KWDI Issue Paper

Measures To Improve Corporate Culture For Balance Between Work And Life

Project Manager:

research fellow, Kang Min-jeong
(02-3156-7137,
kangmj@kwdimail.re.kr)

Abstract

■ The policies to support the balance between work and family life thus far have been focused on motherhood protection, childcare support, and prevention of career interruptions. This means that they have been promoted from the viewpoint that securing balance between work and family life is a problem and responsibility to be borne by women alone. However, the transition is under way where policy orientation is shifting from reconciling work with family life to striking a balance not just for married working women with children but for all workers. This will eventually be linked to the bigger and more serious concept of quality of life and happiness.

■ Whereas all-out devotion to the company while giving up individual life was regarded as a virtue in the era of economic growth, enterprises now need to approach the issue from the perspective that promotion of efficient business practices and improvement of workers' quality of life result in competent human resources and better productivity.

■ In this context, this study intends to look into the root causes that render the institutional devices designed for work-family balance difficult to utilize or hamper harmonious reconciliation between work and family life as grasped by workers themselves, and suggest policy measures.

■ To diagnose the level of corporate culture that makes work-family reconciliation hard to attain, a diagnostic indicator comprising 44 questions was developed through the FGI of related persons, Delphi survey of experts, and validity verification. The diagnostic indicator consists of four big categories of leadership, infrastructure, work arrangements, and communication, which are further divided into eight specific areas of CEO's will, support from superiors, organization management system, personnel management system, characteristics of business, working hours, cooperation of colleagues, and corporate support and atmosphere.

■ According to the results of a survey of 1,100 male and female workers, which was conducted to measure the diagnostic indicator of corporate culture concerning work- family balance, the score was 56.9 out of 100. The correlation between corporate culture and work-family balance was revealed to be significantly high, and all the corporate culture, work-family balance, and level of satisfaction with company and life are found to be deeply connected.

■ Based on such results, as policy measures for spreading the corporate culture that supports work-family balance, we suggest improvement in flexibility and autonomy with regard to 'time,' sharing of the necessity to improve corporate culture, consulting for improvement of corporate culture, positive utilization of measures and institutional devices designed to improve employment practices, improvements made through intercorporate cooperation, improvement in employees' perception, etc.

1 Background and issues

The government is implementing various policies for   work-family balance, including reinforcement of motherhood protection systems, support for flexible work systems, family-friendliness certification systems, and is focusing on efforts to rectify long working hours as well as promote and spread relevant schemes, including men's participation in childcare, etc.

▶ The Ministry of Employment and Labor, the office of primary concern, is promoting the culture for work-family balance with the 'Korea Together for Work·Life Balance' campaign to encourage improvements in work arrangements and culture so that the balance between work and family life can be attained while workers display their competence to the fullest and companies enhance productivity and competitiveness at the same time.

However, as there exist many aspects that need to be improved such as long working hours and insufficient utilization of relevant institutional devices, strengthened support for work-family balance through improvements in corporate culture and work arrangements is required.

▶ The working hours of Korea are the second longest among OECD countries (yearly 2,069 hours as of 2016). The ratio of men taking childcare leave is at 8.5% (Ministry of Employment and Labor, 2017). The ratio of companies implementing a flexible work system stops at 21.9% (Kim Young-ok, et al., 2016).

▶ With regard to the reasons that relevant institutional devices are not properly utilized at actual places, there have been many studies that reflect the awareness of the problem in corporate culture or work arrangements.

2 Results of diagnosing corporate culture concerning work-family balance

This study measured the level of corporate culture based on a diagnostic indicator of corporate culture concerning work-family balance we developed, and carried out an online survey to grasp the current status of introduction of work-family-related institutional devices, the level of their utilization, and workers' satisfaction level concerning them The subjects were permanent workers at companies of sizes that require personnel management, hiring 30 or more persons. Sampling was made considering the proper distribution in terms of gender, age, type of business. The survey was made online.

Results of measuring corporate culture for work-family balance using a diagnostic indicator

▶ The average of total scores of the questions in the diagnostic indicator of corporate culture concerning work-family balance was 56.9.

- Of the big categories, the score for the category of leadership was the highest at 62.8, whereas the category of infrastructure was the lowest at 44.5. Among specific areas, the area of support from superiors received the highest score of 67.0.

- The score of organization management system, a specific area of the big category of infrastructure, was the lowest at 37.6, and the score of corporate atmosphere, a specific area under the big category of work arrangements, also, was below average at 48.9.

<Table 1> Results of Survey of Corporate Culture for Work-Family Balance Based on Diagnostic Indicator

(Unit : Score)

Big Category	Specific Area	Average Score
Leadership	CEO's will	58.7
	Support from seniors	67.0
	Total	62.8
Infrastructure	Organization management system	37.6
	Personnel management system	52.9
	Total	44.5
Work arrangements	Business characteristics	61.9
	Working hours	59.2
	Total	61.0
Communication	Cooperation of colleagues	66.4
	Corporate support and atmosphere	48.9
	Total	58.6
Total		56.9

▶ The results of comparing average score of each category by marital status and gender show that the scores were higher among men in all the categories except for work arrangements.

  - Among respondents who are single, the difference by gender was revealed to be big in the area of organizational characteristics under the big category of infrastructure and the area of corporate support and atmosphere under the big category of communication. However, among married respondents, no difference by category was found. This shows that the difference between genders lessens among married workers rather than among single workers except in the area of business characteristics under the larger category of work arrangements and the area of cooperation of colleagues under the category of communication.

▶ The respondents were asked to score their company with regard to work-family balance, with 100 as the perfect score. The average score was 56.3, which was on the similar level as 56.9, the score measured earlier based on the diagnostic indicator of corporate culture concerning work-family balance.

<Table 2> Scores of Corporate Culture based on Diagnostic Indicator and Level of Work-Family Balance

(Unit : Point (out of 100))

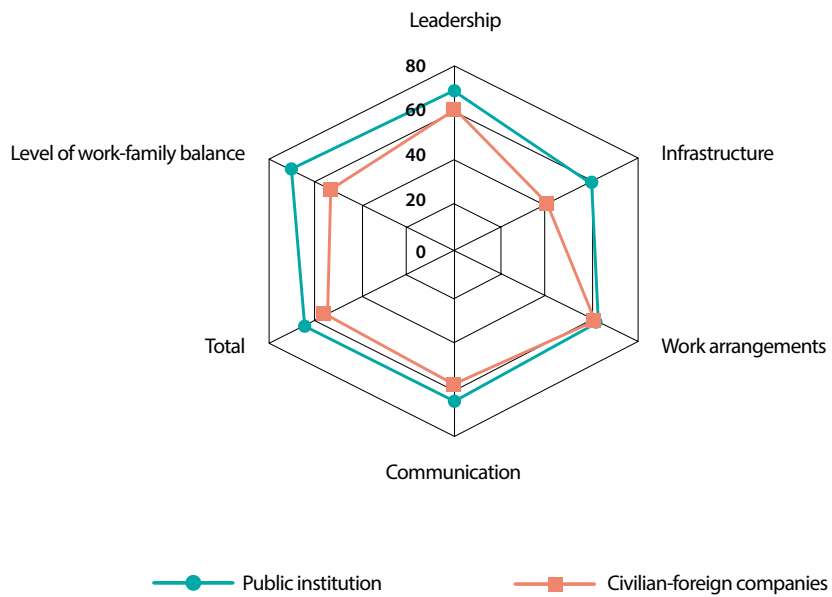| Classification	Category				Total	Level of Work-Family Balance
	Leadership	Infrastructure	Work Arrangements	Communication		
Men	63.3	46.0	60.1	59.4	57.3	55.8
Women	62.3	43.1	62.0	57.9	56.5	56.8
Total	62.8	44.5	61.0	58.6	56.9	56.3

▶ The results of the analysis of the correlation among the scores of corporate culture for work-family balance based on the diagnostic indicator, the scores workers gave subjectively on the level of work-family balance of their company, current status of yearly paid holidays and overtime, whether or not there exists a representative system for work-family balance in the company and the level of their utilization revealed a significantly high correlation between corporate culture and work-family balance.

- Also, work-family balance was found to have positive (+) correlation with workers' sense of belonging and attachment to their company, and overall life satisfaction level, which suggests that corporate culture, work-family balance, and satisfaction level of company and life are all deeply connected.

▶ The scores by area based on the diagnostic indicator for work-family balance and the scores of the level of work-family balance were compared according to company characteristics.

- The largest gap according to the diagnostic indicator of corporate culture was found in the form of business. That is, the score of corporate culture of public institutions based on diagnostic indicator was 63.4, whereas that of civilian-foreign companies were 55.2, lower by 8.2 points. With regard to work-family balance, in particular, the gap was as big as 17.9 points, with public institutions scoring 70.4 and civilian-foreign companies 52.5.

- Comparison by size of company shows that both the scores of corporate culture based on the diagnostic indicator and the scores of the level of work-family balance were the lowest in the company size hiring 50~99 persons. This shows that corporate culture and the level of work-family balance are not perfectly proportional to company size. While the companies that hire 300 or more persons show the highest scores in corporate culture based on diagnostic indicator and the level of work-family balance, companies that hire 30~40 people show the second highest score in terms of corporate culture based on diagnostic indicator.

<Table 3> Scores of Corporate Culture By Company Characteristics Based on Diagnostic Indicator and Level of Work-Family Balance
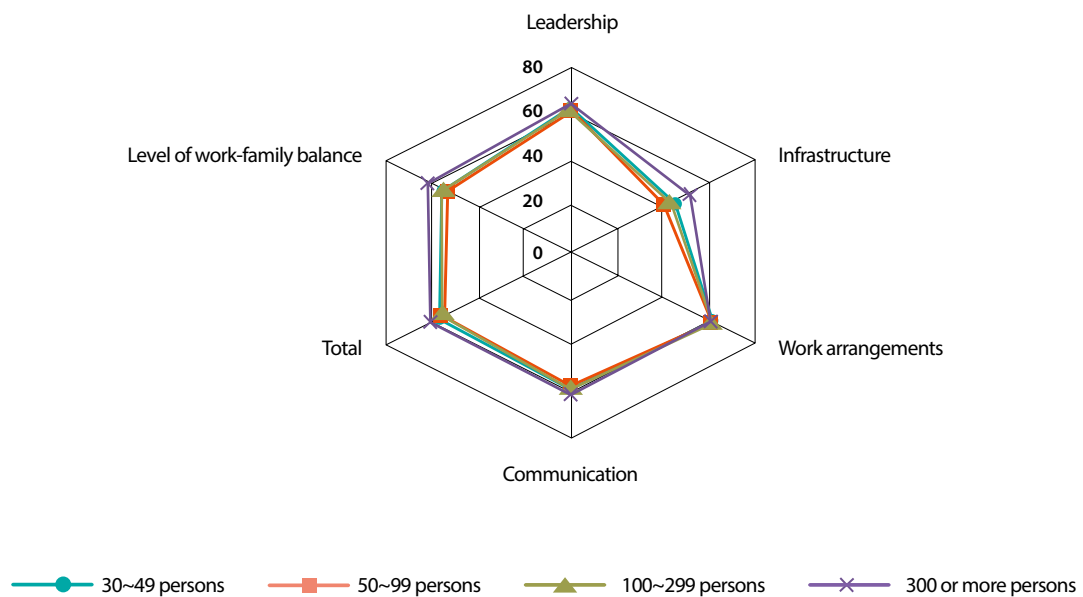
Unit : Point (out of 100)

		Leader ship	Infrastr ucture	Work arrangements	Commu nication	Total	Level of work-family balance
Form of enterprise	Public institution	68.7	58.4	62.1	64.3	63.4	70.4
	Civilian-Foreign	61.3	40.8	60.8	57.1	55.2	52.5
Size	30~49 persons	63.2	44.3	61.2	58.7	57.0	54.2
	50~99 persons	61.3	39.3	61.8	56.6	55.0	53.5
	100~299 persons	61.9	43.1	61.2	58.1	56.2	55.8
	More than 300 persons	65.0	51.5	59.9	61.1	59.4	61.8
Type of business	Manufacture	61.1	38.6	59.2	56.1	53.9	49.6
	Construction	60.0	38.6	60.6	55.3	53.9	48.5
	Wholesale and retail sales & lodging and restaurant	60.1	40.0	60.5	57.2	54.6	51.5
	Publication, video, broadcasting communications, and information service	64.6	45.4	60.7	59.8	57.7	58.0
	Banking and insurance	63.3	47.1	61.3	59.5	57.9	56.5
	Professional, scientific, and technology services	62.4	43.1	60.4	58.1	56.1	56.7
	Public administration, national defense, and social security administration	68.0	60.3	60.2	63.7	63.1	67.3
	Education service	67.0	49.7	63.8	61.5	60.7	64.9
	Healthcare and social welfare service	59.1	38.2	62.5	56.4	54.2	53.9

\<Chart 1> Comparison by form of enterprise between the scores of corporate culture based on diagnostic indicator and the scores of the level of work-family balance

\<Chart 2> Comparison by size of company between the scores of corporate culture based on diagnostic indicator and the scores of the level of work-family balance

3 Results of analyzing the level of work-family balance

Use of holiday

▶ As of 2016, 11~15 holidays were offered to the biggest ratio, or 38.5%, of respondents. But 6~10 holidays were actually used by the biggest ratio, or 31.6%, of respondents. So the usage rate of yearly holidays was 54.8% on average, a level a little over half. As to night overtime and overtime, respondents were working overtime or night overtime for 1.7 days in a week on average, and their weekly overtime hours were 3.6 hours on average.

<Table 4> Current status of using annual leave and working overtime

(Unit : Person,%)

Classification		Frequency	Rate
Number of yearly holidays	5 ~ 10 days	148	13.5
	11 ~ 15 days	424	38.5
	16 ~ 20 days	326	29.6
	More than 20 days	202	18.4
	Average	16.0 days	
Number of actually used yearly holidays	0 day	78	7.1
	Less than 1 ~ 5 days	316	28.7
	6 ~ 10 days	347	31.6
	11 ~ 20 days	340	30.9
	More than 20 days	19	1.7
	Average	8.6 days	
	Rage of using yearly holidays	54.8%	
Weekly average days of working overtime or night overtime	0 day	251	22.8
	1 day	345	31.4
	2 days	221	20.1
	3 days	148	13.5
	4 days	67	6.1
	5 days	68	6.2
	Average	1.7 days	
Weekly average hours of working overtime or night overtime	0 hour	260	23.6
	1 ~ 5 hours	607	55.2
	6 ~ 10 hours	165	15.0
	11 ~ 15 hours	47	4.3
	More than 15 hours	21	1.9
	Average	3.6 hours	

Whether institutional devices related to work-family balance are used and their usage rates

▶ According to the results of examining the introduction rates of institutional devices workers were aware of, childcare leave was introduced in the workplaces of 72.6% of respondents, paternity leave 52.9%, and reduction of working hours for period of childcare 35.3%. Although introduction of these institutional devices is a legal duty, a considerable number of workers still think they have not been introduced, and the rate of introducing reduction of working hours for the childcare period was particularly low.

▶ In the case of flexible work systems, the rates of introducing working time selection, adjustment of time to start and finish work, and flexible working hours were about 20%, and the rates of their utilization were also low. The introduction rate of telecommuting and teleworking systems was 10.8%, the lowest compared to other flexible work systems, and the rate of their utilization also was the lowest.

<Table 5> Current Status of Introduction and Utilization of Institutional Devices for Work-Family Balance

(Unit : %, Point)

Institutional devices for work-family balance	Introduced or not	Utilization					
		Very low	Low	Average	High	Very high	Average score
Paternity leave							
Childcare leave							
Reduction of working hours for period of childcare							
Selection of working time							
Adjustment of time to start and finish work							
Flexible working hours							
Telecommuting and teleworking							

By size of company

▶ The number of yearly holidays was bigger with bigger-sized company, which was also applicable to the number of used holidays. However, the rate of using up yearly leave was found to be the lowest in large-sized companies hiring 300 persons or more. As for average weekly days or hours of working overtime or working overtime at night, the hours were highest in companies hiring 300 or more persons, and the days were highest in companies hiring 100 or more persons, which suggest a characteristic that overtime hours increase as the size of a company grows bigger.

▶ The introduction rate of institutional devices for work-family balance was higher with bigger companies. In particular, companies hiring 300 or more persons showed the highest rate of introducing all institutional devices. The gap in the degree of utilization of institutional devices was statistically significant only in the case of childcare leave, which was highest in the companies hiring 300 or more persons. To the questions asking about the level of work-family balance and satisfaction level with and attachment to company, the scores grow higher with bigger-sized companies.

<Table 6> Comparison of the level of work-family balance by company size

(Unit : 1, %, point)

		30~49 persons	50~99 persons	100~299 persons	More than 300 persons	Statistical significance (F-test)
Average number of yearly holidays						
Average number of yearly holidays actually used						
Usage rate						
Weekly average days of working overtime or night overtime						
Weekly average hours of working overtime or night overtime						
Paternity leave	Introduction rate					
	Utilization rate					
Childcare leave	Introduction rate					
	Utilization rate					
Reduction of working hours for period of childcare	Introduction rate					
	Utilization rate					
Selection of working time	Introduction rate					
	Utilization rate					
Adjustment of time to start and finish work	Introduction rate					
	Utilization rate					
Flexible working hours	Introduction rate					
	Utilization rate					
Telecommuting and teleworking						
Level of work-family balance						
Satisfaction level with company						
Sense of belonging and attachment to company						
Satisfaction level with present life						

By type of business

▶ The healthcare business showed the highest rate, or 66.5%, of using up yearly holidays. The number of days of working overtime was highest in the manufacturing business, and lowest in healthcare business. The number of hours of working overtime was highest in public administration.

▶ The type of business showing the highest introduction rates of paternity leave, childcare leave, and reduction of working hours for period of childcare was public administration, followed by education and publication, which also showed higher introduction rates than other types of business. With regard to the of rate of utilization, that of paternity leave was lower than average in all types of business except for public administration. The utilization rate of childcare leave was comparatively high in public administration and education service, and low in construction, and wholesale and retail sales businesses.

▶ As to the utilization rate of introduced institutional devices, adjustment of time to start and finish work, flexible working hours, telecommuting and teleworking were utilized most in financial business. In the case of the construction business, although the rate of introducing flexible work systems was low, the rate of answers that its usability was high was higher than that of other business types.

▶ With regard to the score of companies concerning work-family balance, public administration scored the highest, followed by education, finance, etc. In terms of level of satisfaction with and attachment to company, and life satisfaction level, also, score was high in the similar order. In general, where work-life balance was evaluated to be high, satisfaction level with and attachment to company were also evaluated to be high.

4 ▶ Policy tasks

Enhancement of flexibility and autonomy about 'time'

▶ Eventually, time is the core element that can enable work-family reconciliation and work-life balance. Time in the realm of work cannot be managed by workers alone. Basically, only when rationality and flexibility are secured in organization management level, which would be manifested as rational job assignment, improvement of corporate-level attitude to night overtime, and performance evaluation not based on working hours but business characteristics, etc., the time that is available to be committed to other parts of employees' lives can be secured.

Sharing the necessity to improve corporate culture

▶ Attract attention by suggesting the grounds for and examples that prove the fact that improvement of corporate culture is prerequisite for enhancement of productivity and efficiency of company.

▶ It is necessary to calculate the cost and value entailing the introduction and utilization of institutional devices designed for work-life balance or improvement in corporate culture.

Consulting to improve corporate culture

▶ It is necessary to develop manuals for each type according to the results of the survey based on diagnostic indicator, and make improvements toward more integrated work arrangements through consulting.

▶ As a measure to boost the efficiency of consulting, having companies pay a certain level of cost can be considered.   Provided, if a certain amount is spent as a return present to workers who participate in the survey, response rate of workers will also rise.
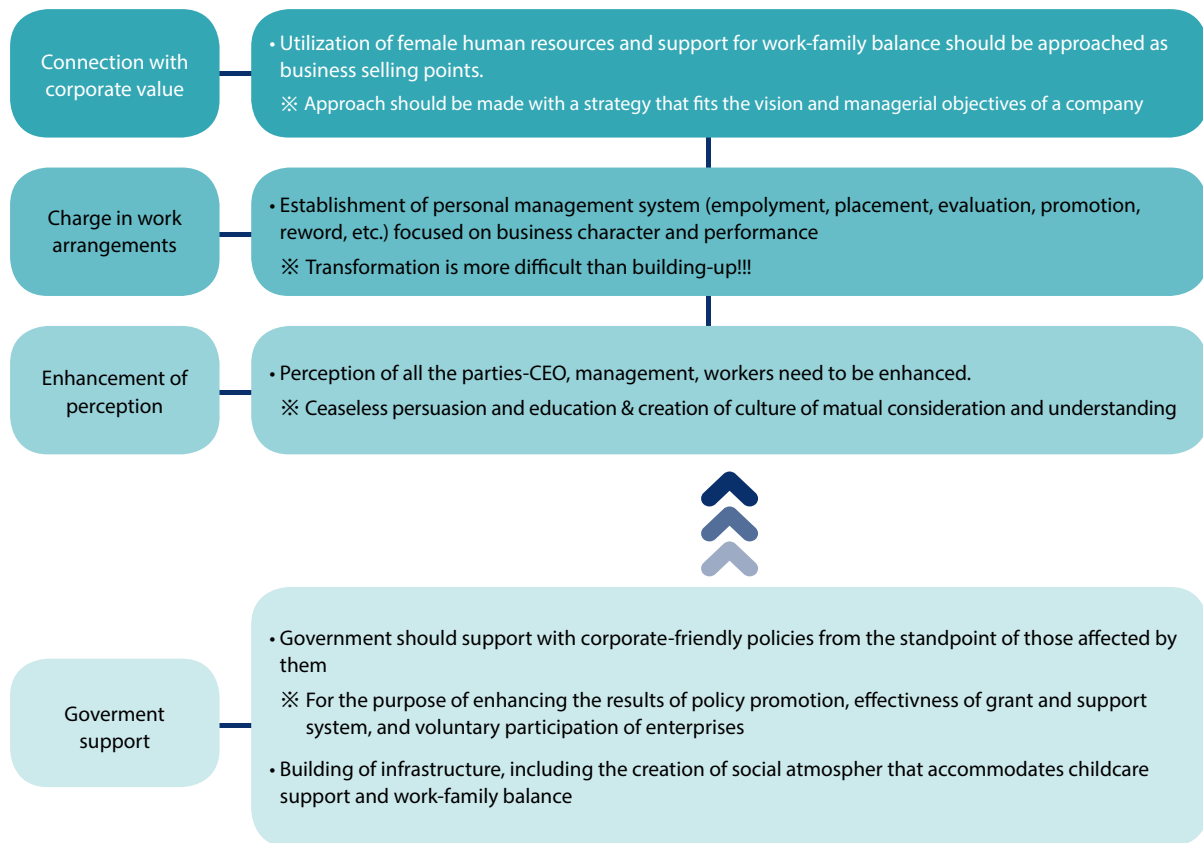
Utilization for positive measures to improve employment

▶ Where a company falling short in terms of corporate culture for work-life balance performs a survey using the diagnostic indicator suggested in this paper, and includes the results, problems, improvement measures in its implementation inspection report, this is acknowledged, or additional points are granted, or the company is excluded from the list of companies subject to be publicized.

▶ It can be considered that such companies that keep falling short of a required level are subject to bear the cost of corporate diagnosis and consulting.

Improvement made through intercorporate cooperation

▶ Small and medium-sized companies, which are subcontractors of big companies, cannot help being dependent on them in their work arrangements and schedule. Therefore, the method of subcontracting need to be discussed and agreed upon between main contractors and subcontractors.

Enhancement of workers's perception

▶ All the members of a company should make efforts in their own positions for the betterment of work arrangements. To support such a process, manuals, education, consulting, etc. on improvement of work arrangements and boosting business efficiency need to be prepared.

Connection with corporate value	• Utilization of female human resources and support for work-family balance should be approached as business selling points. ※ Approach should be made with a strategy that fits the vision and managerial objectives of a company
Charge in work arrangements	• Establishment of personal management system (empolyment, placement, evaluation, promotion, reword, etc.) focused on business character and performance ※ Transformation is more difficult than building-up!!!
Enhancement of perception	• Perception of all the parties-CEO, management, workers need to be enhanced. ※ Ceaseless persuasion and education & creation of culture of matual consideration and understanding
Goverment support	• Government should support with corporate-friendly policies from the standpoint of those affected by them ※ For the purpose of enhancing the results of policy promotion, effectivness of grant and support system, and voluntary participation of enterprises • Building of infrastructure, including the creation of social atmospher that accommodates childcare support and work-family balance

<Chart 3> Essential requirements for work-family balance

Source: Kang Min-jeong (2017). Presentation data for the 1st Forum for Work-Family Balance.

Appendix 1. Final version of categories and questions of the diagnostic indicator of corporate culture for work-family baltance

Big Category	Specific Area	Question
Leadership	Will of CEO	1) The CEO of our company emphasizes the necessity of work-family balance as a core value (management strategy) and publicly expresses it.
		2) The CEO of our company encourages managers to enable employees to put the balance between work and life into practice.
		3) The CEO of our company thinks that work-life balance of employees is important.
		4) The CEO of our company makes much effort for work-family balance of employees compared to those of other companies.
		5) The CEO of our company tends to be respectful of employees.
		6) The CEO of our company makes effort to communicate with employees.

Big Category	Specific Area	Question
Leadership	Support from superiors	1) My superior encourages our team members to utilize institutional devices prepared for work-family balance.
		2) My superior allows me to adjust my working hours or tasks for the reason of my personal circumstance.
		3) My superior usually makes efforts to be interested in the problems of team members and lend a hand.
		4) My superior tries not to make me work overtime.
		5) My superior does not penalize me or make me feel uncomfortable even if I use holiday (yearly holidays, monthly holidays, etc.) for the balance between my work and family.
		6) My superior evaluates the performance of team members based only on business result itself, regardless of working place or working hours, etc.
Infrastructure	Organization management system	1) Our company has a procedure for resolving conflicts generated in relation to work-family balance of employees.
		2) Our company has a department or staff in charge of work-family balance.
		3) Our company has a set of relevant policies and guidelines to support work-family balance of employees.
		4) Our company is in the process of building up an infrastructure (online business processing system, smart working business environment, etc.) that enables a flexible work system.
		5) Our company has a committee for diversity management or a committee for women.
		6) Our company runs education programs or workshops for managers about work-family balance.
	Personnel management system	1) Our company has guidelines or an institutional device that prevent employees who used childcare leave from suffering a disadvantage.
		2) Our company runs a program (management of employees under childcare leave, mentoring, education and training, etc.) that takes the life cycle of employees into consideration.
		3) The evaluation and reward system of our company is based on competence or performance.
		4) Our company has the consideration not to penalize employees who work under flexible conditions (flexibly choosing working hours or working place) in terms of evaluation and reward.
		5) In case a sudden absence of employees occurs, our company has manpower or regulations to cope with the situation.

Big Category	Specific Area	Question
Work arrangements	Business characteristics	1) My workload is too much to be completed within regular business hours.
		2) In our company, there are many occasions where business-related matters (meeting, schedule, workload, etc.) are suddenly changed at a moment's notice.
		3) We in our company make lots of formal and unnecessary reports.
		4) We in our company hold lots of unnecessary and inefficient meetings.
		5) We in our company see lots of occasions where congregate dining produces ill effects in our work or ordinary life.
		6) In handling business, our company takes formality and procedure more seriously than content.
		7) It is helpful to work overtime at night for receiving a favorable evaluation in our company.
		8) We in our company often receive work assignments through e-mail or SNS.
	Working hours	1) We in our company can flexibly adjust working hours depending on the situation.
		2) We in our company feel rather free to use yearly holidays.
		3) In general, we in our company seldom work overtime.
		4) Work assignment in our company is made in a rational manner.
Communication	Cooperation of colleagues	1) When a situation occurs where I need to take care of my family, my colleagues are cooperative in adjusting work schedule.
		2) In our company, colleagues have complaints about employees' using holidays in relation to childcare.
		3) In our company, we do not have to mind the feelings of colleagues when we use holidays due to personal circumstance.
		4) The personnel in our company are considerate to each other and communicate in a thoughtful manner.
		5) The personnel of our company can freely talk about the issues related to work-life balance in the company.
	Corporate support and atmosphere	1) Our company provides the information related to institutional support for work-family balance.
		2) Our company surveys desires of employees with regard to work-family balance and reflects the results in company management.
		3) Our company measures outcomes (job satisfaction, organizational commitment, productivity, etc.) of work-family support systems.
		4) Our company makes efforts to benchmark excellent examples of institutional devices that support work-family balance.

Note: Italic letters are O/X questions.