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Research Title

Study on Development of Childcare-Friendly Management Indicators and Establishment of Preliminary Certification System for Family-Friendly Companies

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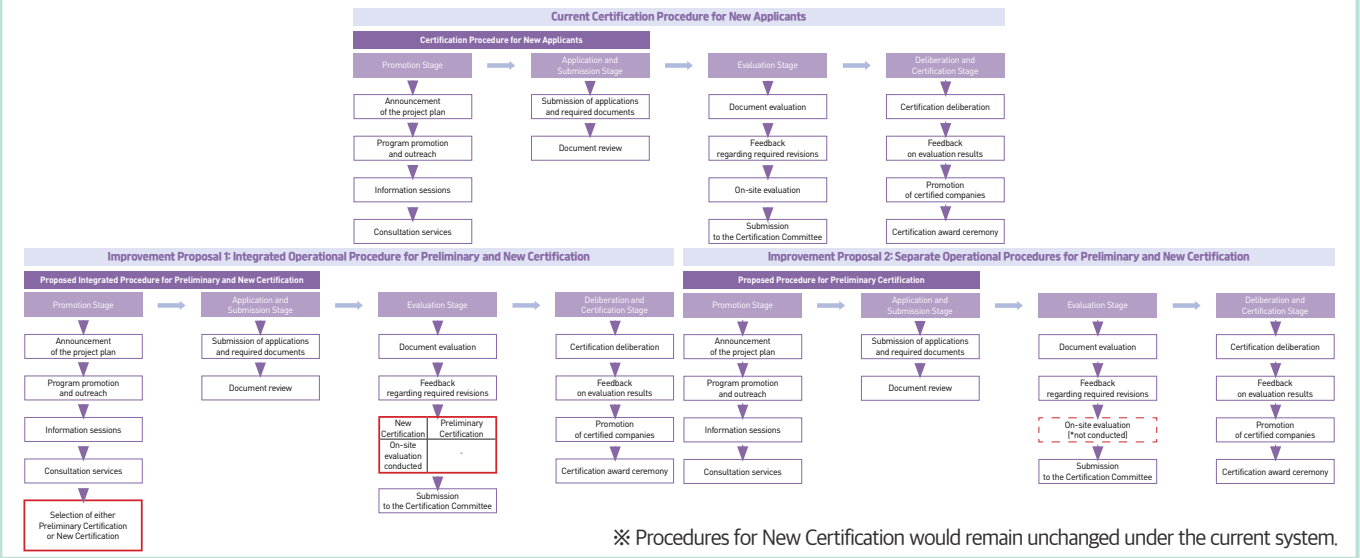
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Strategies for Introducing a Preliminary Family-Friendly Certification System to Promote a Childcare-Friendly Culture in Small and Medium-Sized Enterprises

Abstract

- This study seeks to develop Childcare-Friendly Management Indicators tailored to small and medium-sized enterprises (SMEs) and to propose the introduction of a Preliminary Family-Friendly Certification System. To this end, the study examines the SME employment evaluation system, the operation of preliminary certification schemes under major domestic certification systems, and childrearing environments in SMEs. It also conducts focus group interviews with personnel from SMEs and other companies to assess their willingness to participate in the Preliminary Family-Friendly Certification System and identify related policy needs.
- Based on the findings, the study proposes: (1) scoring methods and evaluation criteria for the proposed Childcare-Friendly Management Indicators; (2) operational strategies for the Preliminary Family-Friendly Certification System; (3) scoring methods and evaluation criteria for the proposed Preliminary Family-Friendly Certification Indicators; (4) a legal basis for the Preliminary Family-Friendly Certification System; and (5) strategies for diversifying incentives for Family-Friendly Certified Companies.

Proposed Improvements to the Operation of the Preliminary Family-Friendly Certification System



* This paper was produced by extracting and summarizing parts of a research report from the Korean Women's Development Institute. Please refer to the following research report for further details: Jeon, K., Sung, M., Shin, W., & Lee, S. (2024). Study on Development of Childcare-Friendly Management Indicators and Establishment of Preliminary Certification System for Family-Friendly Companies. Seoul: Korean Women's Development Institute.

1 Background and Key Issues

- In response to the growing challenges of low fertility and population aging, the Korean government has identified work-family balance and the reconciliation of work and childcare responsibilities as major policy priorities. As part of these efforts, the government introduced the Family-Friendly Certification System, which grants certification through a formal evaluation process to companies and public institutions that demonstrate exemplary family-friendly policies and practices.
- Since the implementation of the Family-Friendly Certification System, the number of certified companies and institutions has steadily increased, while participation by SMEs has remained limited. Accordingly, various measures are needed to expand SME participation in the certification system and thereby strengthen the foundation for SME employees to utilize work-family balance programs.
- This study aims to promote greater SME participation in the Family-Friendly Certification System by developing Childcare-Friendly Management Indicators tailored to SMEs and by proposing the establishment of a Preliminary Family-Friendly Certification System.
  - Specifically, the study seeks to develop Childcare-Friendly Management Indicators linked to the Family-Friendly Certification System and propose their incorporation into the SME employment evaluation criteria administered by the Ministry of SMEs and Startups.
  - The study also proposes strategies for introducing a Preliminary Family-Friendly Certification System to increase applications for Family-Friendly Certification among SMEs and other enterprises, and for effectively linking and promoting the two certification systems.

2 Survey and Results

Trends in the Use of Maternity and Spousal Childbirth Leave

- An analysis of maternity and spousal childbirth leave usage between 2019 and 2023 indicates that, with the exception of 2020, at least 70,000 women (mothers) utilized maternity leave annually.
- When examined by company size, the number of women (mothers) taking maternity leave has declined in enterprises with 300 or more employees, while the number has increased over the past three years among enterprises with fewer than 300 employees.
- In the case of men (fathers), an analysis by company size shows that the number of spousal childbirth leave users has generally decreased since 2020 across most enterprise-size categories, except for businesses employing four or fewer workers.

Trends in the Use of Parental Leave

- An examination of parental leave trends between 2019 and 2023 shows that the total number of parental leave users (fathers and mothers combined) has continued to increase since 2015, despite the stagnation in the number of maternity and spousal childbirth leave users.

- When analyzed by company size, the total number of parental leave users increased over the past three years across most enterprise-size categories, with the exception of enterprises employing 300 or more workers.
- Among women (mothers), the number of parental leave users in enterprises with 300 or more employees has remained in the 80,000 range since 2015, while the number in most other enterprise-size categories has continued to increase since 2015 despite temporary declines.
- Among men (fathers), the number of parental leave users steadily increased across most enterprise categories through 2022, followed by a temporary decline in 2023.

Parental Leave Utilization Rates

- An analysis of parental leave utilization rates among parents of newborn children, disaggregated by company size, indicates that usage has increased across enterprises of all sizes.
- When examined specifically for mothers of newborn children, parental leave utilization rates have likewise increased across all enterprise-size categories.
- In the case of fathers of newborn children, utilization rates have also risen across enterprises of all sizes; however, overall levels remain below 10 percent.

Childbirth and Childrearing-Related Indicators among SMEs Applying for New Family-Friendly Certification

- Among SMEs that applied for new Family-Friendly Certification over the past five years, those that successfully obtained certification exhibited higher levels of: women's parental leave utilization rates; employment retention rates among employees who had taken maternity or parental leave in the preceding two years; and utilization rates of spousal childbirth leave of ten days or more, compared with SMEs that did not obtain new certification. The only exception was the utilization rate of reduced working-hour arrangements during the childcare period for female employees. In addition, substantial variation existed in workplace conditions related to childbirth and childrearing even among SMEs.

Willingness of Enterprises to Participate in the Preliminary Family-Friendly Certification System

- Opinions regarding the necessity of introducing a Preliminary Family-Friendly Certification System were mixed, reflecting both supportive and critical perspectives.
- Positive Perspectives: Participants noted that the Preliminary Family-Friendly Certification System could help SMEs introduce the concept of work-family balance and lower barriers to accessing the full Family-Friendly Certification System. The preliminary certification stage would also allow SMEs to make the necessary preparations before pursuing full certification and to address areas requiring improvement through consulting and support. Preliminary certification could also enhance corporate image and brand value and contribute to attracting and retaining skilled employees.
- Negative Perspectives: Some participants noted that SMEs may be reluctant to actively participate if the Preliminary Family-Friendly Certification System does not provide tangible benefits. They also pointed out that it takes time for certification to lead to cultural change, making it difficult to expect short-term effects.
- Views on the Operation of Preliminary Family-Friendly Certification Indicators

- Regarding the proposed use of primarily quantitative indicators for preliminary certification, respondents suggested that such an approach could support a more structured preparation process and improve implementation through clear and objective criteria.

- The proposal to apply the existing Family-Friendly Certification Indicators was viewed as having the potential to simplify procedures and encourage companies to participate actively in the system by providing CEOs with opportunities to exercise leadership.

▶ Intention to Apply for the Preliminary Family-Friendly Certification System

- When asked whether they would apply if the Preliminary Family-Friendly Certification System were introduced, a majority of participants responded positively. They considered the system helpful for improving the internal workplace environment and establishing relevant systems and showed particular interest in its potential to provide an institutional foundation for expanding employee welfare and enhancing employment stability.

- However, some focus group interview (FGI) participants expressed reluctance due to procedural burdens and a perceived lack of meaningful incentives. Additional concerns included the difficulty of meeting compliance requirements under current conditions and the administrative burden associated with complex procedures.

▶ Perspectives on Diversifying Incentives for Family-Friendly Certified Companies

- Participants emphasized the need for tangible incentives that companies with Preliminary Family-Friendly Certification could directly benefit from. For SMEs, suggestions included financial support and preferential treatment for loan products, while specific financial support for workplace environment improvements was proposed for companies employing foreign workers. Other suggestions included export vouchers, tax reductions, preferential admission to childcare centers and kindergartens, and other tangible welfare benefits. Additional points in the designation of companies eligible for alternative military service programs, family-friendly consulting, and workplace training were also proposed. Some participants also suggested awarding additional points at approximately half the level of those provided under the existing certification system.

- At the same time, participants stressed that incentives for Family-Friendly Certified Companies should be both consistent and effective. In particular, they argued that regionally differentiated benefits should be complemented by nationally standardized incentive schemes. Comprehensive support measures applicable not only to SMEs but also to mid-sized and large enterprises were also recommended.

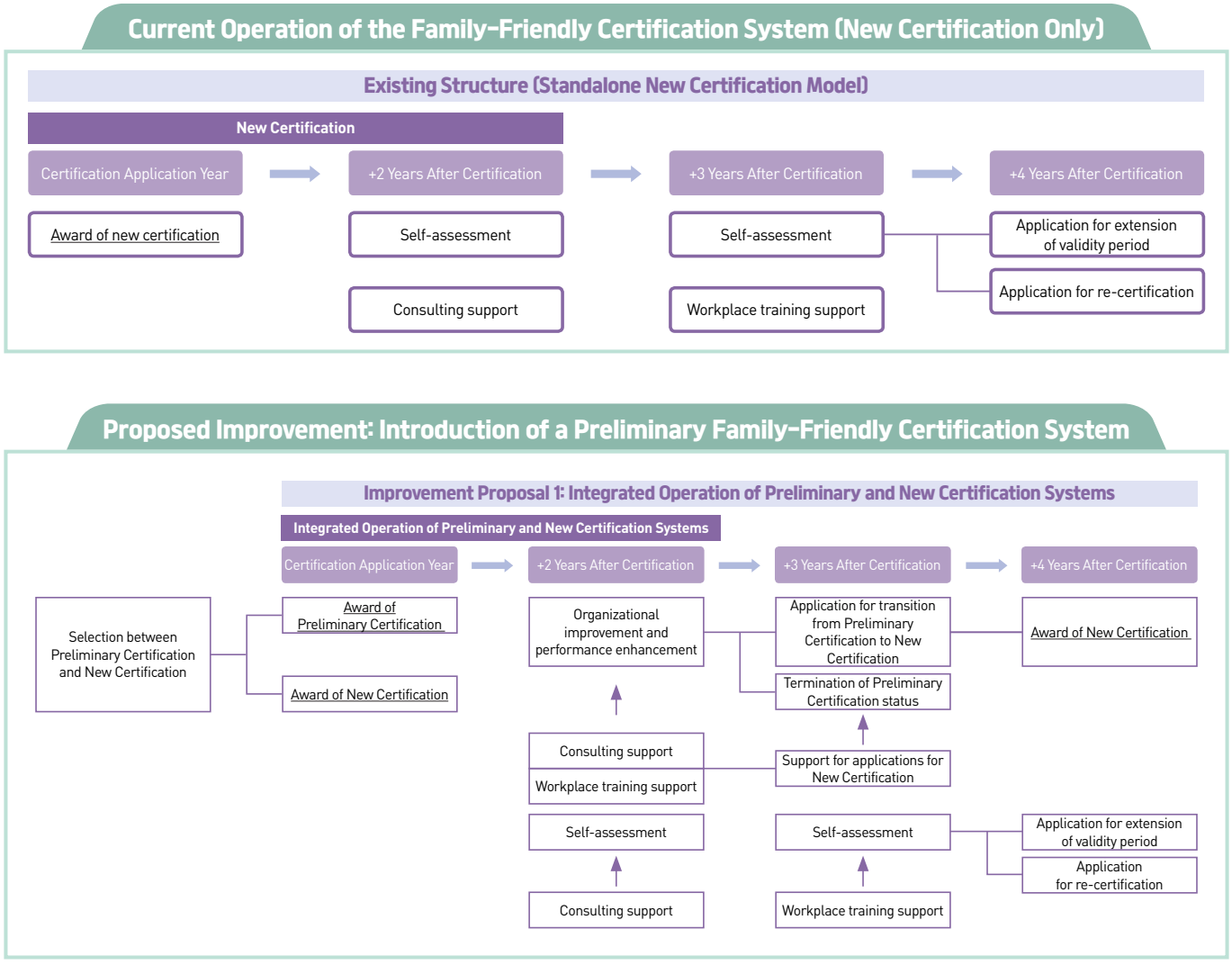
▶ Willingness to Participate in Diversity, Equity, and Inclusion (DEI) Training

- In response to the question asking whether they would participate in DEI training for HR professionals aimed at fostering work-life balance and a gender-equal organizational culture, the majority of FGI participants indicated their willingness to take part. SMEs, in particular, highlighted financial constraints associated with external training programs and demonstrated strong interest in government-provided training opportunities. Participants further suggested that such training should not be limited to human resources personnel, but should also be made accessible to employees across various job functions.

3 Policy Recommendations

Operational Framework for the Preliminary Family-Friendly Certification System

- The Preliminary Family-Friendly Certification System aims to improve SMEs' access to the Family-Friendly Certification System.
- To foster a family-friendly corporate culture among SMEs and reduce the gap between large corporations and SMEs in the utilization of work-family balance programs by improving SMEs' access to the Family-Friendly Certification System, the introduction of a Preliminary Family-Friendly Certification System for SMEs should be actively considered.
- The proposed operational framework and procedural improvements for the SME-focused Preliminary Family-Friendly Certification System are as follows.



Proposed Improvements to the Operation of the Preliminary Family-Friendly Certification System

Current Certification Procedure for New Applicants

Certification Procedure for New Applicants

Promotion Stage	Application and Submission Stage	Evaluation Stage	Deliberation and Certification Stage
Announcement of the project plan	Submission of applications and required documents	Document evaluation	Certification deliberation
Program promotion and outreach	Document review	Feedback regarding required revisions	Feedback on evaluation results
Information sessions		On-site evaluation	Promotion of certified companies
Consultation services		Submission to the Certification Committee	Certification award ceremony

Improvement Proposal 1: Integrated Operational Procedure for Preliminary and New Certification

Proposed Integrated Procedure for Preliminary and New Certification

Promotion Stage	Application and Submission Stage	Evaluation Stage	Deliberation and Certification Stage
Announcement of the project plan	Submission of applications and required documents	Document evaluation	Certification deliberation
Program promotion and outreach	Document review	Feedback regarding required revisions	Feedback on evaluation results
Information sessions		New Certification / Preliminary Certification: On-site evaluation conducted / -	Promotion of certified companies
Consultation services		Submission to the Certification Committee	Certification award ceremony
Selection of either Preliminary Certification or New Certification			

Improvement Proposal 2: Separate Operational Procedures for Preliminary and New Certification

Proposed Procedure for Preliminary Certification

Promotion Stage	Application and Submission Stage	Evaluation Stage	Deliberation and Certification Stage
Announcement of the project plan	Submission of applications and required documents	Document evaluation	Certification deliberation
Program promotion and outreach	Document review	Feedback regarding required revisions	Feedback on evaluation results
Information sessions		On-site evaluation (*not conducted)	Promotion of certified companies
Consultation services		Submission to the Certification Committee	Certification award ceremony

※ Procedures for New Certification would remain unchanged under the current system.

Proposed Scoring and Evaluation Criteria for the Preliminary Family-Friendly Certification Indicators

- Two alternative models are proposed for the scoring system and evaluation criteria of the Preliminary Family-Friendly Certification Indicators.
- Both Model 1 and Model 2 allocate a total of 40 points, with an additional 6 bonus points.
- In Model 1, scores are assigned by interval for each indicator in accordance with the evaluation criteria for New Family-Friendly Certification. A score of zero is assigned when the value for an indicator is 0%.
- In Model 2, a baseline score is awarded when the value of an indicator is 0%. When the value exceeds 0%, the remaining points, after excluding the baseline score from the total points allocated to the indicator, are awarded proportionally according to the indicator's rate.
- In both Model 1 and Model 2, when calculating the utilization rate of parental leave or reduced working hours during the childcare period among male employees, the number of users is weighted by a factor of 1.5 to reflect the policy importance of promoting the use of these programs among male employees.
- In the short term, it is necessary to prioritize the application of Model 1 of the proposed scoring system and evaluation criteria for the Preliminary Family-Friendly Certification Indicators. In the long term, however, after conducting a comprehensive review of the current certification screening process for SMEs, it is advisable to consider adopting Model 2 of the proposed scoring system and evaluation criteria for the Preliminary Family-Friendly Certification Indicators.

Scoring and Evaluation Criteria for the Preliminary Family-Friendly Certification Indicators (Proposed)

Preliminary Certification Indicators		Scoring and Evaluation Criteria	
1. Utilization Rate of Parental Leave or Reduced Working Hours During the Childcare Period (Female Employees)		10 points	Rating Scale / Evaluation Criteria 1 / 0 points / 0% utilization 2 / 4 points / Above 0% and below 20% 3 / 6 points / 20% – below 25% 4 / 8 points / 25% – below 30% 5 / 10 points / 30% or higher
2. Employment Retention Rate After Parental Leave and Maternity Leave (Male and Female Employees)		15 points	Rating Scale / Evaluation Criteria 1 / 0 points / 0% retention 2 / 5 points / Above 0% and below 20% 3 / 8 points / 20% – below 30% 4 / 10 points / 30% – below 40% 5 / 13 points / 40% – below 50% 6 / 15 points / 50% or higher
3. Rate of Using Spousal Childbirth Leave for the Statutory Number of Days or More ※ The statutory entitlement for spousal childbirth leave refers to the number of leave days requested by an employee due to the childbirth of their spouse, as stipulated in Article 18-2 (Spousal Childbirth Leave), Paragraph 1 of the Equal Employment Opportunity and Work-Family Balance Assistance Act.		5 points	Rating Scale / Evaluation Criteria 1 / 0 points / 0% utilization 2 / 2 points / Above 0% and below 40% 3 / 3 points / 40% – below 60% 4 / 4 points / 60% – below 80% 5 / 5 points / 80% or higher
4. Utilization Rate of Flexible Work Arrangements		10 points	Rating Scale / Evaluation Criteria 1 / 0 points / 0% utilization 2 / 4 points / Above 0% and below 10% 3 / 6 points / 10% – below 15% 4 / 8 points / 15% – below 20% 5 / 10 points / 20% or higher
Bonus Point	Male Employees' Parental Leave or Reduced Working Hours Utilization Rate ※ Weighted by a 1.5 multiplier for users	5 points	Rating Scale / Evaluation Criteria 1 / 0 points / 0% utilization 2 / 2 points / Above 0% and below 40% 3 / 3 points / 40% – below 60% 4 / 4 points / 60% – below 80% 5 / 5 points / 80% or higher
	– Workplace childcare facility – Automatic approval of parental leave – Replacement workforce support system – Infertility treatment leave and related support measures – Reduced working hours during pregnancy	Up to 1 point	※ Additional points shall be awarded for each scheme in cases where at least one item is implemented.
Total Score		40 points (Eligibility threshold for Preliminary Certification: 24 points) (*Includes penalties for legal violations and other socially problematic indicators, and bonus points)	

<Preliminary Family-Friendly Certification Indicators (Proposed Model 1)>

Preliminary Certification Indicators		Scoring and Evaluation Criteria		
1. Utilization Rate of Parental Leave or Reduced Working Hours During the Childcare Period (Female Employees)		10 points	Utilization rate = 0% (including cases with no eligible subjects)	5 points
			5 points + [(utilization rate / 100) × 5 points]	5.1–10 points
2. Employment Retention Rate After Parental Leave and Maternity Leave (Male and Female Employees)		15 points	Retention rate = 0% (including cases with no eligible subjects)	5 points
			5 points + [(retention rate / 100) × 5 points]	5.1–10 points
3. Rate of Using Spousal Childbirth Leave for the Statutory Number of Days or More ※ The statutory entitlement for spousal childbirth leave refers to the number of leave days requested by an employee due to the childbirth of their spouse, as stipulated in Article 18-2 (Spousal Childbirth Leave), Paragraph 1 of the Equal Employment Opportunity and Work-Family Balance Assistance Act.		5 points	Utilization rate = 0% (including cases with no eligible subjects)	2.0 points
			2 points + [(utilization rate / 100) × 3 points]	2.1–5 points
4. Utilization Rate of Flexible Work Arrangements		10 points	Utilization rate = 0% (including cases with no eligible subjects)	5 points
			5 points + [(utilization rate / 100) × 5 points]	5.1–10 points
Bonus Point	Male Employees' Parental Leave or Reduced Working Hours Utilization Rate ※ Weighted by a 1.5 multiplier for users	5 points	Utilization rate = 0% (including cases with no eligible subjects)	2.0 points
			2 points + [(utilization rate / 100) × 3 points]	2.1–5 points
	– Workplace childcare facility – Automatic approval of parental leave – Replacement workforce support system – Infertility treatment leave and related support measures – Reduced working hours during pregnancy	Up to 1 point	※ Additional points shall be awarded for each scheme in cases where at least one item is implemented.	
Total Score		40 points (Minimum score: 19 points / Preliminary Certification passing score: 24 points) (*Includes penalties for legal violations and other socially problematic indicators, and bonus points)		

<Preliminary Family-Friendly Certification Indicators (Proposed Model 2)>

Establishment of the Legal Basis for the Preliminary Family-Friendly Certification System

To establish a legal basis for the Preliminary Family-Friendly Certification System, the following provisions are proposed for addition to the current Ministry of Gender Equality and Family Notice, 'Certification Criteria for Family-Friendly Companies, etc.,' based on the results of the pilot operation of Preliminary Family-Friendly Certification for SMEs.

Proposed Additions to the Ministry of Gender Equality and Family Notice Regarding Preliminary Family-Friendly Certification

Evaluation Categories and Scoring

SMEs (In accordance with the Framework Act on Small and Medium Enterprises)

Category		Evaluation Items	Score
Family-Friendly Policy Implementation (40)	Childbirth, Childcare, and Education Support Systems (30)	Utilization Rate of Parental Leave or Reduced Working Hours During the Childcare Period (Female Employees)	10 points
		Employment Retention Rate After Parental Leave and Maternity Leave (Male and Female Employees)	15 points
	Flexible Work Arrangements (10)	Utilization Rate of Spousal Childbirth Leave for at Least the Statutory Number of Leave Days	5 points
		Utilization Rate of Flexible Work Arrangements	10 points
Total			40 points (excluding bonus points)

Bonus and Penalty Evaluation Items

Bonus and Penalty Evaluation Items	Score
Male Employees' Utilization Rate of Parental Leave or Reduced Working Hours During the Childcare Period	5 points
Establishment of workplace daycare facilities	Up to 1 point
Automatic approval system for parental leave	
Replacement workforce support system	
Use of Infertility Treatment Leave and Leave of Absence	
Use of Reduced Working Hours During Pregnancy	

Certification Passing Criteria

Category	Score	Application Criteria
SMEs	24	Must obtain 24 points or higher, including bonus points

Diversification of Incentives by Type of Family-Friendly Certified Company

▶ Preliminary Family-Friendly Certified Companies

- Companies with Preliminary Family-Friendly Certification would receive a Preliminary Family-Friendly Certification mark and plaque, as well as selected incentives currently available to Family-Friendly Certified Companies, including support for improving workplace environments in companies employing foreign workers, export vouchers, tax reductions, preferential admission to childcare centers and kindergartens, additional points in the designation of companies eligible for alternative military service programs, family-friendly consulting, and workplace training. They would also receive some of the bonus-point benefits provided by government ministries and preferential interest rates offered by financial institutions.

▶ Current Family-Friendly Certification Leading Companies

- It is proposed that the existing designation be renamed 'Family-Friendly Long-Term Certified Model Company,' with differentiated incentives provided accordingly. These include the issuance of a dedicated certification mark and commemorative plaque, exemption from routine labor inspections, corporate tax reductions, deferral of periodic tax audits, preferential access to SME policy financing, and postponement of customs audits. In addition, enhanced benefits will be granted, including increased bonus points from relevant government ministries and higher preferential interest rates offered by financial institutions.

Strategies for Effective Linkage and Promotion between the Family-Friendly Certification System and the Preliminary Certification System

▶ The Preliminary Family-Friendly Certification Indicators are selected primarily from the New Family-Friendly Certification Indicators that can be used to assess childcare-friendly workplace conditions in SMEs, and the same calculation formulas are applied.

▶ Furthermore, 'family-friendly management consulting' and 'workplace training support' are also provided to SMEs that obtain Preliminary Family-Friendly Certification, enabling them to systematically prepare for full certification.

▶ Incentives are differentiated between SMEs with New Family-Friendly Certification and those with Preliminary Family-Friendly Certification in order to strengthen incentives to apply for New Certification.

▶ Finally, active promotion of the Preliminary Family-Friendly Certification System is recommended.

Measures to Support Family-Friendly Certified Companies

▶ Expansion of Diversity Enhancement Training for HR Personnel in Family-Friendly Certified Companies

- The government should expand diversity enhancement training for HR personnel at Family-Friendly Certified SMEs and other companies, and provide incentives by including SMEs' participation in such training as a bonus item in the Family-Friendly Certification Indicators.

▶ Strengthening Promotion of Family-Friendly Certified Companies and Organizations

- Dedicated recruitment sections for Family-Friendly Certified Companies and Organizations should be established and operated on public and private job-search platforms. Promotion of certified companies and organizations should also be strengthened by displaying Family-Friendly Certification information and cases of outstanding family-friendly companies in employer profiles on job postings.

▶ Enhancing Performance Sharing and Communication Among Family-Friendly Companies and Organizations

- The Family-Friendly Network should be organized and operated in separate groups according to the characteristics of Family-Friendly Certified Companies and Organizations, such as leading companies, large corporations, SMEs, and public institutions. A contact list of personnel responsible for Family-Friendly Certification should also be established and maintained so that up-to-date policy information, including amendments to the three childcare support laws, changes to work-family balance programs, and examples of corporate implementation, can be provided regularly.

▶ Strengthening Incentives for Employees and Families of Family-Friendly Certified Companies and Organizations

- Incentives provided by individual local governments to employees and families of Family-Friendly Certified Companies and Organizations should be extended to employees and families of all such certified companies and organizations nationwide, regardless of where the company or organization is located. Incentives currently provided by only one public institution should also be expanded to various facilities operated by public institutions, including museums and performance venues.

- Cultural and leisure support programs, such as employee vacation support and accommodation vouchers, should be provided to employees and families of Family-Friendly Certified Companies and Organizations so that employees can more directly experience the benefits of the Family-Friendly Certification System. On occasions such as Family Month, central government ministries and local governments should collaborate to support travel and cultural events for employees and families of Family-Friendly Certified Companies, thereby revitalizing local tourism economies. Personnel responsible for family-friendly initiatives within certified companies should also be recognized with awards.

▶ Improving the Definition of Male Parental Leave Utilization Rate

- Currently, the male parental leave utilization rate cannot be calculated based on the population eligible for parental leave or reduced working hours during the childcare period. In addition, the use of reduced working hours during the childcare period by male employees, which can be used in conjunction with parental leave, is not reflected. As a result, the male parental leave utilization rate may be underestimated or overestimated depending on the gender composition of employees eligible for parental leave or reduced working hours during the childcare period within a company.

- Accordingly, it is necessary to revise the definition of the male parental leave utilization rate in alignment with the definition used for female employees' parental leave or reduced working hours utilization rate.

▶ Mid- to Long-Term Development Strategy for the Family-Friendly Certification System

- To improve consistency between the proposed Preliminary Family-Friendly Certification Indicators for SMEs and the current New Family-Friendly Certification evaluation procedures for SMEs, it is necessary to review the effectiveness of the current evaluation procedure that divides New Certification for SMEs into Type A and Type B. Mid- to long-term development strategies for the Family-Friendly Certification System should also be developed in consideration of the operation of related programs, including the Childcare-Friendly Management Indicators used for SME employment evaluation and the Outstanding Work-Life Balance Company Selection Program in Korea.

- Furthermore, to enhance the effectiveness of the Family-Friendly Certification Indicators and Childcare-Friendly Management Indicators for SMEs, continued research is needed on the overall environment and infrastructure, issues requiring prior resolution, and policy blind spots related to the persistently low rate of parental leave use among SMEs.

References	Ministry of Data and Statistics, Parental Leave Statistics
Supervising Ministry	Family-Friendly Services Division, Ministry of Gender Equality and Family
Related Ministry	Human Resources Policy Division, Ministry of SMEs and Startups