

Contemporary Working Time in Japan – Legal System and Reality

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Introduction

Japan has one feature, which cannot be deemed inherent in an "advanced" country: actual working hours of the people. International comparative data suggest that working hours in Japan are conspicuously long for a country generally considered to be advanced. As shown in Figure 1, quite a few workers in New Zealand, the U.S.A., Australia, and the U.K., said to be strongly governed by the principles of the market economy, also work long hours. A majority of countries with a relatively low proportion of their workers doing long hours are seen in continental Europe, where political parties representing labor have traditionally been influential, placing checks on the principles of the market economy from the social point of view. In Japan, on the other hand, the proportion of workers doing long hours is much larger than in those countries where market principles are firmly rooted.

By now, the Japanese term, "*karoshi* (death from overwork)," is widely recognized throughout the world. Partly thanks to relaxation of the certification requirements for workers' compensation insurance, an increasing number of cases have been brought to court and recognized as death from overwork in recent years. Such cases have also been reported in the U.K. and the U.S.A.; thus overwork does not seem to be a problem unique to Japan, but there is, perhaps, no other country suffering so seriously from the problem.

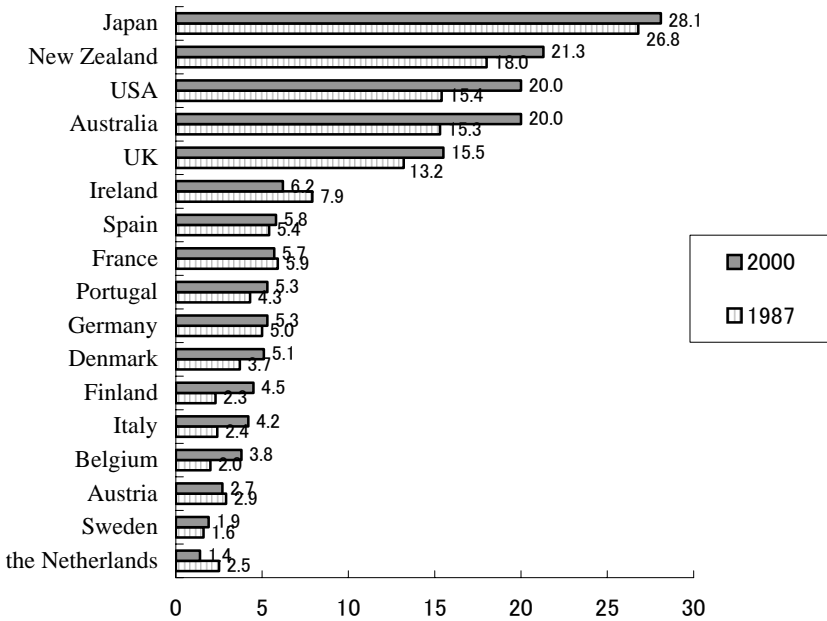
At the same time, some people claim that, in Japan, workers voluntarily opt to do overtime. In fact, a questionnaire survey, which the author conducted, reveals that not a few workers do overtime because they "want to achieve something with which they themselves can be satisfied."¹ The problem of long working hours is in fact quite complicated.

What is more, it is a widely known fact that workers in Japan rarely take all their annual paid holidays, though these are legally guaranteed.

This article has been written for this issue of the Japan Labor Review in

¹ The article by Yoko Takahashi in this issue of the Japan Labor Review is counted as a representative research making this claim.

Figure 1. Proportion of Workers Working for 50 Hours or More per Week (%)



Source: J.C.Messenger ed. Working Time and Workers' Preferences in Industrialized Countries, Routledge, 2004.

order to give readers a better understanding of the "non-advanced" aspects of Japan from the perspective of working hours.

Long-Term Trends in Working Hours

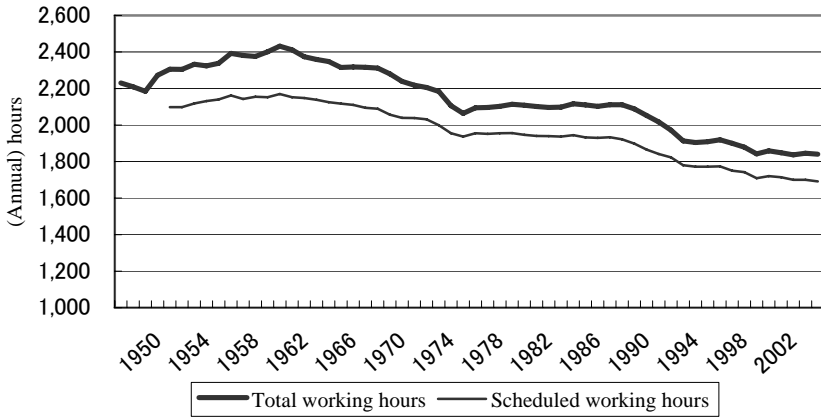
It was more than 20 years ago, in 1985, when the G-5 nations (a conference of finance ministers and central bank presidents of the world's leading industrialized countries) agreed upon the Plaza Accord, thus devaluing the US dollar excessively in relation to the Japanese yen for the purpose of alleviating the U.S. trade deficit with Japan. The US-Japanese foreign exchange rate, which was JPY235/USD just before the agreement, dropped sharply by ¥20 to JPY215/USD the day after, and had fallen below JPY130/USD one year later. While the sudden yen appreciation against the US dollar inflicted great damage on Japanese exporters, the then Prime Minister Nakasone urged the Japanese people, using even government TV commercials,

to purchase imported products for expansion of domestic demand.

Since expansion of domestic demand requires consumers to change their purchasing behavior substantially, the Japanese government naturally paid careful attention to the working life of the people. More specifically, it encouraged them to "take more days-off and spend time (and money) on consumption." Until then, few people had shown interest in international comparisons of working hours, but the long working hours of Japanese workers has suddenly become the center of discussion, making many Japanese realize that they work excessively long hours for workers in an industrialized country.

Nevertheless, the trend in work hours of Japanese workers did not change very much during this period. Table 2 shows long-term trends in annual actual work time and the scheduled working time of an average worker seen in the Monthly Labor Surveys conducted by the Ministry of Health, Labour and Welfare. The table shows that working hours increased in the 1950s, decreased between the 1960s and the first half of the 1970s, and remained unchanged during the period roughly between 1976 and 1988, which is the period mentioned above. During the period of high economic growth (between 1960s and the first half of the 1970s), the improvement in productivity occasioned by economic expansion was taken advantage of for a reduction in working hours, which was also attributable in part to successful governmental illuminating activities and labor union campaigns for shorter working hours, as well as the corporate improvement of working conditions, such as an increase in holidays, which proceeded in relation to heightened demand for the young workers from firms hoping to expand reproduction. However, the first oil shock, occurring in December 1973, reversed this trend towards a better economic environment, and deprived the movement for shorter working hours of its momentum. During this subsequent period of low economic growth, Japanese manufacturers began active export of their products because they were unable to make sufficient profits by relying solely on domestic consumption, which led to an accumulating trade surplus with the U.S.A. In this stagnated period for shorter working hours, the government launched a policy of shifting the nation's economic structure to a domestic demand-led economy, as described above, and in connection with this, an expansion in consumption and a reduction in working hours were encouraged. In the latter half of the 1980s, Japanese society as a whole was pervaded by the general desire for shorter hours.

Figure 2. Long-Term Trends in the Annual Actual Hours Worked and the Scheduled Working Time of an Average Worker



Note: Based on statistics in the Monthly Labor Surveys conducted by the Ministry of Health, Labour and Welfare. The survey is aimed at business establishments with 30 or more employees. The figure is calculated by taking the average monthly working hours per worker in the industries surveyed as a whole, multiplying it by 12, and rounding it off to the nearest whole number. The workers surveyed include both general and part-time workers.

The 1987 revision of the Labour Standards Law was buoyed by this social climate. Some policy makers at the time considered a drastic reduction in the statutory weekly working time from the current 48 hours to 40 hours, but partly because of strong objections from industrial circles, the revision was initially aimed at achieving a moderate 46 hours per week. However, in the following ten years or so, with the exception of certain job categories the statutory weekly working hours had been shortened to 40 hours, so that one of the policy tasks – reduction in the statutory working hours – had been achieved. Even so, the achievement was partly thanks to the enactment of other laws and ordinances: a revision of the National Holiday Law, for example, has created additional two holidays (in fact, the number of holidays increased between 1986 and 1996 by a further two days). Other laws and ordinances contributing to the overall reduction in working hours are: the scheme for a full-fledged "five-day working week" adopted in 1989 by financial institutions and in 1992 for national civil servants; and the full five-day school week introduced in 2002. The revisions of these various schemes and policies undoubtedly

contributed, to a great extent, to the reduction in scheduled working hours realized in the late 1980s.

Legal System and Actual Situations Affecting Working Hours

This section will discuss the legal system pertaining to working hours. As in many other countries, the statutory working hours in Japan are set at 40 hours per week². Overtime is only allowed provided that the labor and management in question have agreed upon such arrangements. Still, the "standard" hours for overtime are set at 360 hours per year. The overtime premium rate is set at 25 percent or more than the worker's regular hourly rate for ordinary overtime, or night work, and 35 percent or more for holiday work.

Where the actual situation is concerned, quite a few firms regard working hours exceeding the statutory ones as the "rule" in many cases. Although regulations on working time allow an exceptional 44 hours per week as shown in footnote 2, the author has found in his own survey that there are many firms in the retail sector, the distribution sector, customer services, as well as small firms, which set their scheduled working hours at 48, or even longer. In other words, the laws are not strictly complied with. Moreover, too many firms make their employees do overtime without any related labor-management agreement. The author's survey shows that the proportion of workers who do not do overtime accounts for less than 20 percent: in fact, a great majority do. On the other hand, there are, unfortunately, no legal penalties (fines, imprisonment, etc.) for firms, which have violated the "standard" hours of overtime, 360 hours, which is why many firms circumvent the rules quite casually. There are many pernicious cases where, to evade warnings from the Labor Standards Inspectors' Office, firms neither pay additional wages for overtime exceeding 360 hours per year, nor keep records of working hours. This fact is what lies behind unpaid overtime. The author's survey shows that a mere 48 percent of the workers surveyed have done no unpaid overtime at all – that is, the remaining workers have been paid no wages for overtime of at least one hour.

Even if wages are duly paid for overtime, the basic rate is relatively low by international standards. The law stipulates a rate of 25 percent "or more," and

² However, an exception is applied to business establishments with 1 – 9 employees in the commercial; public health and hygiene; and hospitality service industries (eating and drinking establishments, etc), where the statutory weekly working time is set at 44 hours.

labor and management can agree to set it higher, but the actual rate adopted is an average 26 – 27 percent, not much higher than the legally required rate. What is more, in Japan, biannual bonuses and various monthly allowances are paid in many cases³, but firms are not legally required to refer to most of these payments in calculating the premium rate. It is a little known fact that, in referring to "25 percent of their regular pay rate," firms do not refer to the hourly wage, which should be calculated by dividing the total wages which a worker receives in a year by their total working hours.

The nature of the paid annual holiday scheme in Japan is considerably different from that in France, Germany and other advanced countries: in principle, Japanese firms make it a rule to give 10 days for the first year and 20 days at a maximum to workers who have served for six months or longer and actually worked for at least 80 percent of the working days. The differences from other advanced countries are fairly substantial in the senses that Japanese workers are required to show up at the office at a minimum rate, and that a minimum paid holiday of 10 days is set. Another serious problem is that there is no requirement in Japanese firms, as there is in other advanced countries, that workers must take at least one consecutive long vacation⁴. In some cases, workers may take a planned consecutive holiday as stipulated in their labor-management agreements, but they are not institutionally guaranteed, for example, a two-week vacation in summer. This is undoubtedly attributable, in part, to labor unions carrying little weight in determining labor conditions, but also, in greater part, to the hesitation of workers in today's Japan in taking such consecutive holidays. This is attributable to the fact that, in Japan, paid annual holidays are considered to be a kind of cushion against emergency situations, and are taken advantage of, in fact, as sick leave. For this reason, many workers believe that it is convenient to take their paid holidays one by one, rather than take them in succession.

Actual Situations Affecting Long Working Hours

This section examines in further detail problems pertaining to long working hours in Japan.

³ However, these regulations are applicable to regular, full-time employees only.

⁴ Both in Germany and France, workers are required by law to take at least one long vacation extending at least 12 days per year.

In 2004, in order to explore these problems, the author conducted a survey aimed at approximately 2,500 employed workers. The following are some crucial findings of the survey.

Table 1 shows the durations of paid and unpaid overtime, etc. in June 2004, as surveyed by the author and co-workers. Of the workers surveyed, 18.9 percent responded that they did not do any overtime at all. Even among male workers, the proportion of those who did no overtime at all was 13.9 percent; thus the problems of overtime do not necessarily involve all workers. Significant here is the right-hand column of the table, “average overtime of those workers who did overtime.” The average for males is 13 hours longer than that for females. It is also noticeable that workers in their 20s and 30s, those engaging in “specialized professions,” “sales, customer services,” “construction” and “services”, sectors did more overtime.

Also, although it is not shown in the table, 21.3 percent of all workers surveyed responded that they did overtime for 50 hours or more. How did this extremely long overtime affect the mental and physical conditions of the workers? Figure 3 gives some answers to this question.

Figure 3 represents “overtime” in the horizontal axis and “scores given in accordance with the degrees of fatigue and depression” in the vertical axis (see the note to the figure). It shows that the proportion of those who complain of fatigue increases sharply around the point when overtime exceeds 50 hours, and that the score indicating the degree of depression goes up gradually as overtime increases.

It is difficult in practice to do no overtime at all. However, it is a matter of degree. Currently, the recognition of *karoshi* as an industrial accident is, in many cases, based on the criteria that the risk (of cerebral or heart disorder) gradually increases for workers who have done overtime for more than 45 hours per month in one to six months before they fell ill, and that the risk is extremely high for those who have done 100 hours of overtime in the month prior to occurrence of a disease or an average 80-hour overtime for two to six months prior to the occurrence. Death from overwork is not necessarily recognized solely on the basis of working hours, the criteria for industrial accidents coincide closely with the findings of the author's survey.

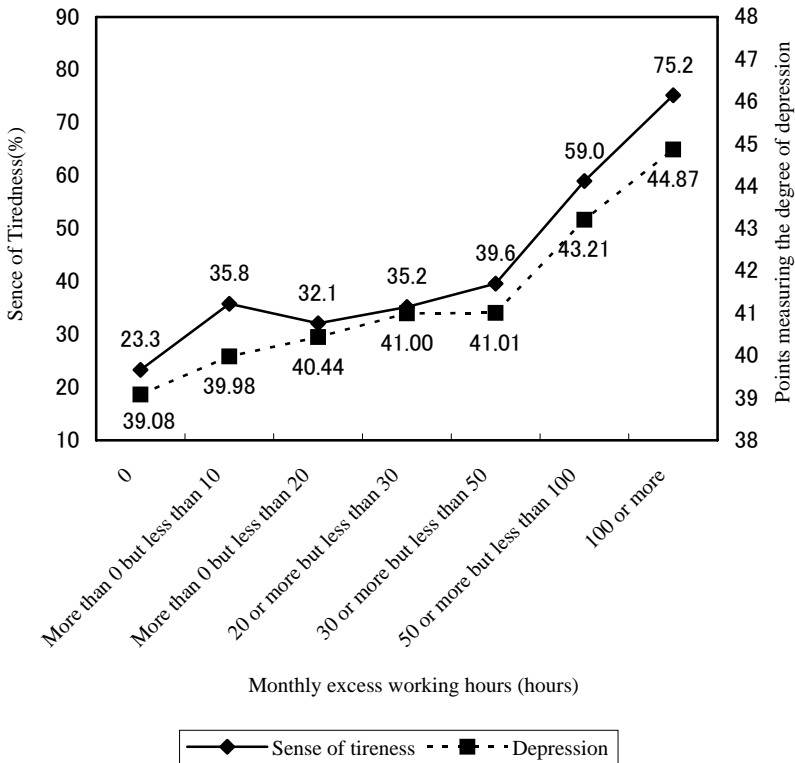
Table 1. Paid and Unpaid Overtime in June, 2004

		Proportion of workers who did no overtime (%)	Average overtime of workers, including those who did no overtime	Average overtime of those workers who did overtime
	Total	18.9	31.6	39.5
Gender	Males	13.9	36.9	43.2
	Females	28.5	20.8	30.2
Age groups	in their 20s	14.1	35.6	41.8
	in their 30s	13.7	37.7	43.9
	in their 40s	18.0	30.9	38.2
	in their 50s	29.1	22.1	32.4
Job categories	General affairs, clerical work, etc.	25.4	22.2	30.3
	Sales, customer services	15.1	36.4	43.4
	Specialized professions	13.7	38.7	45.1
	Manufacturing, production-related work	20.8	29.0	37.7
Industries	Construction	22.3	33.9	44.6
	Manufacturing	16.1	33.5	40.2
	Electricity, gas, water, and thermal supply	18.6	20.6	25.8
	Transportation and communications	18.5	31.7	39.8
	Wholesale and retail trade, eating and drinking establishments	16.7	30.9	37.6
	Finance, insurance, and real estate	20.5	30.7	39.3
	Services	19.4	32.9	41.4
	Public services	23.3	30.8	40.8

Note: "Overtime" includes all working hours exceeding scheduled working hours. Unpaid overtime is also included but the time spent on second jobs is not.

Source: "Facts-Finding and Empirical Analysis concerning Long Working Hours and Unpaid Overtime in Japan," the Japan Institute for Labour Policy and Training.

Figure 3. Relationships between Monthly Excess Working Hours, and Sense of Tiredness and Depression



Next, Let us have a closer look at the facts behind the figures shown in Figure 3. It shows that some 40 percent of those who did overtime for 50 hours or more but less than 100 hours, and one fourth of the workers who did overtime for 100 hours or more did not complain of fatigue. Why not? Table 2 suggests some clues to this question.

Table 2 shows a comparison of the psychological states of workers in terms of three types of attitudes to their company. Significant are the following three: (i) wish to make efforts to achieve good performance and receive approval of the company; (ii) wish to avoid taking any risks in the workplace but contribute to the company as other workers do; (iii) have no particular personal feeling for the company because I work for a living and my own life.

Table 2. Attitudes towards Company, and Symptom of Over-Adoptation

	(i) Wish to make efforts to achieve good performance and receive approval of the company (N=439)	(ii) Wish to avoid taking any risks in the workplace but contribute to the company as other workers do (N=660)	(iii) Have no particular personal feeling for the company because I work for a living and my own life (N=1427)
Busy with work: ("Always") (%)	26.9	17.9	23.6
Cannot get work off mind ("Always") (%)	13.9	8.0	7.1
Feel exhausted because of work ("Always") (%)	13.0	10.8	17.2
Scores for depression (Note 1) (F = 27.734, p < .001)	39.4	41.1	42.7
Poor performance, failure to achieve norms (Note 2) (F = 15.562, p < .001)	1.47	1.26	1.23
Serious work-related mistake (Note 2) (F = 2.108, No difference in significant levels)	2.16	2.13	2.08
Excess working hours in June 2004 (Note 3) (F = 11.098, p < .000)	37.2	26.1	32.2

Note 1: Method of scoring depression is the same as in Figure 3.

Note 2: Respondents were given four choices concerning the items - poor business performance, failure to achieve norms, and serious mistake: "It doesn't depress me," "It slightly depresses me," and "It depresses me quite a bit," and "It seriously depresses me." Points are given in the range of 0 - 3, accordingly.

Note 3: Excess working hours here are average figures including those who do no overtime at all.

Source: same as in Table 1.

Group (i) has the highest proportion of those who claim that they are busy with work, and that they cannot get work off their mind, as well as those who find it terrible to be unable to perform well or achieve their norms. Workers in this group also do relatively long overtime. Despite all this, the proportion of those who feel exhausted because of work is not necessarily higher than workers in the other two groups, and the score for depression is, surprisingly, the lowest. That is, workers who have the kind of attitude to work as a group

(i) work in fact longer hours and feel less tired and depressed because they are strongly aware of reasons for being busy. The state of mind of these persons is sometimes called "over-adaptation." Is it then possible to conclude that they are healthy because they believe they are?

In some ways, persons with stronger symptoms of over-adaptation might be more likely to suffer most should the worst come to the worst. Those who are more aware, and complain about their long working hours and tiredness may well conclude in the back of their minds that excessive work could lead to the worst outcome, record their working hours, or consult friends and acquaintances. Without such awareness, however, people are less likely to be cautious, and may suffer a sudden brain hemorrhage or heart infarction. At very least, persons in group (i) are undoubtedly most likely to be caught up in such situations.

Actual Facts about Paid Annual Holidays

This section highlights the actual facts about paid annual holidays with reference to a questionnaire survey conducted in 2001 by the author, aimed at 3,000 workers across the country.

Here the "holidays in hand" means the sum of paid annual holidays which were given in the previous year but were not taken and have been carried over, and paid holidays newly granted in the present year. "Days used" means the number of holidays actually taken, and "consumption rate" is the ratio of days used to holidays granted as a whole.

Table 3. Average Figures relating to Annual Paid Holidays by gender and age group

	Males in their 20s	In their 30s	In their 40s	In their 50s	Male total
Holidays in hand (days)	21.8	31.1	32.1	33.1	30.1
Days used (days)	6.4	7.8	7.3	7.9	7.4
Consumption rate (%)	30.8	27.6	24.8	26.7	27.2
	Females in their 20s	In their 30s	In their 40s	In their 50s	Female total
Holidays in hand (days)	19.5	26.6	25.7	29.5	24.6
Days used (days)	7.4	10.3	8.6	9.5	8.7
Consumption rate (%)	42.6	40.9	40.8	36.7	40.6

Table 3 shows that an average male worker is given 30 or so days of annual paid holidays, but has taken 7 days, which makes the consumption rate 27 percent, while an average female worker is given about 25 paid holidays and has taken less than 9 days, the consumption rate being 40-odd percent. Neither men nor women take so many paid holidays, but if anything females tend to take more. Even so, it should be taken into account that the higher consumption rate of females is attributable to the demands of domestic chores, child-rearing, care of family members, etc., rather than to any habit of enjoying holidays as such. This is proved also by the fact that the consumption rates of females in all age group are around 40 percent, not only in the age group where there is a higher proportion of unmarried women.

Table 4. Average Figures for Annual Paid Holidays by Occupation

	Managers	General affairs, planning, accounting	General clerical jobs, etc.	Sales	Specialists	Production	Others
Holidays in hand (days)	34.5	30.1	26.2	26.5	28.5	26.0	27.2
Days used (days)	6.7	8.5	8.5	6.0	8.9	8.3	8.7
Consumption rate (%)	21.1	30.2	37.2	26.9	35.1	34.9	33.7

Next, concerning annual paid holidays in terms of type of occupation as shown in Table 4, workers engaged in general clerical jobs and specialists – 37 percent and 35 percent, respectively – tend to take relatively larger proportions of paid holidays to the holidays officially granted. Yet even the groups enjoying relatively more paid holidays present these low rates. The rates for workers engaging in sales and those in managerial posts are still lower, 27 percent and 21 percent, respectively. A general view of the tendencies seen in these occupations suggests that workers directly involved in services to customers, and those responsible for the management of a section or department, seem to find it difficult to take paid holidays. It can be assumed that diligent managers feel too responsible for the overall work of his section or department to take holidays. In the same fashion, businessmen engaged in sales and marketing do not take proper holidays because of the need to prioritize the schedules of their clients and business partners concerning negotiations, business hours, and so on.

Now let us have a closer look at the outlook of persons who avoid taking

their annual paid holidays. The persons who responded that they “do not take all their paid annual holidays but leave some” were given 14 possible answers and asked how much they agree with these answers. A statistical classification of the results found that they are classifiable into the following four groups.

Type 1 is a group of persons who feel that they have nothing particular they want to do even if they take holidays: Many feel a strong aversion to the high cost of leisure, and the rush and jam of public transportation and accommodations, or they have little to do when they are off work.

Type 2 is a group of persons who are anxious about personnel assessment: they tend to be anxious about the negative impact of taking holidays, such as a possible worsening of the mood of their superiors or personnel evaluation due to an absence from the office.

Type 3 is a group of persons who feel that their workload is heavy, or they can find no substitute: they firmly believe that they cannot take holidays because they have no co-workers whom they can ask to take their place at the office.

And Type 4 is a group of persons who are cautious and feel safe only if they have a certain number of paid holidays for illness or other unexpected, urgent needs.

Characteristic attributes of individual groups are: males, persons in their 40s, those giving work priority to leisure, and those whose working hours are not excessively long tend to fall under Type 1. Both males and females aged between 20 and 40, those who tend to feel dissatisfied with their wages and other treatment, those working in smaller firms, and those whose working hours are relatively long are frequently observed in Type 2. A fairly large number of persons who are afraid of taking holidays because of the worry that it may have negative impact on their personnel evaluation, regardless of whether or not their employers actually give low marks to those who have taken holidays. Characteristic attributes of those who fall in Type 3 include: males and females aged between 30 and 40, those who have strong dissatisfaction with their labor conditions; and those who in fact work fairly long hours. Their characteristics resemble those of persons in Type 2; and persons in the two groups in fact share similar inclinations. The attributes of persons in Type 4 are females in general, men and women in their 20s, those who are in a relatively poor state of health, and those whose working hours are relatively short, all of which are fairly different from or unseen in Types 1, 2, or 3.

Table 5. Correlation between Outlook and Consumption Rates of Annual Paid Holidays

	Consumption rate
Type 1	0
Type 2	-
Type 3	-
Type 4	+

Note: The table shows whether individual outlooks may raise (+) or lower (-) the consumption rates.

Some interesting facts have been found in the correlation between the four groups and their consumption rates (see Table 5). In Type 1, there is no correlation between outlook and actual consumption rate: that is, it has been shown that the consumption rate of persons who strongly feel that they have nothing particular they want to do even if they take holidays seem to be neither excessively high nor low compared to the other three types. Put differently, they can take paid holidays if they wish but actually do not do so for some reasons or other.

The correlations for Types 2 and 3 show similar tendencies, their outlooks decreasing the consumption rate. That is, they in fact do not actively take paid holidays for one reason or another: either they are afraid of negative personnel evaluation or they are overwhelmed by a heavy workload and unable to find any substitute co-workers. The difference between Types 2 and 3 lies in the greater impact of the outlooks of Type 3 on the consumption rate. This is attributable to the fact that, after all, persons who have the greater workload and work longer hours find it more difficult to take holidays.

On the other hand, persons classified into Type 4 seem to enjoy a higher consumption rate; that is, persons who feel more strongly that they should keep paid holidays for a rainy day actually opt to take holidays more often. A comparison between Type 4 and Types 2 and 3 seems to help clearer interpretations of their tendencies: persons with a strong inclination to Type 2 or 3 tend to take a considerably smaller proportion of paid holidays, whereas those with a strong inclination to Type 4 tend to avoid, though their consumption rate is relatively high, all paid holidays.

The author's analysis reveals no particular contradiction between the actual situation of persons with these outlooks and the outlooks themselves. Few

persons who are not terribly busy tend to have the outlook categorized as Type 3, and, on the contrary, few persons who are quite busy tend to have the outlook categorized as Type 1. Therefore, it is unreasonable to encourage someone who has little to do even if they take days-off to “take paid holidays more.” It is better, or rather essential, to give them some idea of what they can benefit from taking holidays. In consideration of society as a whole, priority must be given to improving the situations of those who cannot take holidays in practice.

Any Remedies?

Neither the problem of long working hours nor the failure in taking paid holidays should be left unsolved, multi-dimensional remedies are in urgent need. This section discusses various problems.

(i) On revisions of various laws and regulations, and the administration of labor standards inspection

Where paid holidays are concerned, it is necessary to raise the standards to meet those stipulated in other advanced nations. Also in regard to long working hours, serious problems stem from the regulations on the upper limit on overtime and the additional wages for overtime. If these laws and regulations involved penalty clauses, the number of firms violating or evading these laws would decrease. Yet, even within the scope of the current legal framework, stricter supervising administration would have a considerable impact on such illegal acts. However, the current workload of labor standards inspectors is quite heavy and the inspection offices are understaffed. Moreover, since they are public services, it is quite difficult to increase the number of staff members so rapidly. Improvement of the situation, it seems, may not be such a simple task.

(ii) Corporate Compliance and the Role of Trade Unions

Corporate social responsibility has also been drawing increasing attention in Japan, too. The matter, unfortunately, is related to large firms only at present, but the necessity of emphasizing the importance of corporate social responsibility in both large and small firms will undoubtedly increase in the future. At present, firms may not change their attitudes unless they learn that violation of the Labour Standards Law, which lays down the minimum standards will damage their reputation. In addition, it is significant that in the 1990s when the economy was in recession, firms tended to increase the

workload of regular fulltime employees while also increasing the hiring of non-regular ones. This may account for the increase in the number of workers doing long hours or failing to take proper paid holidays. It is also important to reconsider ideal ways of labor management by, for example, appropriately adjusting the workload, and encouraging employees to make holiday plans at certain times, i.e., the beginning of every fiscal year.

(iii) Working Hours Management

Table 6 shows average excess working hours in terms of methods of recording the times of arriving at and leaving the office. The longest working hours are seen, it shows, among workers who keep the records in writing on name boards or whiteboards, 50.1 hours. This is followed by “no particular method,” at 45.7 hours. Average excess working hours are fewer among those who keep the record with their ID cards. And the second smallest figure is found among those who punch in and out with individual time cards. What is obvious here is that the more strictly or objectively the time is recorded, the shorter the excess working hours become. Conversely, the longer excess working hours are found with the sloppier methods of time recording. Therefore, it may be possible to remedy the situations by adopting a method of managing working hours more strictly.

**Table 6. Excess Working Hours by Methods of Time Recording
(average except for those who do no overtime)**

Checked by administrator at workplace	39.2
Signing or recording in attendance book	39.0
Punching in and out own time cards	37.3
Managed by individual ID cards	35.5
Recording in writing on name boards or whiteboards	50.1
Others	38.9
No particular methods	45.7
Total	39.5

Source: Same as Table 1

What Will Happen in Future?

This final section is devoted to discussion of possible future trends. Incidentally, the author is not interested in forecasting future situations, in that it is extremely difficult to make an accurate hypothesis. Even so, I have a

feeling that it is permissible to make a rough prediction on the basis of the current political, economic and social situations: quite a few people wish to have at least a general idea of the future course of the situation affecting working hours.

My prediction about future trends in working hours based on knowledge of the current situation is that the polarization of workers where working hours are concerned will not, unfortunately, be remedied so easily. The number of non-regular employees will continue to increase. Problems related to the long working hours of such employees are likely to become more serious in the future, since they work in working conditions inferior to regular employees, and for longer hours than the latter. At the same time, the working hours of regular employees will be relatively shorter in future, but those of non-regular ones will, as seen above, become longer. This will make the situation worse unless certain steps are taken.

In recent years, the performance-based pay system, whereby salaries are determined on the basis of workers' performance or output, rather than their working hours, is being adopted by firms at an accelerating pace. But already, negative aspects of the performance-based pay systems have begun to be highlighted, and books on the issue seem to receive reasonably high acclaim. The fact that people are not necessarily motivated by cash – a thing which is accepted as fact by some people – must be emphasized here again. Firms, which have adopted the performance-based pay system without satisfactory results, will reassess the system. The author's primary concern, however, is the situation of small and medium-sized enterprises, an increasing number of which are beginning to adopt the performance-based pay system; they may have been somewhat suspicious of it, but are recommended to adopt it by consulting and other companies. Not knowing that disadvantageous aspects of the system have already come to the surface, some employers of small and medium-sized firms will possibly be attracted to and convinced by such blandishments as: "the system is the trend of the times, and adopt it to motivate your employees."

Incidentally, the performance-based pay system is strongly correlated with working hours. Quite a few workers have ended up working longer hours than before, although they were told that they would be assessed from now on not by their input, their working hours, but by their performance, or output. If output were the sole criteria for personnel evaluation, workers might be able to

enjoy shorter working hours than before, but the reality is somewhat different: only quite a small number of workers are capable of producing remarkable results within a short time through their own intrinsic ability and efficiency. This also suggests that tasks and duties at workplaces are normally too huge and important to be easily managed.

Under these circumstances, the legal system pertaining to working hours is also changing. The scope of exemptions from the regulations on working hours is most likely to be enlarged in the near future. Currently, the Labor Standards Law allows "workers in supervisory or managerial posts" and those under the discretionary labor system to stand outside the strict regulations on working hours. In future, however, more varied types of workers will be exempt from the regulations depending on certain rules. Currently, many of these workers are subject to the assessment system based on performance or outputs. But the author, like a majority of trade unions, is concerned that relaxation of the regulation will serve to encourage much longer working hours.

As seen in this paper, Japan can be seen as a "non-advanced" country in reference to the working hours of the people. While Japan is treated, for better or worse, as an advanced nation in many cases, the author sometimes wonders if it may be more appropriate to compare it with other East Asian countries, rather than with other, advanced countries: Japan shares, the author believes, more aspects – racially, and in its religious sense of values, attitudes towards work, etc. – with other countries in Asia. Even so, despite a strong work ethic, Japan is by any means an advanced country and thus will certainly need to see that its people work under decent conditions, with decent working hours.

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