Report

Promoting Diversity at Companies

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Abstract

Promoting workplace diversity is now an essential basic strategy for Japanese companies. The worker categories targeted by such efforts have expanded to include women, seniors, people with disabilities, foreigners, and LGBT people. However, the level of companies' efforts and their stance on diversity vary significantly, making it difficult to understand the current situation and relevant issues. This paper divides companies into groups according to two criteria—whether they employ the concept of diversity and whether they specify target worker categories—and discusses the characteristics of each group. This paper also examines the significance of employing the concept of diversity. The analysis focuses on how it differs from the traditional ideas such as rights protection and equal opportunity and on what makes it unique than simply addressing each worker category. This paper concludes that one of advantages of employing the concept of diversity is that it shifts companies' motive from support for minority groups to positive affirmation of a diverse workforce. Another advantage is that dealing in a cross-sectional manner with issues relevant to different worker categories gives a clue to figure out the direction and details of measures to be taken. This paper discusses how it might be practical to have a cross-sectional approach to issues facing different worker categories in exploring the significance of accepting diversity and promoting participation. It does not mean that attention to issues specific to each worker category is unnecessary. What is needed is to deal with these specific issues while embracing the comprehensive concept of diversity and taking cross-categorical views and measures.

Introduction

Japanese companies' efforts to promote workplace diversity, which create environments that accept workers with diverse characteristics and encourage them to play an active role, have been expanding their target from women to groups that also include seniors, people with disabilities, and foreigners.[1] It has become increasingly difficult for companies to secure workers, particularly young people. In this context, promoting diversity and thereby increasing the types of workers whom companies can hire and retain is now an essential basic strategy for corporate growth and sustainability, rather than just a way to improve employee benefits or corporate image.

Companies are taking measures to facilitate women's active participation, to raise the retirement age for seniors, and to achieve the legally mandated employment rate set for people with disabilities, but they tend not to consider that these measures have a common thread of diversity promotion, as evidenced by the fact that each measure often has a different person in charge. Also, some companies voice concerns about the extent to which they must provide support to employees when relevant issues arise, such as how to support employees raising a child or caring for a family member and employees with an illness or injury who continue to work while undergoing treatment. At the same time, there are companies that employ the concept of diversity, refrain from categorizing employees and issues according to employees' characteristics (e.g., being female), nurture employee attitudes and a corporate culture that comprehensively accept diversity, and create an environment that facilitates their various ways of working. It should be noted, however, that while using the word "diversity" in policies or in the name of an organizational division, some companies in effect take different measures for different target categories of workers, such as women. Companies' policies and commitment levels are not something that can be simply classified into several categories, but instead have a complex gradation of directions and levels of interest.

In promoting diversity, companies tend to emphasize not only eliminating discrimination against minority employees at the organization and providing necessary support to them, but also encouraging these employees to play an active role. There are, however, multiple ways to interpret the objective of such encouragement. For example, it is not clear whether efforts to facilitate women's active participation are aimed at participation by men and women without distinction or participation by women based on their unique perspectives. It is also not clear whether, as part of such efforts, companies strictly enforce the same standards for both men and women in hiring and job assignment or have standards and concessions that are uniquely applied to women. In other words, the question is whether companies should take a universal approach or should take positive action (i.e., actively make improvements) aimed at reducing inequality faced by minorities. Another issue is that companies tend to take one approach to deal with cases involving women, but a different approach for cases involving seniors, people with disabilities, and foreign workers. A question therefore arises whether it is reasonable to have different approaches to diversity promotion depending on the target of such action. There may be no right measure or course of action, but without a consistent commitment and consistent action, companies' efforts to promote diversity may confuse their employees and job seekers, and companies may fail to obtain the expected results. The purpose of this paper is to categorize, from several perspectives, different directions and levels of interests concerning companies' efforts for promoting diversity, to understand how companies' efforts vary depending on their views on diversity, and to show some points that companies should bear in mind for promoting diversity with a consistent viewpoint.

Toward this end, this paper uses data from " Questionnaire Survey on Diversity Promotion by Companies" which was published in June 2017 by the Diversity Management Strategy Department of Mitsubishi UFJ Research and Consulting.[2]

1. Promotion of Diversity by Companies: A Summary of Concepts

The importance of diversity promotion by companies has been frequently discussed, yet employees in HR departments often say that they do not know how to properly approach it. Also, some companies do not take a clear stance on diversity promotion and consequently implement various policies that lack consistency and result in confusion.

1.1 From Minority Protection to Diversity Promotion

Diversity promotion can be regarded as creation of an environment that accepts workers with diverse characteristics and encourages each of them to play an active role. The flip side of this interpretation is that there have been workers who have not been accepted at companies. Measures to promote diversity therefore can be considered to target minorities at companies, such as women, seniors, people with disabilities, and foreign workers.

Any company must not discriminate against minorities and must provide legally required support to them in accordance with the obstacles that have kept them from staying in organizations. It is necessary to outline how such protection of minimally required rights and the relevant support differ from diversity promotion. Take the example of LGBT issues which have gained attention in recent years as part of diversity promotion. LGBT issues are considered in promoting diversity not only based on the idea of eliminating discrimination against sexual and gender minorities and recognizing their right not to reveal or not to be persistently asked about their sexual orientation, but also because of the fact that diversity in gender identity and sexual orientation and in personal values has become positively viewed and accepted, and that it has become easier for them to come out by their own choice.[3]

At Japanese companies, efforts to promote diversity are rooted in two relevant but separate women's issues: equal opportunities for men and women and women's active participation. There are companies that, in the process of promoting women's active participation, began to use the term "diversity" in place of "women's active participation." If they had pursued only equal opportunity in employment, this substitution of the term "diversity" might not have happened. Also, through the switching of the terms, some companies may have intended to convey the message that they were aiming to create an organization where both women and men, rather than just women, could play active roles. When efforts to promote women's active participation started to attract attention, emphasis was placed on benefiting from women's unique perspectives and other characteristics. Such emphasis, however, could lead to the idea that some jobs are not suitable for women, which might create obstacles to women's active participation. Companies that were selected for the 100 Diversity-Friendly Corporations when the program first started also emphasized women's perspectives (Ministry of the Economy, Trade, and Industry, 2013). This implies that not all companies that shifted focus from women's participation to workplace diversity had intended totally inclusive policies.

1.2 Common Measures for Multiple Target Groups

Another reason why companies have started to use the term "diversity" is that they want to organize their various efforts for different target groups, such as women, seniors, people with disabilities, and foreign workers, under the concept of diversity promotion. A growing number of companies are creating an organizational division and policies that advocate diversity promotion, under which measures for different target groups are taken. Even though such a division or a set of policies is designated for diversity promotion, there are cases in which targeted measures are taken for different groups and cases in which common, comprehensive measures are taken for all target groups. Comprehensive measures include nurturing employee attitudes and a corporate culture that accept diversity and creating mechanisms that enable employees to work in various ways and build their careers (see Figure 1). Such a difference in approach is also observed in diversity training programs: some are based on specific issues concerning particular groups, while others have across-the-board topics such as being aware of unconscious bias and managing employees' various ways of working. Targeted measures to promote diversity are for specific groups, whereas comprehensive measures can be applied to a wide range of groups and issues. Companies that have started placing emphasis on taking advantage of a diverse workforce are grasping the idea that while outward characteristics of women and other groups provide a way to achieve diverse hiring and a diverse workplace, it is the diversity of internal factors, such as values, skills, and experiences, that is truly important. Based on this idea, some companies comprehensively promote diversity, considering that individual employees are different from one another, and that measures taken based on specific personal characteristics can hinder efforts to promote diversity, including the truly important diversity in employees' internal attributes.

Figure 1: Illustration of targeted and comprehensive measures to promote diversity
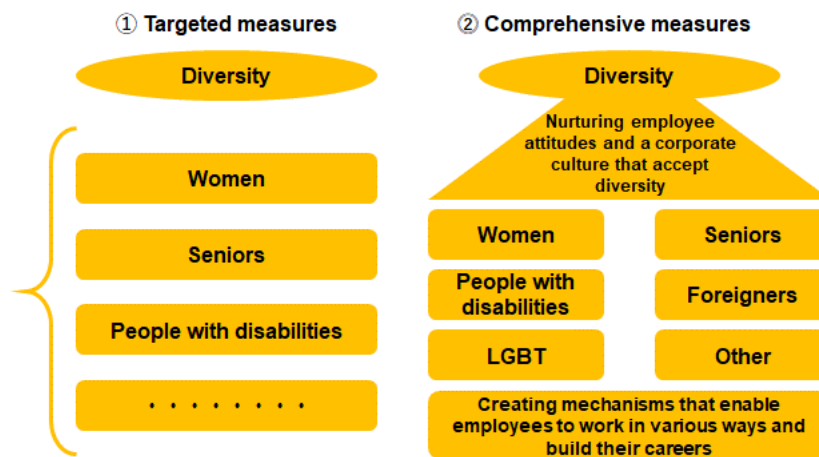
Source: Author`s illustration

Although the idea that every employee is distinct from others may be useful for personnel evaluation or managers' hands-on managerial activities, the idea may not lead to companies creating a corporate environment and mechanisms as part of positive action aimed at eliminating discrimination and other disadvantages. Among comprehensive measures, which are illustrated in the right diagram of Figure 1, there could be cases in which issues concerning individual groups are not addressed. Yet, in reality, companies are likely to take measures to deal with such issues. In Japan, all major companies are required by the Act for Promoting Women's Active

Participation to set goals and plans for positive action. For companies that take targeted measures regardless of personal attributes, setting goals concerning, among other things, the percentage of female employees in the organization would mean more than just complying with a legal requirement. Without the help of indicators that are based on employees' outward characteristics, it can be difficult to grasp the extent to which the levels of diversity in employees' internal characteristics and diversity in their various other attributes have risen, as well as the extent to which relevant measures are effective. Even companies taking comprehensive measures to promote diversity probably need to do more than just meet preconditions for employees' active participation by eliminating discrimination faced by different groups and providing support that enables employees to continue to work. They must also obtain clues from observed diversity when they set goals, evaluate employee performance, and implement measures.

1.3 Various Ways of Working

A major factor that has forced women to quit their jobs once they became pregnant or had a child was that they could not choose nontraditional ways of working while raising a child. The amendment to the Child Care and Family Care Leave Act in 2009 has made it possible for employees to have short working hours until their child becomes three years old. This has led to a decline in the number of female regular employees who quit their jobs directly due to pregnancy or childbirth. At the same time, the problem has emerged that employees' use of child care leave programs and reduced working hour programs over a long period of time have negatively affected their career-building efforts.

This problem is relevant to active participation of not only women, but also employees who choose nontraditional ways of working because of their need to raise a child, care for a family member, or undergo treatment for an illness or injury. From the standpoint of companies, measures to promote work-life balance are different from measures to promote diversity. Traditional measures to promote work-life balance needed to redress the problem of long working hours and offer flexible ways of working. However, not much consideration was given to encouraging program users to realize their full potential or build their careers. The goal of the Work-Life Balance Charter put forth by the Cabinet Office is that all workers lead a healthy, comfortable life, being able to not only work with a sense of fulfillment and meet professional responsibilities, but also have time for raising children, caring for family members, spending time with family, contributing to the community, and pursuing self-improvement. Enabling workers to realize their potential while maintaining a balance between work and child-rearing or family care requires mechanisms for setting goals, assigning tasks, and evaluating work performance according to employees' various ways of working. In addition, it is necessary to set appointment criteria according to employees' various ways of working and support their career development through training programs and information dissemination so that employees can form expectations about building their careers while taking advantage of a reduced working hours and other programs.
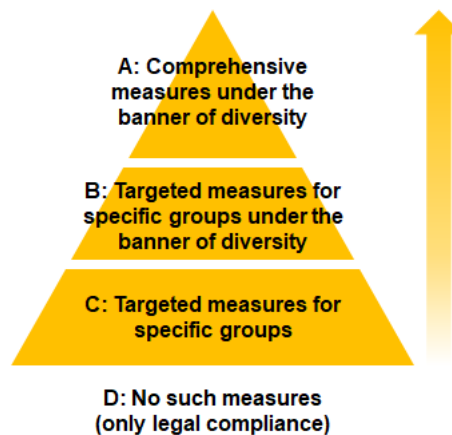
2. Status of Diversity Promotion at Companies

2.1 Types of Diversity Promotion

This section considers the state of diversity promotion at Japanese companies in connection with the different approaches discussed in the previous section. The analysis is based on data from a survey conducted by Mitsubishi UFJ Research and Consulting (2017). The survey considers six groups that are targeted by diversity promotion efforts: women, seniors (aged 60 years or older), people with disabilities, highly skilled foreign workers, time-constrained employees, and LGBT people.[4,5,6]

To understand companies' efforts to promote diversity that are based on employees' outward characteristics, companies are divided into four types according to two criteria: whether they use the term "diversity" or the concept of diversity in their measures (i.e., whether they take measures under the banner of diversity) and whether their efforts are comprehensive or targeted to specific groups (see Figure 2).[7] Here, it is assumed that type A companies promote diversity more heavily than type B companies, type B companies promote diversity more heavily than type C companies, and so on.

Figure 2: Types of diversity promotion efforts and their target

A: Comprehensive measures under the banner of diversity

B: Targeted measures for specific groups under the banner of diversity

C: Targeted measures for specific groups

D: No such measures (only legal compliance)

Source: Author`s illustration

To see whether this categorization is related to companies' willingness to emphasize diversity, cross-tabulation analysis is performed using the responses to the survey question asking whether the company considers diversity promotion in its management policy or as a management issue. As expected, type A companies and type B companies, which implement measures under the banner of diversity, overwhelmingly address diversity promotion in their management policy or as a management issue (see Figure 3).

Figure 3: Diversity promotion addressed in management policy or as a management issue (by company type)
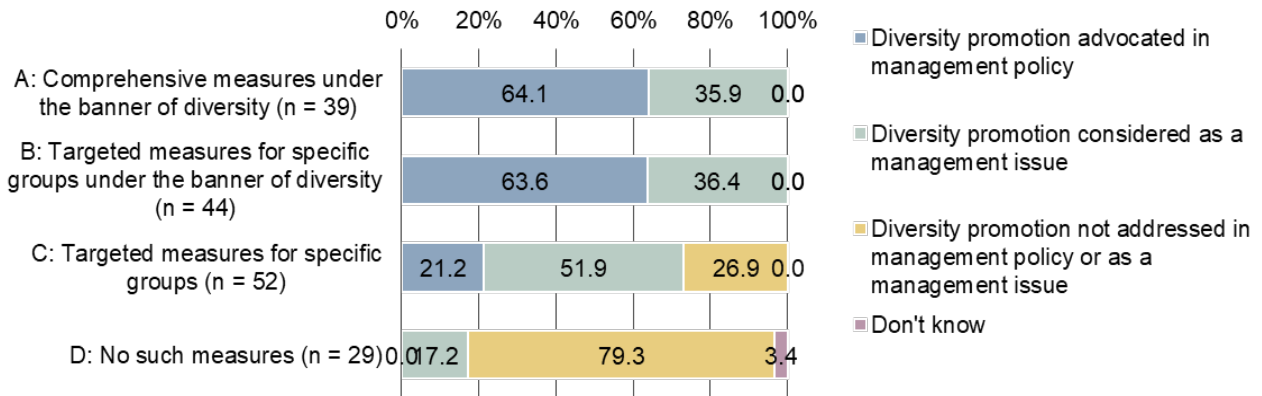
Source: Mitsubishi UFJ Research and Consulting. (2017). Kigyo ni okeru diversity suishin ni kansuru anketo chosa [Questionnaire Survey on Diversity Promotion by Companies]. The same source is used for Figures 4 to 12 and Tables 1 and 2.

Figure 4 illustrates the result of a cross-tabulation analysis for the four types of companies and the groups targeted by active measures. For companies of types A, B, and C, those that merely comply with legal requirements are excluded. That is, the figure shows only the percentage of companies responding that they take active measures. Type B companies, which take targeted measures for specific groups under the banner of promotion, have the highest percentage of companies that take active measures for women. Meanwhile, type A companies, which take comprehensive measures under the banner of diversity, have the highest percentage of companies that take active measures. Compared with type A and type B companies, type C companies, which only take targeted measures for specific groups, have a low percentage of companies taking active measures for highly skilled foreign workers. Also, type C companies take no active measures for LGBT people. Type D companies, which take no measures intended for minorities, merely comply with legal requirements with respect to some groups.

Figure 4: Worker categories targeted by diversity promotion measures (by company type)
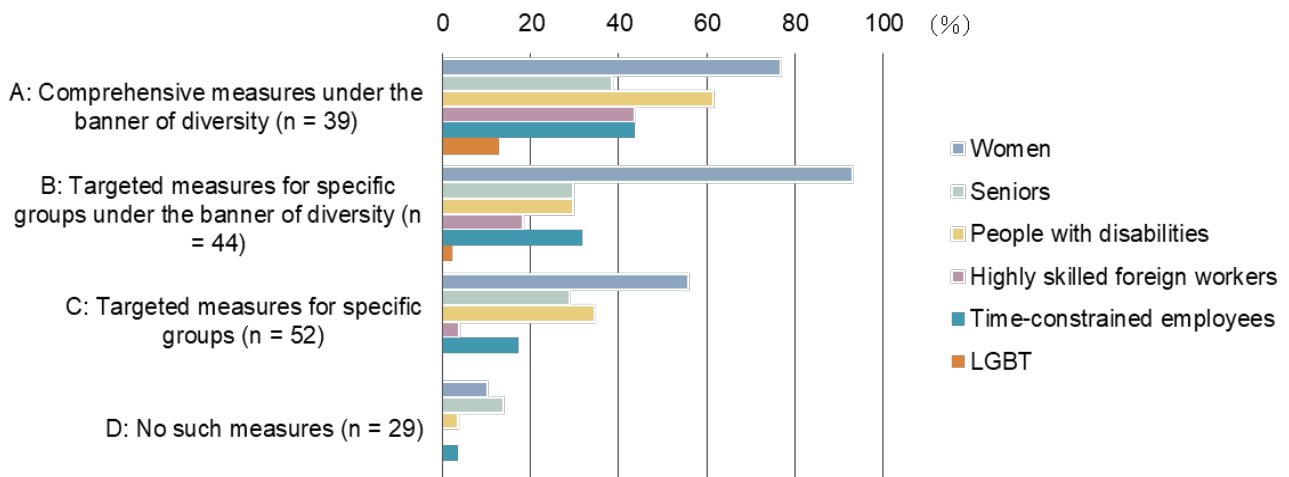
2.2 Kinds of Diversity Emphasized and Objectives of Diversity Promotion

Let us now turn to the kinds of diversity that companies emphasize. Figure 5 shows the relationship between the type of measures taken by companies and the kinds of diversity that they emphasize, which include not only diversity in worker categories, but also in workers' various ways of working, their types of employment, and their internal attributes—namely, diversity in skills, experiences, and expertise and in individual values and views. The percentage of companies emphasizing diversity in worker categories (women, foreigners, etc.) is highest for type A, followed by type B and then type C companies. Most type A companies (more than 90 percent) emphasize diversity in worker categories. The main difference between type A companies and type B companies is that the latter put greater emphasis on variety in ways of working (flextime, etc.). Also, as seen in Figure 4, the percentage of type B companies heavily promoting women's active participation is high. It is therefore considered that the various ways of working examined here reflect reduced working hours and other various ways of working that are intended for employees trying to keep a good balance between work and child-rearing. Type A companies have the highest percentage of companies emphasizing diversity in skills, experiences, and expertise, although the differences from the other company types are small. Type C companies are characterized by their high percentage of companies emphasizing diversity in employment types (regular employment with certain restrictions, etc.). There are a fair number of type C companies that actively take measures for women, seniors, and people with disabilities, although the percentage of such companies is not as high for type C companies as for type A and type B companies. It is possible that type C companies emphasize diversity in employment types in the sense that they accept various types of employment other than regular employment—which requires a full commitment by employees—in order to enable women, seniors, and people with disabilities to continue working.

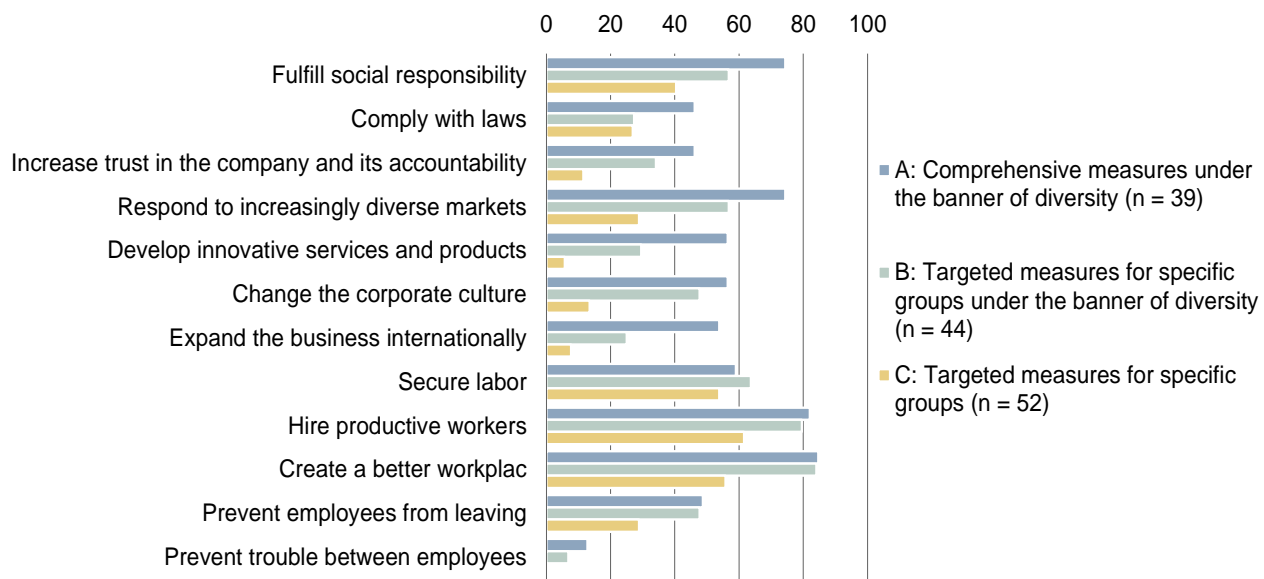**Figure 5:** Kinds of diversity emphasized (by company type)
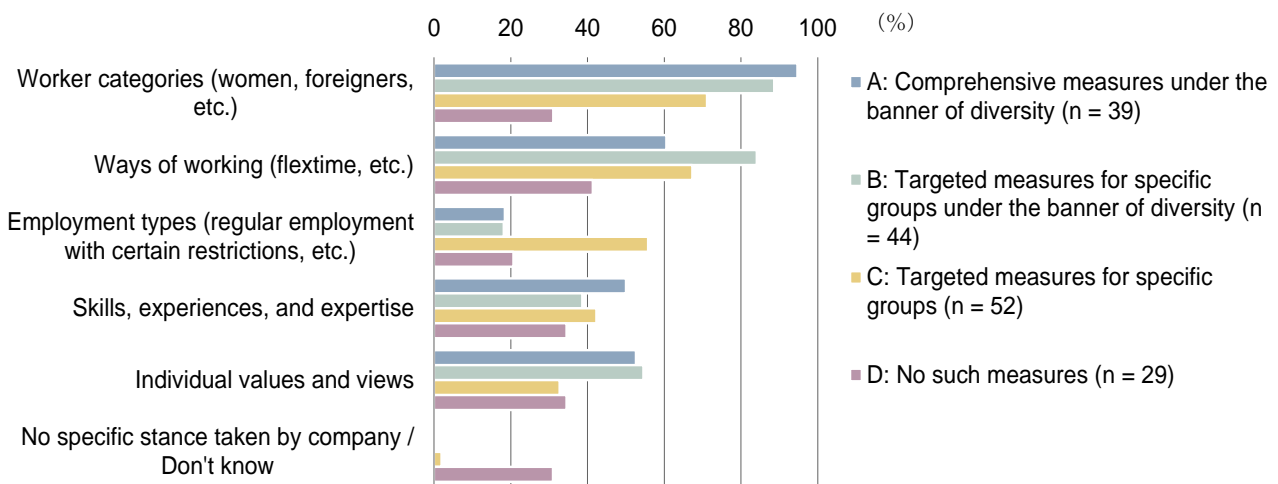
What do companies expect to gain by promoting diversity? As Figure 6 shows, approximately 80 percent of type A and type B companies say that their objectives in promoting diversity include creating a better workplace and hiring productive workers. It seems that the primary objective is to secure workers. Differences between the two types of companies are large in the following objectives: expanding the business internationally, developing innovative services and products, and responding to increasingly diverse markets. Type A companies seem to

emphasize responding to changing markets and producing innovations. Also, large differences between type C companies and type A and type B companies are observed in objectives such as changing the corporate culture and increasing trust in the company and its accountability.

Type A and type B companies take measures under the banner of diversity. One could say that such companies try to not only support minority employees, but also achieve organizational reform or gain trust by transforming themselves into diversity-friendly organizations.

Figure 6: Objectives of promoting diversity (by company type)

- A: Comprehensive measures under the banner of diversity (n = 39)
- B: Targeted measures for specific groups under the banner of diversity (n = 44)
- C: Targeted measures for specific groups (n = 52)

Note: Type A, type B, and type C companies are considered.

(%)

2.3 Diversity Promotion and Positive Action

In promoting diversity, do companies take special measures targeted to women, seniors, and other minorities in terms of hiring and job assignment, or do they apply the same standards to all workers? Tables 1 and 2 show what types of positive action are taken by companies. The table shows values for all respondent companies (i.e., without dividing them into the four types) due to the complexity of the data and a lack of differences among the four types.

With regard to hiring, more than 60 percent of companies have a policy to actively hire women (see Table 1). It should be noted, however, that the percentage of companies that allow cases in which a woman is hired over other equally qualified candidates (i.e., being a woman is positively considered) is about 12 percent, and that no company uses special hiring criteria for women that are different from those applied to other candidates. The percentage of companies using hiring criteria that are the same as those applied to other candidates is about 70 percent. These results show that even companies that actively hire women do not take a drastic positive action such as changing hiring criteria. However, the situation differs depending on the worker category. In the case of people with disabilities, a high percentage of companies actively cooperate with an external entity for hiring them and use hiring criteria specially designed for these workers.

Table 1: Policies and measures for hiring (n = 168)

	Women	Seniors	People with disabilities	Highly skilled foreign workers	Time-constrained employees	LGBT
Have a policy for active hiring	64.9	5.4	26.8	12.5	3.6	1.8
Hold company information sessions for workers in a given category, hiring seminars on them, or other events	27.4	1.8	15.5	7.7	0.0	0.6
Cooperate or consult with an external entity for the purpose of hiring workers in a given category	6.5	7.7	50.0	13.1	6.0	3.6
Allow cases where a worker in a given category is hired over other equally qualified candidates	11.9	6.0	23.8	7.1	4.2	1.2
Use hiring criteria for a given worker category that are different from those applied to other candidates	0.0	6.5	31.0	8.3	3.6	2.4
Use hiring criteria that are the same as those applied to other candidates	70.8	39.3	16.7	39.9	36.3	44.0

Note: The tabulation is based on relevant multiple-response questions. Some companies do not have special hiring policies or measures. Therefore, the percentages for each worker category does not necessarily add up to 100.[8]

Companies implement various policies regarding job assignments for women (see Table 2). The percentage of companies that give no special consideration to employees' being female is 44.0 percent, which is smaller than the percentage of companies using hiring criteria that are the same as those applied to other candidates. Also, 18.5 percent of the companies assign female employees to divisions that can take advantage of their unique characteristics; 17.9 percent assign female employees to divisions with consideration given to difficulties arising because they are women. Similarly to the case of hiring, people with disabilities tend to receive special consideration in job assignment. Highly skilled foreign workers tend to be assigned to divisions that can take advantage of their unique characteristics. The latter tendency becomes much higher when companies that do not employ highly skilled foreign workers were excluded from the analysis. Also, the percentage of companies without specific policy regarding job assignment exceeds 20 percent. This may suggest the possibility that expectations and intentions of companies are different from those of foreign workers hired by them.

Table 2: Policies and measures for job assignment (n = 168)

	Women	Seniors	People with disabilities	Highly skilled foreign workers	Time-constrained employees	LGBT
Assign employees to divisions that can take advantage of their unique characteristics	18.5	19.6	34.5	24.4	8.9	0.0
Assign employees with consideration given to difficulties attributed to their being in a given worker category	17.9	20.2	62.5	4.8	19.6	1.8
Assign employees to divisions that have a large number of employees in the same worker category	4.8	0.6	11.3	1.8	0.0	0.0
Assign employees to divisions that have a small number of employees in the same worker category	2.4	0.0	0.6	0.6	1.2	0.0
Give no special consideration to employees' worker category	44.0	28.0	2.4	13.7	16.1	19.0
Have no specific policy	25.0	27.4	10.1	21.4	23.2	22.0
Have no such minority employees / Don't know	0.6	6.5	7.1	29.8	24.4	52.4

Note: The tabulation is based on relevant multiple-response questions. Some companies do not have special hiring policies or measures. Therefore, the percentages for each worker category do not necessarily add up to 100.

Similar category-dependent differences in policies are observed even among type A companies which take comprehensive measures to promote diversity. Several relevant questions arise. Should approaches to actively employing minorities as part of diversity promotion differ depending on worker categories? Are such differences a result of having insufficient employees in certain categories? Or, are they a result of companies' lack of cross-categorical views? The survey results considered here cannot provide clear answers to these questions, and therefore further studies are needed.

## 2.4 Nurturing a Corporate Culture That Promotes Diversity

Let us now consider how companies are raising awareness to create a corporate culture that promotes diversity. Training seminars can be organized to raise awareness. Given that it is important how target worker categories are set for such seminars, the survey asked the respondents to report not only the subject of seminars, but also their target worker categories.[9] With regard to seminars on diversity promotion in general and seminars on measures against harassment, the percentage of companies holding seminars is highest for type A companies, followed by type B companies, type C companies, and type D companies (see Figure 7). Since type C and type D companies do not explicitly advocate diversity promotion, it is natural that the percentages of these companies holding seminars on diversity promotion are generally low. However, they also have low percentages in the case of seminars on measures against harassment.

As for the percentage of companies holding seminars on promoting women's active participation, type A companies have a high percentage for seminars targeting employees in general, whereas type B companies have high percentages for seminars targeting female employees and seminars targeting managers (see Figure 8). That is, companies that promote diversity by separately training different types of employees tend to organize seminars for employees in specific worker categories and seminars for their superiors.

Figure 7: Percentage of companies holding seminars intended for employees in general (by company type)
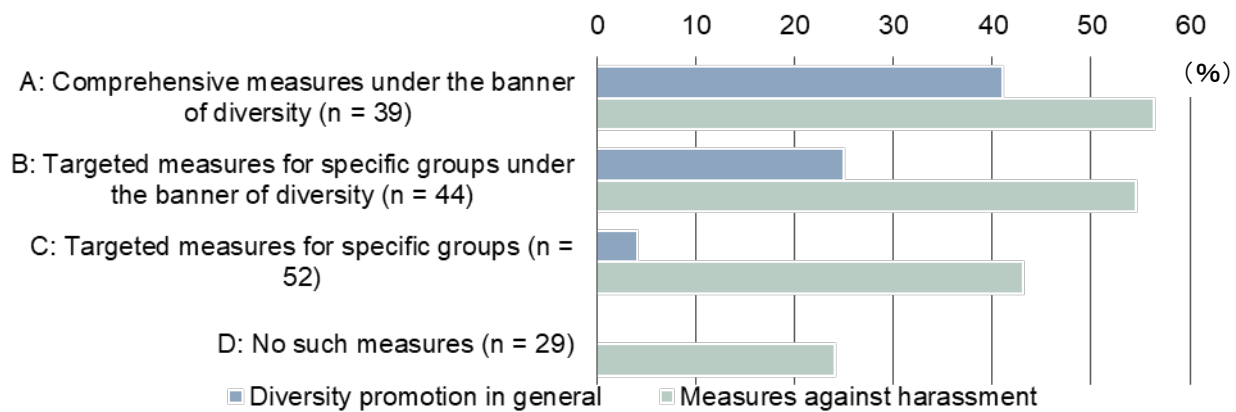
Figure 8: Percentage of companies holding seminars on promoting women's active participation (by company type)
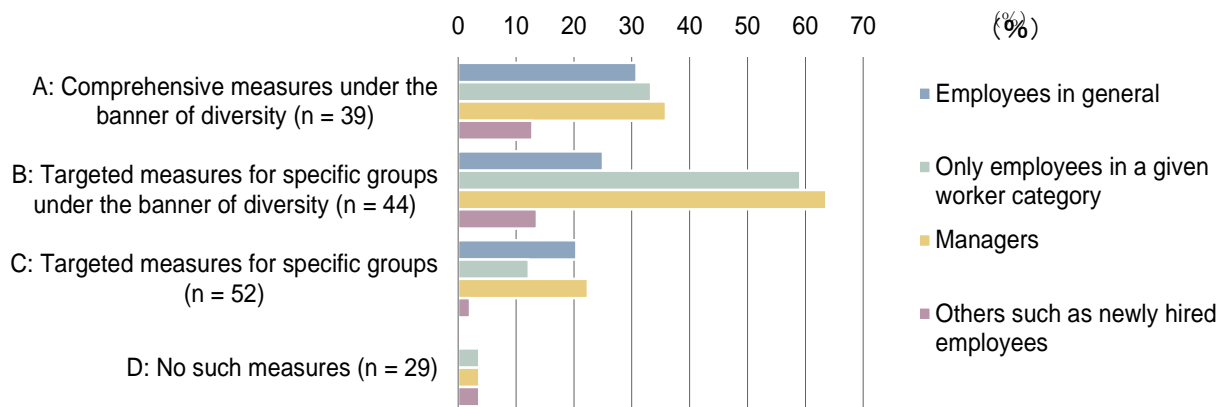
In the case of seminars on ways of working for time-constrained employees and their managers, the percentages of companies holding seminars for time-constrained employees and mangers are highest among type A companies. The reason seems to be that management of time-constrained employees is important not only for employees categorized as such, but also for women, seniors, people with disabilities, and foreign workers as it is a common, cross-categorical issue. Therefore, the percentage of companies holding such seminars is highest among type A companies which have comprehensive measures for different worker categories.

2.5 Diversity Promotion, Ways of Working, and Personnel Management Systems

The previous section has shown that companies do not take drastic positive actions concerning hiring women and assigning jobs to them. At the same time, many major companies have taken positive action in regard to promotion because of the Act for Promoting Women's Active Participation, and it seems that a fair number of companies actively promote women based on distinctive criteria for their promotion. However, according to Mitsubishi UFJ Research and Consulting (2016), positive actions such as establishing a clear system for promoting women's active participation, creating positions responsible for the effort, and setting policies and objectives regarding promoting women to management positions have been effective at companies where the percentage of women in management positions has recently increased. Also, companies where the percentage of

women in management positions has reached a relatively high level (i.e., 20 percent or more) are characterized by their criteria for promotion emphasizing productivity rather than seniority, and that the percentage of employees working long hours is low. These results imply that companies do not achieve workplace diversity simply by actively accepting new types of workers, and that companies must change their organization including systems for existing employees in order to accept new types of workers.

What characteristics of the employees' ways of working and personnel management systems are revealed by the survey? As Figure 9 shows, high percentages of type A and type B companies consider redressing the problem of long working hours and promoting flexible ways of working as important measures in work reform. As for type C companies, while a high percentage of them consider redressing the long-hours problem as an important measure, only about half of them consider promoting flexible ways of working as an important measure. It seems that companies taking measures under the banner of diversity emphasize not only reducing working hours, but also enabling diverse types of employees to choose from various ways of working according to their needs.

**Figure 9:** Measures considered important (by company type)
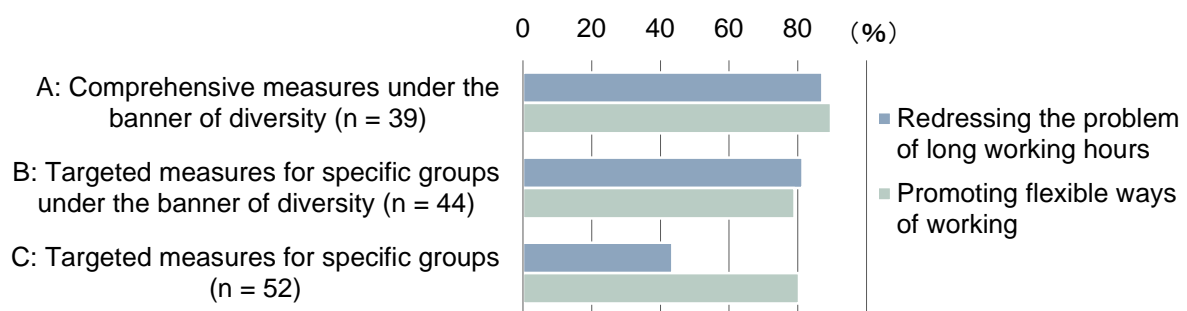
Note: The responses from type A, type B, and type C companies are considered.

With regard to employee rating, a duty- or role-based rating system, which clarifies the extent of each employee's duty or role, may be appropriate in fairly evaluating employees who have chosen nontraditional ways of working. In Japan, many companies have used skill-based employee rating systems, which are considered to make regular employees' duties and roles unclear, to result in long working hours, and make it difficult to ensure fairness among employees working in different ways. Figure 10 shows how companies of each type adopt different employee rating systems. The difference between the percentage of companies adopting a skill-based system and the percentage of companies adopting a duty-based system is smallest for type A companies whose workplaces are considered most diverse. It should be noted, however, that the percentage of companies adopting systems that are close to or somewhat close to a skill-based system is higher than the percentage of companies adopting systems that are close to or somewhat close to a duty- or role-based system.

Mitsubishi UFJ Research and Consulting (2016) points out that there is no clear relationship between the kind of employee rating system adopted and the degree to which women's active participation is promoted (as seen in, for example, the percentage of women in management positions). Also, it is known that there seems to be no consistent pattern between the type of employee rating system (i.e., duty-based or skill-based) and criteria for performance evaluation and promotion, even though one would expect them to be related.

**Figure 10:** Employee rating systems (by company type)
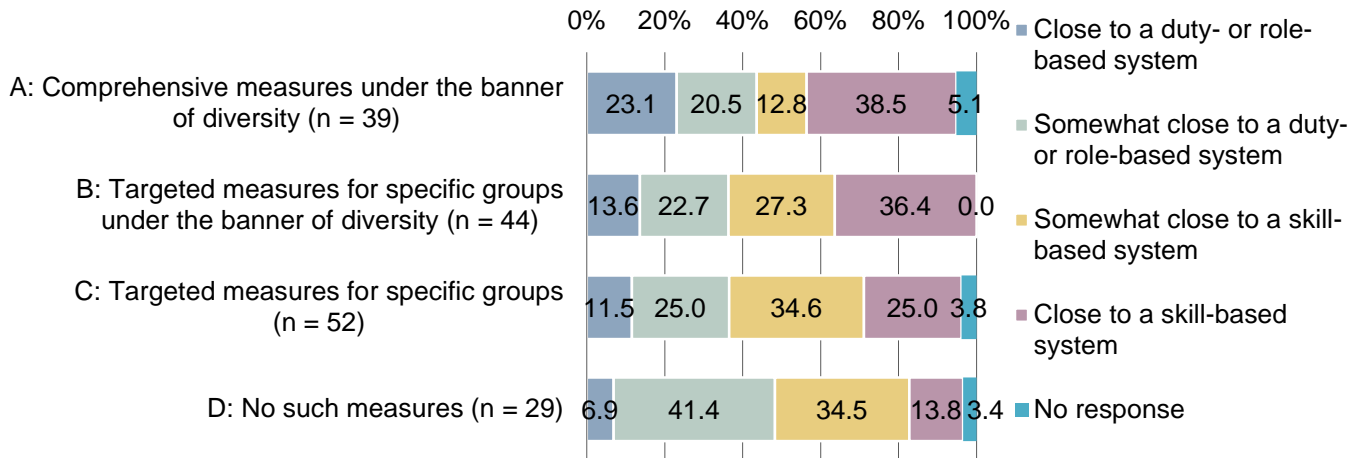
The comparison among the four types of companies reveals that the higher the degree of diversity promotion (i.e., the closer the company type is to type A), the higher the percentage of companies with a system close to a skill-based system, or the higher the percentage of companies with a system close to a duty- or role-based system (that is, the lower the percentage of companies providing a vague answer—"somewhat close to"). This may suggest that what is relevant is whether the features of a company's personnel management system are made clear and clearly understood, rather than whether the company's system is skill-based or duty- or role-based.

In designing reduced working hour programs for employees who are raising a child, in creating administrative rules for such programs, and in promoting work reform, problems sometimes arise regarding consistency with the basic personnel management system. In particular, in setting goals regarding diverse employees and considering methods to evaluate their performance, it is important to take into account the features of the basic personnel management system. One could say that the clearer the features of a company's personnel management system, the easier it is to promote workplace diversity, or that a company should clearly organize the features of its personnel management system (by making them consistent, etc.) in order to promote diversity.

Let us now consider the characteristics of the criteria for promotion used by companies. As seen in Figure 11, there is a clear tendency with respect to emphasis on seniority, compared to the case of employee rating systems. The higher the degree of diversity promotion (i.e., the closer the company type is to type A), the higher the percentage of companies that emphasize seniority in deciding promotion. For type A companies, the percentage of companies that do not emphasize seniority exceeds 30 percent, and the percentage of companies that do not emphasize seniority or do not much emphasize it is close to 70 percent. Mitsubishi UFJ Research and Consulting (2016) also points out a similar tendency between emphasis on seniority in promotion and the degree to which women's active participation is promoted (as seen in, for example, the percentage of women in management positions).

**Figure 11:** Emphasis on seniority in deciding promotion (by company type)
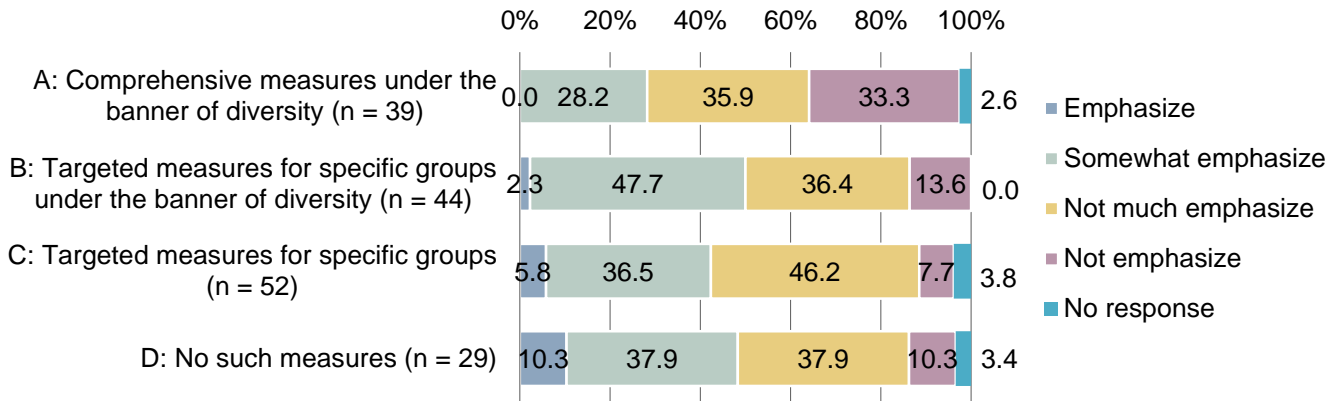
Employee evaluation based solely on seniority makes it difficult to promote employees who take advantage of programs that require adjustments of goals, but allow various ways of working, such as a reduced working hour program. However, at Japanese companies the influence of seniority is more deep-rooted in promotion than in personnel evaluation, which is reflected in salaries. It may be difficult for companies to devise convincing criteria that can replace seniority. The survey has questions on not only seniority, but also work performance and skills as factors emphasized in deciding promotion. Data from the survey show that for type A companies the percentage of companies emphasizing skills is higher than the percentage of companies emphasizing work performance. Also, a high percentage of type A companies and type B companies clearly show their rules on promotion to their employees. The role of managers is important in diversity promotion not only because diverse employees must be properly managed and trained, but also because promoting diverse employees to management positions requires reexamination of the traditional role of managers. Japanese companies have traditionally tended to value and promote employees who have achieved results that are expected of general employees. However, as the role of managers is reexamined, it becomes necessary to separately consider compensating employees for their work performance with salaries and bonuses and promoting them to management positions. It will be increasingly important to promote to management positions people who have management skills and have an aptitude for training subordinates or to develop employees into such leaders. The key to doing so is whether the company can set indicators for evaluating qualitative aspects of work, including abilities developed through experiences and the role within the organization.

Lastly, let us consider the degree to which companies emphasize employees' wishes regarding career development. As Figure 12 shows, the higher the degree of diversity promotion (i.e., the closer the company type is to type A), the higher the percentage of companies that emphasize or somewhat emphasize employees' wishes. For each company type, data from the survey do not show a difference between two types of career development—single-path (leading only to a management position) and multiple-path (leading to positions including specialist positions). In accepting diverse workers, their various values, and their different ways of dealing with life events such as raising a child and caring for a family member, companies need to put strong emphasis on employees' wishes concerning career development. At major companies, the speed of promotion is maintained roughly at a constant level because of a management system that is based on the year when each employee was hired, and there are cases in which promotion involves relocation. It will therefore be important that

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promotion and relocation occur with various timings, and that the relevant employees' wishes are reflected in such events.

Figure 12: Emphasis on employees' wishes regarding career development
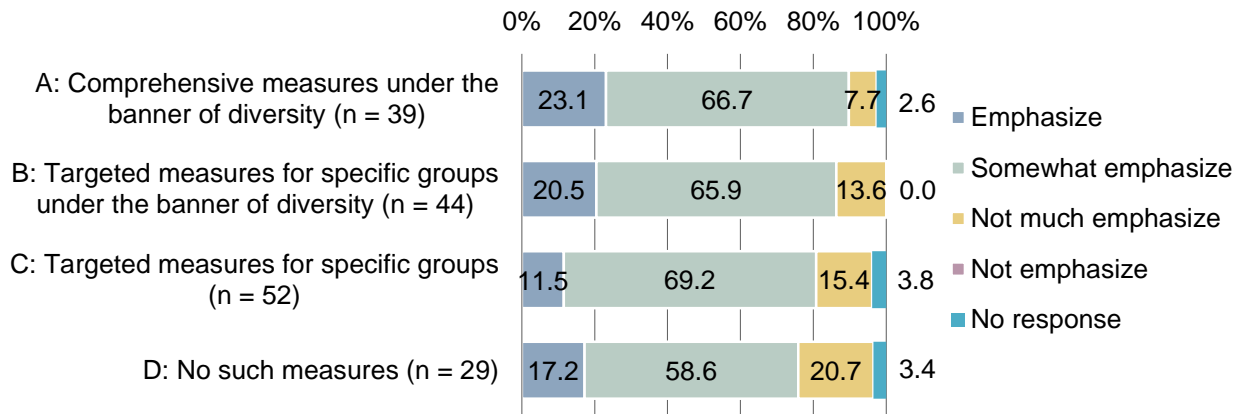
Conclusion

    This paper sought to measure the extent of diversity promotion by companies (the level of commitment, promotion policies, promotion measures), taking a clue from how companies utilize the concept of workplace diversity. Three main types of companies are considered: type A companies, which emphasize comprehensive measures taken under the banner of diversity rather than targeted measures for different worker groups; type B companies, which incorporate the concept of diversity in such targeted measures; and type C companies, which take targeted measures without using the concept of diversity. Examination of policies and measures based on survey data elucidated to some extent the characteristics of each type of companies and suggested that the way in which companies use the concept of diversity promotion reflects somewhat the degree of their diversity promotion. It should be noted, however, that type A companies could be divided into further categories because they place different weights on comprehensive measures for diversity promotion (e.g., raising awareness and reforming employees' ways of working) and targeted measures for specific groups.

    It is not known whether it is appropriate for every company to take type A companies' approach in changing itself into an organization that can accept workers which it could not easily accept in the past. To promote individual employees' active participation regardless of personal attributes, it is necessary to eliminate discrimination based on personal attributes. Few companies seem to have discriminatory elements remaining in their organizational systems; however, bias that would affect business operation, corporate management, and personnel evaluation, which could subsequently lead to discrimination, probably exists in many companies and workplaces. Positive action, which is necessary in redressing such problems, is effective when the target worker categories are made clear.[10] However, if companies pay less attention to discovering issues specific to different minority groups, taking action becomes difficult. Also, the approach to be taken by companies will differ depending on the progress made by companies in eliminating discrimination and improving corporate culture.

    Women, for example, face problems of gender discrimination. such as their superiors forming different expectations for men and women in job assignment or training. Women also face problems as time-constrained employees, for example, when they take advantage of reduced working hours and other programs for raising a child, they may be disadvantaged in terms of occupational goal setting, performance evaluation, and job

assignment, which in turn could hinder their career development. To solve such gender discrimination problems, it is important to eliminate any unconscious bias against women that is held by executives, managers, and HR employees. It is certainly possible that these problems can be addressed from the standpoint of promoting workplace diversity in general, rather than with focus solely on women. However, the progress made in solving these problems is hard to observe without using indicators such as the imbalance in women's appointments and the state of women's promotions. For the latter problem faced by time-constrained employees, in order to increase managers' level of interest, it is effective to approach the problem not by regarding it as women's issue, but by considering it as an issue involving both men and women or by dealing with employees' need to both raise a child and care for a family member and treat their illness or injury. Also, time-constrained employees can more easily continue working and perform to their potential if measures for all employees are in place that implement flexible evaluation methods (taking into account employees' time efficiency and different ways of working) and help employees build their careers in various ways. There are executives, managers, and HR employees who do not seriously consider the work performance and career development of time-constrained employees. A reason seems to be that they have low expectations regarding women's contribution and career development. Companies, however, face risk if they disregard the perspective of women in their approach to promoting the active participation of time-constrained employees.

One of the advantages of using the concept of diversity is a shift in focus from support for minorities to positive affirmation of a diverse workforce as a significant factor in corporate management. This shift of focus is accelerating recent efforts by companies to address issues faced by LGBT workers. Also, the shift parallels the transformation of minority employees' issues into organizational issues. Management's stance on relevant issues is significantly affected by the question of whether it is beneficial for minority employees or the company to not only enable time-constrained employees to continue working by accepting their short working hours, but also provide them with opportunities to perform to their full potential.

Another advantages of employing the concept of diversity is that dealing in a cross-sectional manner with issues relevant to different worker categories gives clues to grasp the direction and details of measures to be taken. As mentioned above, it is important to take measures that consider work reform for not only time-constrained employees, but all employees. Furthermore, it is practical to have a cross-sectional approach to issues facing different worker categories in exploring the significance of accepting diversity and promoting active participation. With regard to women, it is a relatively widespread idea that companies should evaluate both women and men using the same standards, rather than creating special positions or special hiring standards for women, and should create an environment where both women and men, rather than just women, can perform to their potential. In contrast, highly skilled foreign workers face the problem that companies not only often expect them to do things unique to foreign workers, while also expecting them to do everything that Japanese employees can do. Issues involving foreign workers have some similarity with those involving women: if companies are concerned about short-term results, it may make sense for companies to expect foreign workers to perform tasks in which they have unique advantages; however, such expectations may strengthen the biased idea that some jobs are not suitable for foreign workers or may discourage them from staying at the organization if they cannot expect to work actively and build their careers over the long term because a fixed role is imposed on them. If foreign workers can do everything that Japanese employees can do, it may be advantageous for companies in

terms of organizational administration, but the pool of hirable foreign workers would be smaller, or companies may hear from less job seekers. It is also possible that even though companies want to achieve diversity in employees' values, they are only able to hire foreign workers who have values similar to those of the Japanese. With regard to people with disabilities, companies should create a welcoming environment in accordance with the characteristics of their disabilities. Companies also must investigate on a case-by-case basis how a worker's disability affects various operational tasks. In taking these actions, companies should take a serious look at what individual employees can or cannot do, rather than definitively assuming that certain types of disabilities keep them from performing certain tasks (just like assuming that all women who are raising a child cannot work overtime). Just as universal design is incorporated in everyday tools and living environments, if companies create workplaces that are friendly to all employees as part of their efforts to reform working environments and employees' ways of working, then areas where companies should give special consideration to employees with disabilities would gradually become smaller. However, as companies take various measures, they should examine relevant data such as the percentage of employees with disabilities in the organization and results of employee satisfaction surveys in order to understand the progress made in terms of creating an organization that truly accepts people with disabilities and encourages their active participation. In such a case, attention should be paid to the specific worker category. In other words, companies must deal with issues specific to individual worker categories while embracing the comprehensive concept of diversity and taking cross-categorical views and measures.

Lastly, since the survey used in this paper presented new concepts and was a survey conducted by a private-sector company, the response rate was low, and the number of responses was not enough to conduct various quantitative analyses. As companies take a variety of approaches to promoting diversity, future progress in research will require analyses that are based on a large-scale survey. Also, it will be necessary to examine the relationship between companies' concrete systems and measures (including personnel management systems) and the degree of diversity, using outcome indicators for different worker categories (e.g., the percentage of employees in a given category, years worked, and the promotion rate).

Endnotes

1. Using the phrase "diversity and inclusion," some companies not only accept diverse workers, but also emphasize encouraging their active participation. Also, one can argue that the diversity advocated by Japanese companies implies both diversity and inclusion. This paper does not distinguish between diversity and inclusion and considers that diversity includes encouraging active participation by diverse employees.

2. The survey was conducted by sending questionnaires to 3,693 listed companies. The survey period was December 2016 to February 2017, and 168 companies submitted valid responses (response rate: 4.5%).

3. The term LGBT normally refers to a subset of sexual and gender minorities and does not reflect all types of gender identity and sexual orientation. In recent years, in the context of diversity promotion, Japanese companies seem to use the term in a broader sense to mean diverse types of gender identity and sexual orientation.

4. In the survey, highly skilled foreign workers are defined as those who do not have Japanese nationality and who are specialists in engineering or research and development, have specialized skills in management, legal affairs, or accounting, are executives or managers, or have a bachelor's degree or equivalent from a domestic or overseas institution regardless of the field. The focus is limited to highly skilled foreign workers who are deemed likely to be regular employees expected to work productively over a long period of time.

5. Time-constrained employees are defined as both male and female employees who have constraints on working hours due to illness or their responsibility for child or family care. The term also refers to employees who are constrained by non-time factors such as location.

6. LGBT stands for lesbian, gay, bisexual, and transgender. In the survey, LGBT people are defined as sexual and gender minorities including homosexuals, bisexuals, and transgender people who feels a conflict between their biological sex and their gender identity.

7. The choice of responses shown in the survey was as follows: (1) measures are taken using the concept of diversity or the term "diversity" and without restriction of target groups (including measures in which detailed actions may be directed to different groups); (2) measures are taken using the concept of diversity or the term "diversity," but they are implemented for only specific groups at the moment; (3); measures are taken for specific groups without using the term "diversity;" and (4) none of the above is implemented.

8. Values are different from those shown by Mitsubishi UFJ Research and Consulting (2017) whose calculation excludes non-responses. The same applies to Table 2.

9. The response options for the target worker categories are as follows: seminars for employees in general; seminars for only employees in a given worker category; seminars for managers; seminars for newly hired employees and others; no such seminars. The respondents were asked to select all that apply.

10. Promoting work-life balance and work reform and creating a diversity-friendly environment in general through, such as raising awareness of relevant issues, can be considered as part of positive action in a broad sense. Here, however, positive action is defined narrowly as actively giving opportunities and preferential treatment to minority groups.

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