis of the employment of women in their youth showed that women in their early 20s suffered from serious unemployment problems regardless of their educational levels. Women in their late 20s who had maintained the status of non-employment for a long time appeared to give up job seeking

activities and preparation for employment and to move into economic inactivity. Therefore, it is necessary to strengthen career development support programs for high school girls and provide female college graduates - before and after their graduation - with various intensive training and employment support programs so that their job seeking difficulties can be solved swiftly. In addition, the youth internship system must be improved to let it reduce the time taken for transition into the labor market rather than delay it. Policy alternatives for solving these problems are presented as below.

- To allow swift transition into the labor market of the female workforce that graduated from high schools, there should be an expansion of the target groups of the career development center program, which provides a one-stop service for career development and employment support for female college graduates, to middle and high school graduates. As of 2012, the center offers career development, education and employment support services at 45 colleges.
- To relieve the unemployment problem among young women, continue to expand the overseas employment support program in jobs such as flight attendant and hotel service as well as the youth internship program at companies participating in the Official Development Assistance (ODA) program. Also, government should expand the international specialized female internship program that consists of internship at international organizations and training sessions related to international organizations and international conferences.

3) Promotion of employment security and work conditions for young female workers

- Percentage of female workers with fixed employment contract is quite higher in Korea than in other countries, indicating their low employment security. Ratio of employees with fixed employment contract was especially high among young high school graduates. In the case of these temporary female workers, a significant percentage of them resigned before childbirth or after it due to low job security and poor work conditions, in addition to the burden of child rearing. Temporary female workers who used maternity leave also showed a very low job retention rate. Also, female workers who worked for temporary jobs in their youth, regardless of their educational level, appeared to have difficulty in getting regular jobs afterwards. To improve employment insecurity and work conditions, the following policy measures are required.
- This paper recommends to introduce the employment stability grant system that supports employers who have transferred temporary workers to regular positions. For employers who introduce the system in which companies adopt the transfer system from temporary to regular workers in their collective agreement or rules of employment and transfer on-regular workers into regular workers, the government is to present a certain amount of incentive grant as job creation subsidy under the employment insurance system.
- There is a need to introduce the support system for employers who offer vocational competency development training for temporary workers. In this case, financial support should be

given to employers who operate a common training course for temporary and regular workers or a training course for improving job competency for temporary workers.

4) Management of the outcomes of maternity protection programs and promotion of the efficiency of financial management

- Due to the improvement in maternity leave and child care leave benefits, the number of women taking leave and receiving leave benefits has gradually increased from 41,000 and 11,000, respectively, in 2005 to 90,000 and 58,000 in 2011. In addition, the amount of maternity protection benefits rose from KRW 74.3 billion to KRW 509.2 billion during the same period. Nonetheless, the problem of career discontinuity of female workers due to childbirth and rearing, a key issue for women's employment structure, is not being solved.
- To promote the effectiveness of the policy, mid- and long-term financial plans, etc. of the maternity protection policy must be developed and implemented. It is necessary to reset and manage the performance goals of maternity leave and child care leave benefit programs with 'return-to-work rate or job retention rate of workers who have utilized the maternity protection policy' as a micro-level index and 'employment rate of women aged between 30 and 34' as a macro-level index.

In the past, the utilization rate of the maternity protection policy was quite low and its performance goals were focused on the number of women who used maternity

leave or child care leave. However, as the number has rapidly risen, the number has rapidly risen of late, and indices mentioned above can now be used to promote the job retention of female workers and financial efficiency of the programs. To manage policy performance, it is necessary to regularly conduct the survey on the employment status of users of the maternity protection programs and women aged between 30 and 34.

- To identify the future direction and improve maternity leave and child care leave programs in the mid- to long-term, it should be developed and implemented the 'mid- to long-term financial management plan for maternity leave and child care leave benefits' under the unemployment accounts of the employment insurance. The percentage of maternity leave and child care leave benefits in the Korean public social expenditure grew from 0.13% in 2005 to 0.26% in 2007. This percentage is less than 40% of 0.70% in Japan, where women also experience career discontinuity due to childbirth and rearing. Therefore, it is necessary to estimate the appropriate level of maternity protection budget considering the increase in the number of employees who use the maternity protection programs and develop a financial management plan.

Then, as the base of mid- to long-term financial management plan, it is necessary also to develop the 'mid- to long-term improvement plan for maternity leave and child care systems' concerning programs that require budget spending, including improved wage replacement rate of

child care benefits. In Korea, child care leave benefits are 40% of ordinary wages in the country (minimum KRW 500,000 to maximum KRW 1,000,000). Thus, there's high policy demand for an increase in the child care benefits.

5) Enhanced government support for employers to provide maternity protection

- To reduce turnover and promote job retention by female workers of child-bearing and – rearing age, it is very important that employers operate voluntary maternity protection support programs. However, under the Korean maternity protection system, businesses have to share more burden than in other countries, such as having to pay full wages during the maternity leave period. This burden on employers poses an obstacle to the facilitation of the policy measures directly and is passed on to women indirectly to have a negative impact on women's employment and their wage levels. The following policy alternatives are suggested to relieve the burden of employers in this regard.
- It is necessary to expand the target of the support for maternity leave benefits to 90 days, currently provided for businesses chosen to receive preferential support, gradually to incorporate large companies. As maternity leave is aimed not only at employment retention but also at protecting the motherhood of women who give birth, the financial budget for extended support can be allocated from both general accounts budget and employment insurance.

- In the mid- to long-term, it is required to reduce the burden of employers by revising the wage payment obligation rule during the maternity leave process. In Korea, it is necessary to revise the article in the Labor Standards Act that stipulates the wage payment obligation of employers when the wage replacement rate of the maternity leave benefits reaches a certain level.
- Concerning the job retention rate of female workers who have used maternity leave and/or child care leave, the rate was lower in smaller companies, and policy demand for the adoption of working hour reduction system for female workers of child-rearing age was high. For job retention of female workers who have used maternity protection programs, active efforts of employers as well as policy measures on the labor supply side such as income support measures are important. In addition, for efficient operation of working hour reduction system and child care support programs, which are popular demands of female workers, support programs for employers including supply of replacement workers, etc. are required.
- The following policy alternatives are suggested to facilitate employer support for child care programs for women workers. It is recommended to increase the subsidy, which is offered to an employer if he/she re-hires a female contract worker or temporary agency, to promote the effectiveness of substitute workers employment grant system.
- Job retention rate of workers for whom substitute workers were used under the subsidy for employment security

system was quite high at 90% in first half of 2010. It is necessary to gradually increase the subsidy amount from the current KRW 200,000 for large companies (KRW 300,000 for preferential target companies) to KRW 400,000 (KRW 500,000 for preferential target companies) per month to alleviate the cost burden of companies and promote job retention by workers on leave. It is necessary to reinforce the 'Database and network for employment and recruitment of substitute workers' at local employment service centers to help employers hire easily a substitute workforce for employees who take child care leave or working hour reduction system.

6) Improvement of maternity protection system to promote job retention rate among women during the child-rearing period

- ☐ The number of women workers who use maternity protection programs during the child-rearing period is steadily rising. Although many women go back to work after the end of the leave period, the percentage of women workers who maintain employment for a relatively long period is rather low. In addition, the average period of child care leave among women who chose to exit the labor market was longer than that of female workers who retained their jobs, suggesting a problem in terms of financial efficiency of employment insurance. Also, there appeared to be some workers who quit their jobs right before giving birth or were unable to use maternity protection programs due to personal reasons or company practices. The

following policy alternatives are proposed to promote the utilization rate of maternity protection programs and job retention rate of workers who use the programs.

- It is necessary to increase child care leave benefits to compensate for income loss during the leave period and improve the payment system of child care leave benefits in the short term to enhance job retention rate. We recommend to gradually increase child care leave benefits from 40% to 50% of ordinary wages. In addition, it is necessary to increase the amount of payment of 15% of the child care leave benefits six months after an employee returns to work to 30% to promote job retention of workers who take child care leave.
- It is imperative to introduce a support program for employers who adopt and offer various programs to assist in the reinstatement of workers who have taken child care leave so that they can easily adapt to a changed environment. It is imperative also to compensate employers for the education and training cost when they provide work environment adaptation training before and after the reinstatement for workers who use child care leave or offer short-time working hours according to the basic plan for reinstatement support programs.
- It is necessary to improve the child care leave system and bolster public awareness activities to promote men's participation in child care leave as a way to support women's career development and job retention through shared responsibility in child care between men and women.

7) Improved systematic connection between maternity protection system and flexible work program

□ Key reasons for young female workers to quit jobs during the child-rearing period turned out to be long working hours, irregular working hours, holiday work, etc. In other words, poor work conditions and environment were likely to lead to resignation. Therefore, it is necessary to promote work-family balance, improve the current system by upgrading working hours, working patterns and corporate culture, enhance the efficiency of the flexible work program, and reduce long working hours. In relation to this, the introduction and implementation of the following measures are suggested.

○ To prevent the turnover of female workers due to various reasons including childbirth and child care, assistance should be provided for a comprehensive business consulting program on work-family compatibility, working hours, working patterns, corporate culture, etc. Integration of existing consulting assistance programs for companies on issues related to employment should be made and their operation and management methods should be improved.

At present, companies apply for and receive consulting assistance in one among various consulting programs, and this can be improved to let them apply for and receive a comprehensive consulting assistance package. To enhance the effectiveness of consulting, the current pattern of companies and consulting firms applying for the programs can be changed to build a pool of consulting firms and assign suitable consulting firms to companies.

- Improve program implementation methods to promote the job-sharing program, which is effective for reducing long working hours and creating new jobs. It is necessary to revise the current method of each company applying for support programs being screened and selected individually to application, screening and selection according to different improvement categories such as work system improvement and reduction of long working hours for the purpose of alleviating long working hours and upgrading shift system. It is also required to explore and promote exemplary cases of improvement of long working hours and work system.
- Develop and distribute work manuals and manager training program for the introduction of flexible work program for work-family compatibility. It is imperative to improve the awareness of CEOs and the management for a corporate culture that is open to the expansion of a flexible work program and supports the balance between work and family. First, it is necessary to minimize the administrative management cost required for the introduction of a flexible work program. To reduce trial and error and use policy measures effectively, a manual must be developed and distributed that includes a systematic introduction process on organizational diagnosis and analysis of consumer needs, flexible work program model design, program trial, feedback on possible improvements, etc.

The group that suffers the greatest difficulties in the implementation of the flexible work program is middle managers/supervisors. It is necessary to develop and

distribute a training program for middle managers on job structuring for different duties and performance management. It is necessary to improve conditions to cover part of the expenses for consulting assistance to expand a flexible work program for work-family compatibility and promote women's job retention, information infrastructure building, etc.