

The “discretionary labor system,” in which the supervision of work hours is substantially moderated, is specified in the Labor Standards Law. By law, there are 11 categories of the “specialty services model” requiring a certain set of qualifications and the “project operations model” for people conducting operations of projects, planning, surveys and analysis. Although it cannot be called the “discretionary labor system” if its application does not follow the law, the employment rate for the “discretionary labor system” is low. In the “specialty services model,” the rate is 2.5% in all the companies with over 30 people, and 7.3% in companies with over 1,000 people. In the “project operations model,” the rate is 0.5% in all the companies, and 1.9% in companies with over 1,000 people. Does this really represent the current status?

To say the “current status” here is to question how much of the discretionary system is evasive of the law. That is to say, there may be a considerable number of workers employed under the discretionary system who carry the possibility of violating the law although they have a high level of vocational knowledge, qualifications, etc. and are essentially applicable for the “discretionary labor system”. Among the various discretionary systems, it is probably frequently assumed that some form of results-oriented supervision takes place by company-specific regulations and unsaid rules. Basically, concerning the personnel management of employees, the number of invested

work hours is not considered, but output is measured through results and performance.

For companies that do not adopt the “discretionary labor system,” there is a large possibility that they believe the administrative procedures are too complicated. However, to what extent is the ideal goal of the law being understood? Under the name of the discretionary system, the law does not allow the present situation of over-extended long hours of work without being caught. Similar to professional sports athletes, certain jobs are allowed in which the accomplishments of the person are emphasized but the process and the required hours to achieve the results is not crucial. However, for many workers, it is not as discretionary as allowing natural individual play to raise a certain set of results, since the locations and hours for work are rather restrictive. And in Japan, where worker skills are formulated by on-the-job training (OJT), the situation is exactly the same for white-collar workers. Perhaps the majority of the results-oriented pseudo-discretionary system may not pay attention to the evaluation according to this kind of labor investment. In this case, the workers are not nurtured. If the companies have begun to abandon the cultivation of workers, the unemployment rate of the youth will continue to exist even if the economy recovers. With no name to support future industries, there is no telling what will happen to the outlook of skilled workers.

5-1 Employment rate for the discretionary labor system

(%)

	Specialty services model	Project operations model
Size of companies	2.5	0.5
Over 1,000 people	7.3	1.9
300-999 people	4.1	0.7
100-299 people	2.8	1.0
30-99 people	2.2	0.3

Source: General Survey on Working Conditions, 2004, Ministry of Health, Labour and Welfare.