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The Effect of Women's Form of Employment and Work Flexibility on Career Retention

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Employment and Work Flexibility on
Career Retention**



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Contents

I. Introduction	1
1. Motivation and Objectives of Study	1
2. Research Topics and Methodology	2
II. How Diversification of Forms of Employment Impact the Types of Career Retention Outcomes and Labor Market Transitions among Women	3
III. The Effect of Work Flexibility on Career Retention	5
IV. Policy Tasks	7
1. Importance of Policies in Support of Career Retention	7
2. Preventing Career Interruption Among Women with Children	9
3. Establishing a Flexible Labor Market Environment for Women's Career Retention	11

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I . Introduction

1. Motivation and Objectives of Study

- The problem of career interruption emerged as a policy issue since the late 2000s, leading to the enactment of the 'Act on the Promotion of the Economic Activities of Career-Interrupted Women' in 2008. As called for by the Act, research studies were conducted on career-interrupted women and basic plans were drawn up. This eventually led to concrete policies in support of career-interrupted women in addition to active labor market policies to aid the return of career-interrupted women back to the labor market.
- Although the gross number of career-interrupted women has been decreasing due to fewer women opting for marriage and children, career interruption remains a problem, particularly for women with young children. In particular, in view of the need to pivot away from the previous policy focus on re-employing career-interrupted women to preventing women's career interruption and retaining employment,

revisions to the Act have sought to address not only career-interrupted women but also economically active women at risk of career interruption.

- The purpose of this study is to move beyond the conventional focus on re-employment among studies of women's labor and career interruption, and to provide policy implications conducive toward bolstering employment rates via career retention and closing gaps in working conditions, thus ultimately contributing to policies in support of women's career development.
 - In particular, we focus on career retention among women with young children, thus addressing the policy needs most required by women affected by key determinants of career interruption, such as childbirth and childcare.

2. Research Topics and Methodology

- Using the group-based trajectory method, we categorized various career retention outcomes among women throughout an 11-year window (2 years before childbirth ~ 8 years following childbirth), while also performing analysis to identify the key determinants behind each category.
- Taking into consideration whether jobs offered decent wages, working conditions, and stable employment, we looked at career retention outcomes as women transitioned between various different trajectories of forms of employment (regular employment, irregular employment, self-employed, non-employed).
- Additionally, to examine the effects of work flexibility on career

retention, we employed categories of work hours as a key variable of flexibility.

II . How Diversification of Forms of Employment Impact the Types of Career Retention Outcomes and Labor Market Transitions among Women

- Although over the long run, Korea has seen a steady rise in women's employment rates, as well as an alleviation of the so-called 'M curve' phenomenon, employment rates among the core age group (25~54) remain low. Because women in this age group are more affected by the burden of childcare, the presence of younger children is associated with very low employment rates for women. The continued proliferation of career interruption, mainly among core-age women, remains a key obstacle to women's career retention.
- Women are particularly more affected by the shift to dual labor markets and diverse forms of employment, with an upward trend observed in the number of self-employed workers (including special forms of employment and freelancers).
 - In view of this, we employed a transition model to look at how forms of employment affected career retention among women of childbearing / childrearing age.
- Using the group-based trajectory model to categorize various career retention outcomes among women throughout an 11-year window (2 years before childbirth ~ 8 years following childbirth), we found a

total of 6 distinct categories of outcomes: ‘continued non-employment’, ‘dropout following childbirth’, ‘delayed return into precarious position following childbirth’, ‘dropout from regular permanent position following childbirth’, ‘early return into secure position following childbirth’, and ‘continuation of regular permanent position’. Looking at some of the determinants, we found that additional childbirth, university or higher diploma, spouse’s income, availability of family / public care were key factors behind these outcomes.

- Among the ‘dropout from regular permanent position following childbirth’ group, a university or higher diploma, availability of family care, and additional childbirth were contributing factors to labor market dropout. On the other hand, among the ‘continuation of regular permanent position’ group, a university or higher diploma and the availability of both family and public care contributed to career retention.
- While both of these groups received assistance from family care, additional childbirth and the availability of public care had differing effects.
- In particular, among women who were able to retain their regular permanent position from before childbirth, the availability of public care played a key role. Considering the effect of the prepartum job, the availability of maternity leave and public care played key roles in the continuation of regular permanent positions. Among the ‘dropout from regular permanent position following childbirth’, the availability of maternity leave had not significant effect.

- Again, among the ‘early return into secure position following childbirth’ group, the availability of public care was found to play a key role, thus underlining the importance of a stable public care system in facilitating women’s access to the labor market.
- This implies that for the postpartum continuation of decent – i.e., regular and permanent – positions, there needs to be a multi-layered support structure where family care + public care + maternity leave are all available simultaneously. The absence of even one of these will be detrimental to career retention.
 - Even among women who leave the labor market after childbirth, a properly functioning and stable public care system can aide their return to work.
 - Thus, facilitating women’s career retention will call for a simultaneous and multi-layered support structure comprising an expanded public care system (including national / public childcare facilities) and universal availability of social care systems such as maternity leave.

III. The Effect of Work Flexibility on Career Retention

- Using work hours as a proxy indicator of flexibility – a key factor affecting the economic activity of women - we analyzed career retention outcome categories and labor market transitions across different work hour categories. Applying the same methodology as Chapter II, we found a total of 6 categories of pre/post-partum labor

market outcomes for women: ‘continued non-employment’, ‘delayed return into 30~40 hour position’, ‘dropout following childbirth’, ‘continuation of 15~29 hour position’, and ‘return following childbirth’.

- The key determinants behind these outcome categories were much in line with the findings from the previous chapter: higher education, spouse’s income, and availability of family / public care were found to play key roles.
- The central finding can be summarized in the key roles of childcare method and the availability of maternity leave.
 - Among groups continuing to work relatively shorter (15~29 hours) and those who previously worked long hours and returned to 30~40 hour positions after childbirth, family and public care had a positive role.
 - This indicates that the availability of national / public childcare facilities, in-workplace childcare facilities, and other modes of public care (such as ‘Idolbom’ services), along with the help within their social network, played important roles for the continuation of both 14~25 hour and 30~40 hour positions.
 - Controlling for workplace characteristics prior to childbirth, the availability of public care had a positive effect on the ‘continued 15~29 hour position’ group, while the availability of maternity leave and public care had a positive effect on the ‘return into 30~40 hour position’ group.
 - Thus, when work hours are made flexible while at the same time there is stable access to government childcare support and

maternity leave programs were found to work towards women's career retention.

IV. Policy Tasks

1. Importance of Policies in Support of Career Retention

- The pivot of career-interruption policies from aiding re-employment to preventing dropout was driven by the fact that previous policies had no substantial effect in curbing women's career interruption. While earlier studies found that, on the surface level, there is a trend toward labor market participation among women, this study reveals that there have been little changes in the fundamental factors driving women of childrearing age away from the labor market.
- Seeing as how the Korean government had already pursued policies for the childcare of infants and young children, the absence of a substantial drop in career interruption despite improvements to women's working conditions suggests the need for new policy approaches.
 - Furthermore, as the gendered characteristics often mentioned in previous models of household earning slowly fade away, there has been a relative drop in the incidence of so-called 'L-curve' outcomes where highly educated women never return to work following career interruption. This indicates that it has become a social norm for women to continually spend their lifetime working as much as men had.
- These observations imply that, in contrast to previous studies that

understood the issue of career interruption at the individual / household level, future efforts must identify and reflect a more meticulous understanding of the interconnectedness of individuals / households with workplace factors and government policies. In particular, there is a need to focus on which workplace characteristics drive higher career interruption.

- Furthermore, in step with the legislative revisions that took place in 2021, there is a need for diverse policy support measures towards women's career retention.
 - The career retention program, which had been implemented by 'Work-Again (Sae-il)' centers is important for career-interrupted women in general. Thus, it must be reinforced and expanded, with a particular focus on tailoring support according to workplace characteristics.
 - With regards to on-going support provided to workplaces, these must be linked to the various workplace programs in place by providing support for HR consulting. They must also be linked to workplace supervision, so that support and supervision are implemented in a systematic manner. To help build HR practices that are actually conducive to work-life balance, cost subsidies must be provided in addition to further measures for providing concrete support for services.
 - With regards to support provided to workers, various leave and pay support programs must be supplemented by a career retention-minded worker support policy informed by systematic analyses of the evolution of career interruption risk throughout workers' lifetimes. Thus, the support system for workers must be

expanded with a view to career retention.

- Furthermore, securing women's career retention would call for not only support toward jobseekers but also various welfare support measures, so that policies can meet the needs of those targeted by policy. Thus, these measures must be further linked more closely with relevant national policies and initiatives.

2. Preventing Career Interruption Among Women with Children

- This study, wherein we have looked at 11 years of data, there are no substantial differences in the tendency toward career retention between those who had or hadn't given birth. In particular, the burden of childbirth and childcare was associated very negatively with career retention in the labor market – and this effect was not limited to cases of infants or young children. Over the mid to long term, such negative effects can go on to influence wages and positions, thus exacerbating existing gender gaps. Therefore, ample support must be provided to women with children, and future policies must focus on minimizing the aforementioned negative effects they will experience in the labor market.
- Meanwhile, no notable career retention effects were observed among women who opted out of marriage and childbirth. Only new entrants to the labor market transitioned to regular permanent positions, while all others retained their previous workplace characteristics. Taking all of these findings into consideration indicates that future policies in support of women's career retention should place more weight toward childrearing women.
- The availability of various care support services was found to be

a key determinant of women who were previously working in a regular permanent job. Among those who managed to retain their position at a 'decent' (i.e., regular permanent) job, the availability of public care was shown to be a key factor. Controlling for pre-partum workplace characteristics, the retention of decent jobs depended on a combination of public care + maternity leave.

- This points to the need to address the issue of non-universal access to maternity leave. For workers unable to use maternity leave, current flexible work hour programs must be expanded during their childrearing periods. Programs may be reformed so that workers can choose between maternity leave or reduced work hours during childrearing. In particular, among SME workers who have limited access to maternity leave, a key alternative may involve a choice between reduced work hours or income support.
- Another way to improve universal access to support may include providing workers with a choice between maternity leave or a reduction in work hours or support for care services that is commensurate to the period / salary cost of maternity leave. Those who opt not to go on maternity leave could be provided with a payment commensurate to that for 2 years of parental leave (1 year for each parent), which they can use to pay for public / private childcare services or in-home care services. Such payments (commensurate to the total parental leave allowance) can be financed by the government, providing workers with a pool they can intermittently draw from until the child reaches 10 years of age.

3. Establishing a Flexible Labor Market Environment for Women's Career Retention

- Labor market flexibility plays an important role in determining women's career retention. In addition to spatial and temporal flexibility at the workplace, the option to reduce work hours during childrearing periods will be a key driver of women's career retention.
- In this study, we further categorized the subjects to look at how work hour flexibility affected each group in terms of career retention outcomes. While no significant effects were found in the case of unmarried / childless women, substantial implications were found among women affected by childbirth / childrearing. First of all, in the 'continuation of 15~29 hour position' and 'transition from 40+ hours to 30~40 hours' groups, factors such as education, availability of family care, and availability of public care played key roles in determining career retention.
 - The efficacy of care support systems can be further enhanced when combined with work hour flexibility. While the availability of public care had a significant effect among those working relatively shorter hours, such as the '15~29 hour position' group, the availability of public care and maternity leave played key roles among the 'transition from 40+ hours to less than 40 hours position' group.
- These results indicate that, relative to women working shorter hours, those working full time are in need of more ample care support. Whereas women working shorter hours can retain their jobs as they are largely able to meet their care-related needs via the use of

facilities, the availability of maternity leave was found to be essential for women working full time.

- Meanwhile, government support that is provided uniformly regardless of forms of employment turn out to be inadequate to meet the needs of women who have limited access to maternity leave. Thus, such uniformity may be interpreted as being detrimental to career growth. Conversely, this result implies that in the case of SME workplaces that encounter difficulties in hiring the substitute workers to make maternity leave feasible, introducing flexibility and diversifying work hours to retain workers' employment may prove to be a more effect means of facilitating work-life balance.
- Therefore, the first and foremost task will be to implement diverse work hour / workplace arrangements tailored to workplace characteristics. Uniform programs handed down by the government give rise to discrepancies in take-up depending on workplace circumstances and workers' tasks, ultimately discouraging the take-up of such programs. Thus, labor and management in each workplace must cooperate and consult to devise flexible work arrangements that fit the needs of their workplace. If further support at the regional / industry level proves necessary in the process of doing so, strengthening government support for improving work environments will be another important task toward bolstering career retention.

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