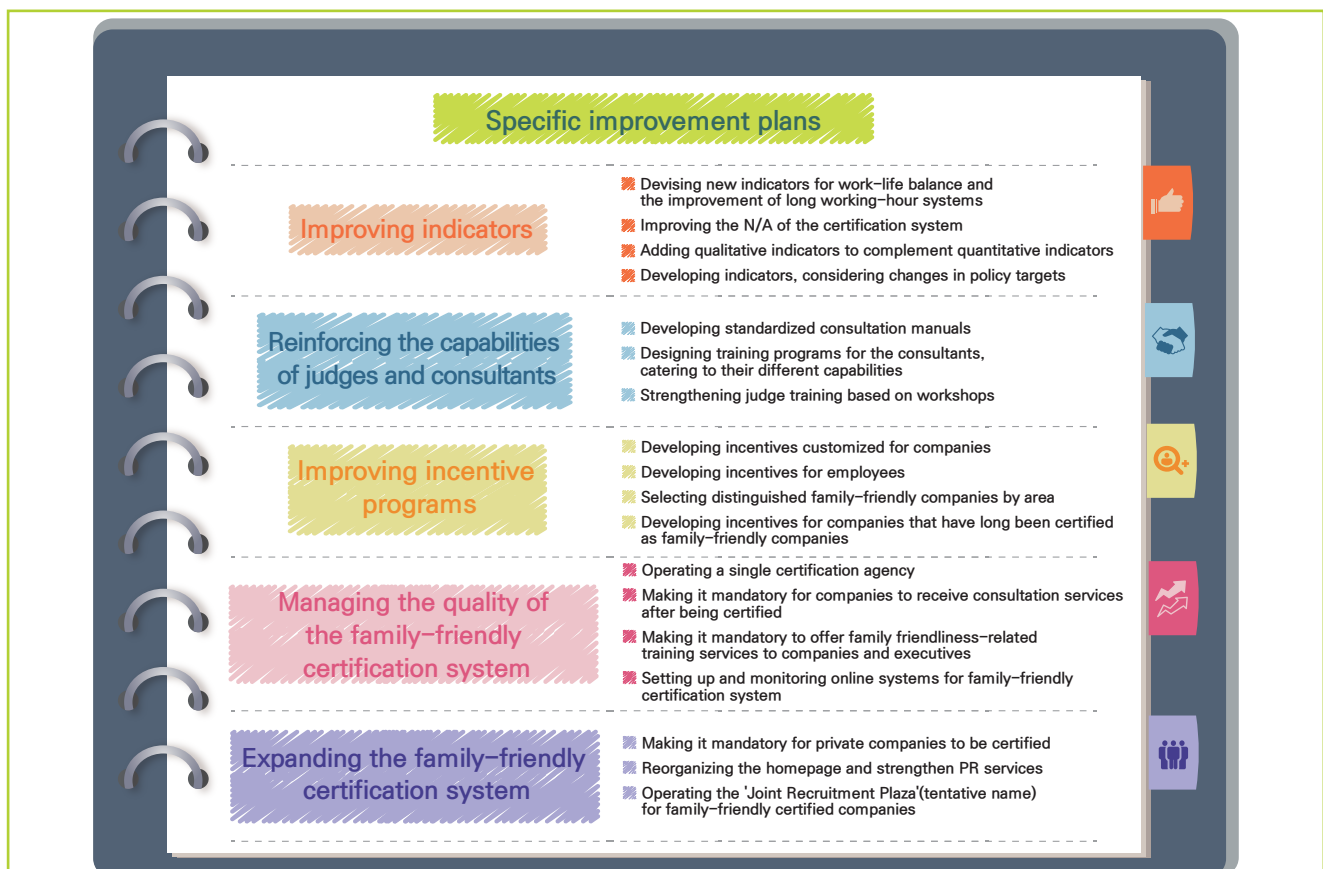


Research Title A Study on the Performance Analysis and Improvement Suggestions of Family-friendly Certification System
Research Manager Minjung Kang, Associate Research Fellow (Tel: 02-3156-7137 / email: kangmj@kwidimail.re.kr)

Plans to Improve the Effectiveness of the Family-friendly Certification System

Abstract

- The family-friendly certification system should voluntarily operate, requiring companies to promote family friendliness. The effectiveness of the current system in operation needs to be examined and its general reform should be considered in the long term in case goals and operation systems are not appropriate.
- In the short term, certification criteria and indicator improvements reflecting social changes and requirements are deemed to be required, comprehensively reviewing current incentive programs whose effectiveness is very low and where they need to be more attractive to the companies. In order to improve the quality of the family-friendly certification system, dichotomized management systems should also be revised, establishing implementation systems that can positively affect communities.
- Reviewing such elements, the certification system should be enhanced to enable both employers and employees to feel real changes. To this end, this paper proposes ways to improve the system in the mid-to-long term, as well as specific improvement plans.



1. Background and issues

- ✔ In accordance with Article 15 of the Act on the Promotion of Creation of Family-Friendly Social Environment, the family-friendly certification system was introduced in 2008 and has been carried out for the past 10 years. This scheme is designed to lead exemplary companies to be officially certified as family-friendly. The number of certified businesses jumped from 14 in 2008 to 2,802 in 2017. The government aims to make 3,300 companies be certified in 2018.
- ✔ The government has promoted ‘the expansion of family-friendly management’ for work-life balance as a key national agenda, with the need for such an initiative also rising. When the system was launched 10 years ago, legally guaranteed maternity or child care leave was not actively used at the workplace but the situation has recently changed due to rising needs for work-life balance, where life with a rest is highlighted than work-focused life. The certification system has focused on introducing and expanding work-life balance based on maternity protection and child care. However, now is the time to revise the goals, direction, and operation of the family-friendly certification system, taking into account social changes.
- ✔ Against this backdrop, this paper aims to check the achievements and limitations of the certification system and to present improvement plans for the effective operation thereof, focusing on the needs of companies.

2. Survey and analysis results

- ✔ **Based on evaluation data from companies that were certified as family-friendly for a total of six years from 2012 to 2017, their characteristics and level by certification item are analyzed, looking into changes in their traits and level in family-friendly management through evaluation indicators.**
 - ▶ The results show that the number of certified companies has rapidly climbed over the past two years, especially among public institutions and small- and medium-sized enterprises (SMEs). However, the number of certified companies among SMEs occupying the majority of companies in Korea is very small, showing that the system has not been widely known in the industry as a whole. The analysis of the scores of certified companies reveals that the use of maternity protection systems, one of the family friendliness promotion programs, has played a key role in earning certification-related scores.
 - ▶ Specific evaluation indicators are closely grouped, classified, and scored by using formulas. However, in reality, scores are concentrated around minimum or maximum points, thereby failing to contribute to score differentiation even though complicated formulas are used. This problem is more serious among SMEs. In the case of large companies and public institutions, scores are very clearly differentiated by men’s use of maternity protection systems. In terms of the organization of indicators, the more the maternity protection system is used, the higher the scores are. Therefore, the family-friendly certification system should improve to enable both male and female employees to benefit from work-life balance.

- Current indicators are deemed to have been established by reflecting policy changes and the diverse needs of companies. As a result, the evaluation system consists of a number of very complicated indicators and formulas. However, such complexity is found to have failed to reflect score differentiation and business characteristics. In particular, in the case of adding and subtracting points, new systems have been continuously added, thereby significantly increasing the number of items and leading the big portion thereof to have meaningless scores. Also, most indicators are based on the use of the systems and therefore are deemed to be customized for big companies or public agencies that can more easily prepare and operate schemes.
- Therefore, in order to achieve the ultimate goal of work-life balance, the government needs to design a system that can accurately measure and expose such an objective.



FGIs with judges, consultants and HR managers of large conglomerates, public institutions, and SMEs, who have diverse perspectives of the certification system, were conducted to check the current certification system and to seek ways to improve policies for the purpose of expanding the system and enhancing its quality. The interviews focused on ‘reorganizing indicators for family-friendly certification system’, ‘implementing the process of evaluating employers and giving consultation services’, ‘checking and expanding incentives’, and ‘strengthening follow-up management.’ The results are shown in the following table:

<Table 1> FGI results

Questions		Status and issues	Improvement plans
Reorganization of indicators for the certification system	Appropriateness of evaluation elements and items	<ul style="list-style-type: none"> • CEO leadership (20 points), family-friendly system implementation (60 points), and degree of satisfaction with family-friendly management (10 points) 	<ul style="list-style-type: none"> • Adding evaluation items (‘work-life balance’, ‘shorter working hours’, etc.) • SMEs’ CEO leadership: 20 points -> 30 points • Revising questions on the degree of satisfaction with family-friendly management
	Implementation of family-friendly systems	<ul style="list-style-type: none"> • Companies’ voluntary participation • N/A for SMEs 	<ul style="list-style-type: none"> • Linking to employment insurance DB and ALIO criteria • Reducing the number of evaluation items to which N/A applies
	Adding or subtracting points	<ul style="list-style-type: none"> • Adding points in case annual leave is used • Adding points in case unpaid family care leave is used for a month (SMEs) 	<ul style="list-style-type: none"> • Including the use of annual leave in the family-friendly system implementation • Revising indicators because paid one-week leave is usually used
	Policy targets	<ul style="list-style-type: none"> • Focusing on women of childbearing or child care age 	<ul style="list-style-type: none"> • Considering changes in policy targets (singles, men, the middle-aged, the elderly, foreigners, etc.)
	Indicators	<ul style="list-style-type: none"> • Limitations of quantitative indicators 	<ul style="list-style-type: none"> • Adding qualitative indicators, as well as objective business indicators, that can reveal internal information
Process of applying for certification, evaluating employers, and giving consultation services	Process of applying for certification	<ul style="list-style-type: none"> • Inconvenience in entering online data in the process of applying for certification • Time-consuming documentation 	<ul style="list-style-type: none"> • Lessening certification managers’ fatigue in business management
	Judges	<ul style="list-style-type: none"> • Evaluation by one judge 	<ul style="list-style-type: none"> • Consisting of two to three judges
	Expertise of consultants	<ul style="list-style-type: none"> • Differences in the capabilities of consultants • Use of different consultants before and after certification 	<ul style="list-style-type: none"> • Developing standardized consultation manuals • Leading the same consultant to offer consultation services to the company
	Consultant and judge training	<ul style="list-style-type: none"> • Training based on the same curriculum regardless of career • General lecture-based training 	<ul style="list-style-type: none"> • Differentiating curricula by trainee • Strengthening training based on workshops

Questions		Status and issues	Improvement plans
Incentives from the certification system	Issues in incentives	• Lack of PR for the certification system and incentives	• Reorganizing the certification system homepage and strengthening PR
	Incentives at the corporate level	• Employers' lack of use of incentives • Lack of specialized incentives for certified companies	• Developing incentives useful for companies • Selecting model companies in family friendliness separately by area • Developing incentives for companies that have long been certified as family-friendly employers
	Incentives for employees	• Lack of incentives for employees	• Developing incentives for employees (discount benefits)
Follow-up management of the certification system	The degree of follow-up management after offering certification	• Lack of follow-up management	• Making it mandatory to offer family-friendly training to businesses • Making it mandatory to offer training services to SMEs' CEOs
	Consultation services after offering certification	• Offering consultation services at the request of companies	• Offering more consultation services after giving certification and making it mandatory to offer consultation services • Organizing consultation groups each of which consists of two to three consultants, for continued employer management
	Effective follow-up management	• Lack of follow-up management systems	• Establishing and monitoring online systems
Expansion of the certification system	Ways to expand the certification system	• Lack of PR for the certification system	• Reorganizing the certification system homepage and strengthening PR
		• Lack of private participation	• Making it mandatory for companies employing 500 or more persons to take part in the certification program • Introducing goal management by phase (careful approaches are required.)

3. Policy suggestions



In order to attain the fundamental goal of work-life balance, this study proposes mid-to-long-term policies to comprehensively revise 'name', 'evaluation elements', and 'evaluation methods'.

- ▶ The reorganization plans can be implemented in the following five ways. First, the focus needs to shift from 'family friendliness' to 'the improvement of working culture for work-life balance'. Second, the focus should be placed on SMEs, rather than on public institutions. Third, the plans should be organized as simply as possible to enable companies to intuitively recognize the content and interests of the systems. Fourth, stronger incentives substantially useful for enterprises should be offered, presenting stricter criteria for delivering incentives. Fifth, the plans should be organized to consider the diverse characteristics of businesses. If this scheme is set up, existing award delivery and certification systems should be integrated therein.
- ▶ The system is named 'Best Small-and Medium-Sized Enterprises in Work-life Balance' (tentative name) to target only SMEs. Considering the diverse characteristics of SMEs, it is appropriate to select exemplary companies in several areas relating to work-life balance and working culture. For example, the following can be proposed.

<Table 2> Areas and indicators for best SMEs in work-life balance

Areas	Indicators
Men's participation in child care	Number of male employees working for one year or longer after returning to work following the use of child care leave/ number of male employees who use shorter working-hour systems for men's child care
Shorter working hours	Total working hours
Work-life balance	Annual leave utilization rate
Gender-equal HR management	Gender ratio in recruitment/share of female employees/share of career-interrupted women/ level of occupational segregation by gender
Gender-equal Organization culture	Survey of all employees
Awards delivered by employees	Survey of all employees

- In connection with projects favored by SMEs, priority or quota-based incentives can be offered to them. Separate funds can be established to develop and offer dedicated work-life balance promotion projects for SMEs. Non-financial support schemes for company PR including press reports, marking for online business information, and the publication of model case books are expected to contribute to spreading corporate culture for work-life balance.



In case it is difficult to carry out mid-to-long-term projects or to introduce new systems, specific short-term improvement plans in terms of indicators, evaluation systems, incentives, and quality control can be proposed within the framework of the current family-friendly certification system. They can be illustrated as follows.

<Table 3> Specific improvement of the family-friendly certification system

Classification	Improvement plans
Improving indicators	<ul style="list-style-type: none"> Establishing new indicators for work-life balance and shorter working hours Improving N/A of the implementation of the family-friendly system Adding qualitative indicators that complement quantitative indicators Developing indicators, considering the diverse changes of policy targets
Reinforcing the capabilities of judges and consultants	<ul style="list-style-type: none"> Developing standardized consultation manuals Designing differentiated training programs, taking into account the career of consultants Strengthening workshop-based training for judges
Improving incentives	<ul style="list-style-type: none"> Developing incentives customized for businesses Developing incentives used by employees Selecting model companies in family friendliness by area Developing incentives for employers that have long been certified as family-friendly companies
Managing the quality of the family-friendly certification system more thoroughly	<ul style="list-style-type: none"> Operating a single certification agency Making it mandatory to receive consultation services after being certified Making it mandatory to offer family friendliness-related training services to businesses and executives Setting up and monitoring an online system for family-friendly employer certification
Expanding the family-friendly employer certification system	<ul style="list-style-type: none"> Making it mandatory for private companies to be certified Reorganizing the homepage and strengthening PR services Operating the 'Joint Recruitment Plaza'(tentative name) for family-friendly certified companies

Project Management Ministry : Family Culture Division, Ministry of Gender Equality and Family
 Affiliated Ministry : Civil Society Cooperation Division, Ministry of the Interior and Safety