

The most up-to-date accessible statistics on dispatched workers are found in the “Comprehensive Field Survey Results on the Diversification of Employment Patterns” released by the Ministry of Health, Labour and Welfare in July 2004. The following section will examine the current status and characteristics of dispatched workers in Japan based on the survey results.

## 1. Ratios of dispatched workers within companies, and of businesses hiring dispatched workers

When workers of Japan are categorized according to forms of employment, 65.4% are full-time employees and 34.6% are non full-time employees. The proportion of dispatched workers is a mere 2.0% (5.6% of non-regular workers). Among the main industries in which non-regular workers are employed, restaurant and lodging industries have the most of such workers, followed by wholesale and retail, service, and education and learning assistance industries. On the other hand, dispatched workers are mostly found in the finance and insurance industries. When the ratios are compared according to the size of business establishment, the smaller the business, the higher the proportion of non-regular workers as a whole. By contrast, the percentage of dispatched workers increases as businesses get larger. As for gender differences, male dispatched workers make up 1.0% of all company workers, while female counterparts make up three times as many, at 3.4%. Compared to the 1999 survey, the percentage of dispatched workers has nearly doubled, from 1.1% to 2.0%.

A non-regular employee represents a worker who is defined as one of the following: 1) “Contract employee” who is employed for a predetermined period of time for the purpose of exercising his/her expertise in a specific type of work, 2) “Temporary employee” who is temporarily rehired, such as a retiree from a previous job, 3) “Loaned employee” from another company, 4) “Dispatched worker,” 5)

“Temporary worker” who is hired for a term of one month or less, or is hired by the day, 6) “Part-time worker,” or 7) “Other” who is not included in the above categories.

The ratio of businesses that hire dispatched workers is 7.6%. The industries with the greatest proportion of dispatched workers are finance and insurance industries (33.6%), followed by information and communication (18.3%), and electricity, gas, heat supply and waterworks industries (13.5%). When categorized by types of business, “research centers” have the most number of dispatched workers (28.9%), followed by “Business offices” (11.7%). The percentage of dispatched workers increase as the size of the business establishment become larger. Of those working at companies with 1,000 or more employees, nearly 70 percent (68.9%) are dispatched workers. (see Table 19-1)

## 2. Changes in the ratio of dispatched workers compared to three years ago, and predictions for the future

When changes in the ratio of non-regular workers is compared to that of three years ago, 19.1% of businesses establishments have seen an increase in the ratio of non-regular workers, while 8.9% have experienced decreases. Among these businesses establishments, 2.6% have heightened their number of dispatched workers (13.3% of those with an increase of non-regular workers). This percentage is second largest after 12.3%-the proportion of businesses establishments which have expanded their rate of part-time workers (64.4% of those with increase in non-regular workers). When industries are compared, an increase of dispatched workers was most prominent within the finance and insurance industries (16.7%). When categorized according to business establishment sizes, a more than 20% jump was found in businesses with 1,000 or more employees (27.9%) and those with 500 or more employees (20.8%), which showed higher rates than those of

### 19-1 "Ratio of dispatched workers to all employees," and "Ratio of businesses establishments hiring dispatched workers" among the main industries

	Ratio of workers				Businesses establishments with dispatched workers	Businesses establishments with part-time workers
	Regular employees	Non-regular employees	Dispatched worker	Part-time workers		
Total	65.4	34.6	2.0	23.0	7.6	57.7
Ratio based on 100 non-regular employees representing 100		[100.0]	[ 5.6]	[66.7]		
"1999 Survey"	72.5	27.5	1.1	14.5	5.7	44.1
Construction	85.6	14.4	1.0	2.5	5.1	21.4
Manufacturing	76.7	23.3	2.0	12.7	10.3	58.6
Information and communication	78.3	21.7	5.9	4.5	18.3	33.0
Wholesale, retail	54.7	45.3	1.4	37.3	6.4	66.5
Finance, insurance	78.3	21.7	8.7	6.2	33.6	43.0
Restaurant, lodging	29.1	70.9	0.5	62.8	1.8	89.7
Healthcare, welfare	70.2	29.8	0.8	20.7	4.6	78.7
Education, learning assistance	60.8	39.2	2.0	21.7	9.9	65.5
Service	58.7	41.3	2.2	23.6	7.7	48.7
Male	80.0	20.0	1.0	9.6	—	—
Female	44.4	55.6	3.4	42.5	—	—

other business establishment sizes.

As for predictions of future change in the ratio of dispatched workers, 3.3% of businesses establishments (16.6% of those who had predicted an increase in the past) expect it to rise. When different business establishment sizes are compared, the larger the size of the company, the greater is the percentage of those expecting an increase. Shifts in the ratio of non-regular employees according to forms of employment show that overall, part-time and dispatched workers are expected to increase. When categorized by business establishment size, small businesses establishments anticipate an increase of part-time workers, while large businesses establishments foresee a growth in the ratio of dispatched workers.

#### 3. Reasons and issues arising from hiring dispatched workers

The top reason for hiring dispatched workers given by most, or 39.6%, of businesses establishments is "to secure human resources with readability and skills," followed by "In order to adjust the number of employees according to economic fluctuation" (26.4%), "To cut back on wages" (26.2%), and "In order to handle specialized work" (25.9%). "To cut

back on wages" was selected by 51.7% of all businesses hiring non-regular employees, and 55.0% of those hiring part-time workers. In comparison, while a great percentage of businesses establishments hire dispatched workers for their readability and skills, a significant number of them also see the hiring of such workers as a means to reduce cost.

Some examples among the issues businesses establishments face in using dispatched workers include "Securing highly qualified personnel," which is the most common at 46.4%, followed by "Their sense of responsibility toward work" (35.6%), and "Their ability to process work" (27.34%). In another words, these results bring to light that over half of all dispatched workers do not fulfill expectations for carrying high-level skills.

#### 4. Job categories, age, academic background, and employment period

The most common job category for dispatched workers is "Clerical work" at 65.9%, followed by "Specialized or technical work" (11.4%), and "Production process and labor" (10.2%). This trend has changed very little since the previous survey (1999), showing that a majority of dispatched workers

are involved not in specialized jobs but in clerical work.

Categorized by age, dispatched workers in their thirties make up the largest group at 38.2%, followed by those in their twenties at 38.1%. These two groups add up to 76.3%, indicating that most dispatched workers are of ages 20 through 39, and more specifically, are concentrated around ages 25 to 35. While it is perhaps a factor that only four years (since 1999) has past since the recognized job categories were systematically and drastically expanded, compared to the part-time workers, who are mostly in their forties (27.8%), dispatched workers are generally younger in age. A majority of dispatched workers working under a registration-based model are in their thirties, while most working on a full-time basis are in their twenties.

As for the dispatched workers' educational background, most are graduates of "High school" (35.8%), while there are about the same proportions of those who have finished "Two-year college" (23.7%) and "University or graduate school" (23.6%). While this pattern is similar for regular employees and other categories of non-regular employees, what is characteristic of dispatched workers is that there is a relatively high ratio of "Two-year college" graduates. The presumable reason for this is that a high percentage of dispatched workers are females, and many of them are graduates of "Two-year colleges."

The lengths of employment of dispatched workers by companies are currently as follows: "2 to 5 years" (25.4%), "1 to 2 years" (20.5%), and "6 months to a year" (18.6%). Those working on a full-time basis characteristically tend to work for longer periods compared to registration-based employees. However, since the maximum length was expanded in March 2004 to three years or less as a general rule, future employment periods set by the same companies are expected to become longer than what was found in this survey.

## **5. Main source of income, calculation of wages, and total amount paid**

Most dispatched workers (59.5%) rely on their "Own income" to live on, while the next largest group (26.4%) depends on their "Spouse's income." This pattern is reversed for part-time workers, at 29.6% for "Own income," and 55.5% for "Spouse's income." As

for the method in which one's wage is calculated, over three-fourth (75.9%) of the dispatched workers are paid by the hour, while a small percentage (15.0%) of them receive monthly salaries. This pattern is similar for part-time workers. Regarding average payroll (including taxes) in September 2003, 44.2% received "100,000 - 199,999 yen," and 37.2% received "200,000 - 299,999 yen." These two groups make up over 80% of the whole.

## **6. Number of work days per week, scheduled working hours**

As for the predetermined number of work days per week at the point of September 2003, "Five days" is an overwhelming majority, at 84.9%, while the average is 4.9 days. In another words, most dispatched workers work 5 days a week, just the same as other regular employees.

The scheduled number of weekly working hours is "35-39 hours" for 45.2%, and "40 hours or more" for 38.4% of dispatched workers. These groups add up to a total of 83.6%, indicating that a majority of them work a full-time schedule of 35 hours or more per week. Furthermore, the average scheduled working hours is 36.0 hours, which is slightly shorter than regular employees, whose average is 40.4 hours.

## **7. Reasons for choosing to become a dispatched worker**

As a reason for choosing the current employment style of dispatched workers, the majority, or 40%, answered: "Because I was unable to find a company that I could work for as a regular employee." This reason is significantly more common than others, namely, "In order to juggle work with family matters (housework, child rearing, family care, etc.) or other activities (hobbies, studies, etc.)" (23.5%) and "To avoid being tied down by an organization" (23.1%). This supports the claim that most of the dispatched workers wish to become a regular employee, which was the reason for introducing the temp-for-hire placement system. There were comparatively few persons who answered, "Because I can apply my specialized qualifications and skills" (21.1%), which was the original contributing factor in instituting the worker dispatching system.