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## Working Conditions and the Labor Market

### Moves toward Employment Adjustment

The seasonally adjusted (unemployment rate) was unchanged, at 2.2 percent from the previous month, the Management and Coordination Agency said in a preliminary report of the Labor Force Survey released on August 2. The unemployment rate for the past year has not undergone drastic changes, hovering between 2.0 and 2.2 percent. The major effects of the economic downturn have yet to be seen in the labor market.

Also, the Ministry of Labour unveiled the results of an emergency hearing on employment trends. According to the report, (employment adjustments) are being implemented in industries such as steel, which have excess labor. However, on the whole, businesses are cautious about reducing personnel in consideration of the long-term labor shortage. By industry, firms in the paper and pulp, steel, electrical machinery and information industries feel they have surplus employment, on the other hand, firms in the construction, apparel, ceramics and trucking industries feel understaffed. Corporations in paper and pulp, steel, electrical machinery and auto industries are carrying out employment adjustments in the form of curtailment of operations, relocation, transfers to subsidiaries and other related firms, as well as reduced recruitment of new graduates. Also, some electrical machinery firms are carrying out suspension of employee with pay.

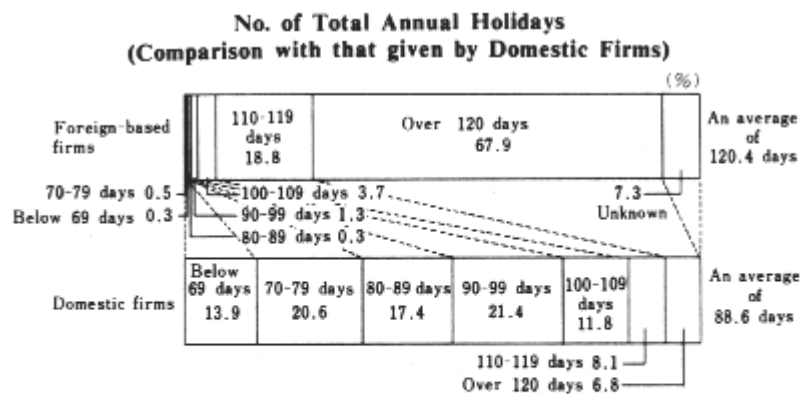
The Ministry's hearing was conducted with organizations from 14 major industries in August and also with firms of major industries in 47 prefectures in September. Construction, rubber, machinery and trucking industries as well as department stores were hardly making any employment adjustments. Apparels and nonferrous metal firms were restricting overtime. Firms in the ceramics industry in some divisions were making employment adjustments through such measures as shorter operations, overtime restrictions, relocations, transfers to subsidiaries and other related firms, curtailed recruitment of new graduates and dismissal of part-time workers. Companies in paper and pulp, steel, electrical machinery, auto and securities were making the same form of employment adjustments in all divisions. Furthermore, some electrical machinery firms were even making (suspension of employee with pay) while those in the information industry, and smaller firms in particular, were taking measures to suspend hiring of new graduates. Smaller companies, however, tended to be cautious about cuts in the current workforce, even though some workers are inactive at times, because of the fear that they would run up against a labor crunch in the future, if they laid employers off now.

Predicting future employment adjustments, spokesmen for the electrical machinery

industry note that they do not expect further suspension of employee with pay. On the other hand, the paper and pulp industry says that there will be suspension of employee with pay in some divisions at some firms depending on how business conditions develop in the months to come.

### Labor-Management Relations in Foreign Affiliated Firms in Japan

On October 17, the Ministry of Labour published the results of its survey on labor-management relations in foreign affiliated firms in Japan. The survey outcome found that foreign affiliated firms in Japan, on the whole, offer better working conditions than Japanese firms. The survey, conducted about every five years since 1973, is intended to probe the actual situation of foreign based firms in Japan, in terms of industrial relations and working conditions. The survey, the fifth to be conducted, was made in August 1991, to which 873 companies responded.



Source : Research Institute of Labor Affairs Administration *Labor-Management Relations in Foreign Affiliated Firms in Japan*, 1992, p28.  
Notes 1. For foreign based firms, recalculation was made in the survey for enterprises with 30 and more regular employees.  
2. For domestic firms, a 1990 comprehensive survey on wages and working hours (covering private establishments with 30 and more regular employees). Japanese corporations with a 50-percent ratio of foreign capital are included in the subjects for the survey.

The percentage of Japanese firms which give over 120 annual holidays stood at an extremely small 6.8 percent, while the percentage of foreign affiliated firms offering this number of annual holidays was 67.9 percent. The survey thus showed that the majority of foreign based firms offer for more holidays than do Japanese companies. Fifteen point nine percent of Japanese firms provide a total of 69 annual holidays (6-day workweek), but only 0.3 percent of foreign based firms have 6-day workweek schedules. In the previous 1987 survey, 35.9 percent of foreign affiliated businesses offered more than 120 holidays. This indicates that the percentage almost doubled in the four year period and that behind this lies the spread of the 5-day workweek. The percentage of foreign affiliated businesses which have introduced the 5-day workweek rose from 67.9 percent in 1987 by 19.6 percent point to 87.5 percent in 1991. Furthermore, with those adopting the 4-day workweek included, that percentage stood at 89.5 percent, showing a wide gap in the diffusion of the 5-day or 4-day

workweek between foreign based and Japanese firms. Incidentally, only 11.5 percent of Japanese businesses have adopted the complete 5-day workweek schedule.

Let us observe the overall conditions of foreign affiliated firms which operate in Japan. By nationality, U.S. firms ranked first accounting for 43.2 percent of the total, followed by German firms with 9.7 percent, British firms with 7.3 percent, Swiss firms with 7.1 percent and French firms at 5.0 percent. The number of workers at 873 companies polled was approximately 150,000 and the percentage of workers by industry stood at 59.1 percent in manufacturing, 18.4 percent in wholesale and retail trades and 16.9 percent in finance and insurance. Non-Japanese accounted for 7.7 percent of total regular employees and about 7.3 percent of total employees in management posts. The higher the position, the larger the percentage of foreigners, however. More specifically, non-Japanese made up 21.5 percent of total full-time executives and 37.9 percent of all presidents.

Looking now at industrial relations characteristics, 11.6 percent of the firms questioned had labor unions, down 4.2 percent points from the figure recorded in the 1987 survey, thus showing a sharp drop. (Incidentally, Japan's unionization rate for 1991 stood at 24.5 percent.) Fourteen, or 1.6 percent, of the firms were confronted by labor disputes in the two years since 1987 when the previous survey was conducted. Compared with the results of the past four surveys, the rate of labor disputes has gradually been on the decline. In addition, 22, or 2.5 percent, of the firms implemented dismissals and suspension of employee with pay resulting from changes in production scale in the last two years.

## International Relations

### **Japan & Germany Resume Consultations on "Pension Agreements"**

The government will resume negotiations with (Germany) to conclude a (pension agreement) which aims to prevent overseas workers from paying twofold contributions or abandoning the amount they have contributed.

On October 12, the Ministry of Health and Welfare and its German counterpart, the Ministry of Labour and Society, started in Bonn week-long working-level consultations. These had been suspended due to unification of the two Germanys and domestic reasons on the German side. Japan is the only advanced industrial nation which has yet to conclude a pension agreement with other countries. Starting with Germany, it subsequently plans to sign an agreement with the U.S. and other nations in the European Community (EC) as well.

Some (workers dispatched overseas) participate in the pension schemes of their home as

well as their host countries, thus paying twofold contributions. In some cases, they are obliged to abandon their contributions because of a short period of participation in the pension plan provided by the country in which they stay. The pension sum-up agreement is a "reciprocally convertible system" for pensions between the nations which is designed to avoid these problems.

In the negotiations held up until June 1991, both Japan and Germany agreed to introduce the pension sum-up system and allow workers to receive pensions from the two nations according to the length of contribution. Furthermore, the two countries agreed that: while in a foreign country, the worker should participate, as a rule, in a pension program offered by the nation where he or she is staying; and second, the worker dispatched temporarily from a firm should participate in a pension scheme of his or her own country but does not have to do so in the nation where he or she is staying.

In the working-level consultations, the two sides will finalize how "the temporarily dispatched worker" should be defined. It is suggested, for example, that "the temporarily dispatched worker" means "a person dispatched for a few years" or "a person who will stay for training and technical-guidance purposes."

In the negotiations both sides will also discuss whether or not survivor's and disability (pensions) as well as old-age (pensions) to be paid after retirement will also come under application of the pension agreement. Germany demands that the pension agreement incorporate death benefits as well as disability pensions as is the practice in other nations. Japan, on the other hand, argues that the pension agreement should cover the old-age pension alone. With the two sides remaining split, the key to early conclusion of the agreement depends on the ability to reach an understanding.

There are approximately 20,000 Japanese citizens living in Germany. The pension agreement, if concluded, will enable them to receive benefits based upon their length of contribution to both German and Japanese pension plans. In many cases the company pays its Japanese representative's contribution to the German pension scheme. If the agreement is concluded, however, the firm will not have to pay contribution to both the Japanese pension plan or the German counterpart. The pension sum-up system has been well consolidated in the EC nations, the U.S. and Canada, where active personnel exchanges are common place. Japan, meanwhile, has yet to see negotiations on the pension agreement with individual countries go smoothly because of the problem created by the fact that the number of Japanese sent to the U.S. and European nations is far greater than the number of Westerners staying in Japan. To further respond effectively to internationalization, the government plans to negotiate with the U.S. to enter into a pension agreement.

## Japan-EC Symposium

The third Japan-EC symposium on labor issues was held at the Ministry of Labour on September 22, 1992 under the joint auspices of the Ministry of Labour, the European Community (EC) Commission and the Japan Institute of Labour (JIL). The main theme of panel discussions and reports was "Employment and Human Resources Development."

The theme for Session I, which deals with employment issues, was "Diversified Form of Employment." Mr. Herman van Zonneveld, Head of Division of Working Conditions and Labour Law, the EC Commission, reported on the realities in the EC nations. He noted that such employment patterns as part-time labor have spread in the EC over the past decade. "Labor contracts with indefinite terms" used to be widespread in the EC as a long-term, stable employment form. In recent years, however, labor contracts with definite terms and those concluded on a temporary basis have begun to increase in several countries. At the core of these changes is a major shift in the employment situation, including high unemployment in the 1980s, the increased participation of women in the labor market and the change in working patterns which has followed expansion in the service industry.

Mr. Naoyuki Kameyama, Research Director of the JIL, explained the situation in Japan. Some people contend, he said, that the homogeneous trend based on lifetime employment, such as entering a company as a new graduate and continuing to work there until mandatory retirement, is now shifting to a heterogeneous trend as working patterns diversity. Mr. Kameyama, however, remarked he felt that the term "heterogeneous" was slightly exaggerated.

In the discussion that followed, the government, labor and management of the EC side all pointed out the need for them to build consensus to protect the non-regular work force through "social dialogue," although they were slightly different in their views and opinions. Commenting on the need to respond adequately to new issues which may arise from the ongoing diversification of employment and working forms, labor and management of the Japanese side suggested that the regular work force covered under the lifelong employment system be called the "stock type" and the non-regular work force the "flow type."

In Session 2, which deals with human resources development, Mr. George Kintzele, Task Force Human Resources of the EC Commission, introduced the EC's development policy. He noted that talks were in progress between the government, labor and management on vocational qualifications, and the vocational education and training system. Mr. Akira

Takanashi, Research Director-General of the JIL and Professor of Economics at Shinshu University, introduced Japan's human resources development system, which operates through the combined use of 1) ties between schools and the business community, 2) training within enterprises, such as on-the-job training, and 3) public administration.

Of particular interest at this session was the marked difference between the EC, which attaches importance to off-the-job training and the human resources development system within the EC and Japan, where big businesses' on-the-job training is the mainstream.

## Public Policy

### Revision of the Labour Standards Law Underway

On September 30, the Ministry of Labour submitted a report by the Study Group on the Labour Standards Law to the Central Labour Standards Council, an advisory panel to the Minister of Labour, for approval.

The report by the Council, presents directions for revision of the Labour Standards Law (LSL) and calls for, as pillars, a switch to the 40-hour workweek and a raise in the statutory rate of increase in wages for nonscheduled work. The Council will use the report as a tool for deliberations to be started in October on the specific details of the revision. It will work out the draft revision before the end of the year. The Council's report incorporates the four items. First, is reducing the statutory workweek to 40 hours. Second, is raising the legal rate of increase in wages for nonscheduled work and work on holidays from the current level of 25 percent and over. Third, is expanding the scope of work conducted under the discretionary work system which allows the number of work hours to be determined in accordance with a labor-management agreement. Fourth, is extending the longest variable period of working hours from the present 3 months to be set under flexible work-hours systems, which allow flexible scheduled daily work hours, to 12 months. A Cabinet Order and Ministry Ordinance prescribes the legal workweek which has been set at 44 hours since April 1991. Employers in such transport businesses as taxis, buses and trucks are currently allowed to postpone the application of the 44-hour workweek until March 31, 1993, but thereafter employers in all businesses will have to adopt the 44-hour workweek. The draft revision seeks to initiate the 40-hour workweek starting in April 1994. The revision, however, will allow some businesses or enterprises to postpone application of the 40-hour workweek for a few years because they will find it difficult to immediately reduce working hours.

Employers must pay overtime work and for work on holidays at a rate of 25 percent over normal wages. Under the present Law, the same rate of increase in wages applies to both

overtime work and work on holidays. The draft revision, however, will call for setting a higher rate of increase in wages for work on holidays than that for nonscheduled work, in order to reduce work on holidays as practical as possible. The prevailing view is that the new rate of increase in wages for work on holidays will be set at from 50 to 100 percent. Regarding the rate of increase in wages for overtime work, the Ministry is studying an add-on method in which the rate of increase rises when overtime work hours go beyond a certain level, say, 8 hours a week, in the light of the method practiced in France.

Employers in some businesses have adopted a "variable working hours system" under which they can set scheduled daily work hours in a flexible manner unless average total hours of work for a week, a month or three months exceed the framework of statutory working hours. The system allows flexible changes in the work hours when there exist unforeseeable frequent shifts between active and inactive days. In the draft revision, in an effort toward management of annual-based work hours, the Ministry is planning to extend the maximum variable period from the present three months to one year to shorten working hours and increase holidays on an annual basis.

The discretionary work system currently underway enables hours of work to be determined in a labor-management agreement when the nature of business makes it difficult to compute the number of working hours. However, only those engaged in such jobs as R and D on new products and technologies, analysis and design of information processing systems and covering and editing of articles and designing, come under the application of the discretionary work system. Because of difficulty in uniform management of white collar working time, the draft revision seeks to spread and promote the discretionary work system to those engaged in other jobs than those stated above. It will include management planning in the jobs subject to the system and will also grant permission, on request, to those engaged in other jobs than mentioned above to come under application of the system.

The Ministry will submit the draft revision, which will be deliberated upon by the Council, to the next regular Diet session in an attempt to enforce the revised Law in fiscal 1994.



## Special Topic

### Flexitime and Personnel Management: Greater Emphasis on Discretionary Work

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#### Introduction

Flexitime was first introduced in Germany in the late 1960s, and spread to Britain in the 1970s, although mainly in the public sector. Originally, it was intended to ease travel to and from work, and it was claimed that it had a significant impact on relieving traffic congestion (IDS, 1991). In Japan, Lufthansa Japan and Tamura Manufacturing Co. introduced flexitime in 1973 (JOA, 1989: 13).

This paper deals with the rapid introduction of flexitime<sup>(1)</sup>, the emergence of 'super-flexitime' in particular in large Japanese firms during the last few years and explores its practical implications for personnel management in future. Partially stimulated by the recent reform of Labour Standards Law on working time (i.e., the clarification of conditions for applying flexitime working), it has been implemented very rapidly by large companies. Close attention has been given to flexitime by both employers and unions as well as the employees in general.

According to a survey by the Japan Productivity Centre (JPC, 1992), only 9.3 per cent of the firms polled had implemented flexitime before 1987 but 38.1 per cent had introduced it by 1990. Another one, Survey of Wage and Working Time Systems (MoL, 1991) in December 1990, showed that only 2.2 per cent of all firms and 33.8 per cent of firms with 5,000 or more employees had introduced flexitime in any or all sections of their undertakings; and that 4.8 per cent of the total employees of all firms and 9.5 per cent of employees in the large firms worked flexitime. Thus flexitime is a new practice.

A further aspect of the rapid introduction of flexitime merits attention. Compared with other measures of flexible working such as the satellite office, remote working or home working for example, flexitime is deemed not only by management but also by middle-aged, male employees<sup>(2)</sup> to be far more suitable to implement, as is also clearly shown by recent surveys (Table 1).

**Table 1 Managerial Preferences towards Flexible Working**

	(Unit: %)			
	JOA(1989) <sup>(1)</sup> (n=768)	MoL(1991) <sup>(2)</sup> (n=4,952)		MoL(1992) <sup>(3)</sup> (n=282)
		at present	after 2 yrs	
Flexitime	10.7	2.7(39.1)	8.8(50.2)	35.6
Satellite Office	.0	.3( 2.6)	1.1( 3.7)	3.5
Remote Working	.8			1.1

**sources:** JOA(1989); MoL(1991) and MoL(1992).

**notes:** (1) (3) The answers in JOA(1989) and MoL(1992) include those 'on trial' in addition to those 'implemented'. The samples of both surveys are mainly large firms listed on Tokyo Stock Exchange. Moreover, the samples of the latter are 'monitoring enterprises' of the Ministry of Labour.

(2) The figures in parentheses of MoL(1991) denote the answers from large firms with 5,000 or more employees.

## 1. Profile of Flexitime

First, mainly based on two representative surveys<sup>(3)</sup> (JOA, 1989; JPC, 1992), the general picture of present flexitime in Japan may be drawn as follows: first, as for the intention to introduce flexitime, the firms polled pointed out in multiple answers such reasons as 'improving morale through higher esteem for employees' spontaneity' (83.5 per cent in 1992; 64.8 per cent in 1989), 'rationalization of working time' (80.9; 87.5), 'more efficient work by enhancing consciousness of working hours' (79.4; 66.7), 'improving mental and physical conditions through more flexible working' (70.6; 29.2), 'stimulating flexible and creative thinking' (61.3; 47.9), 'shortening overtime' (48.5; 60.4) and so on. Clearly, management was aiming for at least two birds with one stone; that is, improving efficiency and productivity on the one hand, and encouraging employees' spontaneity and discretion on the other.

Secondly, flexitime was not necessarily introduced into every section of the organization. The JPC survey found that, among the firms implementing flexitime, 87.1 per cent did so in their R&D section, 58.8 per cent in their information processing section, 56.7 per cent in the design section, 51.0 in planning, administrative and advertising. By contrast, only 6.2 per cent had introduced it in their production sections. Only 5.7 per cent of the firms reported all employees are under flexitime.

Thirdly, in most cases the flexitime has a 'core time' during which every member of the same section or working group has to be present. The core time is generally set from 10:00am to 3:00pm every weekday, albeit the length of core time has been shortened more or less to the previous survey (JOA, 1989).

Fourthly, as to how much the flexitime system is virtually used by the relevant employee, JPC (1992) indicates that 35.0 per cent of the firms introducing flexitime replied 'it is used very much', while 55.9 per cent answered 'to a certain extent', and 9.1 per cent 'not necessarily so much'.

Fifthly, as for the problems envisaged before implementation, such anxieties as a) 'less communication with outside customers', b) 'more complicated procedures of time administration', c) 'greater burden on middle management and supervisors', d) 'communication gaps among group members, ill functioning of teamworking', e) 'trouble concerning formal meetings', f) 'discontent from the employees of section which have not introduced flexitime' and so on. Problems remained such as b) and f) above, but others were deemed by firms as not so serious (JPC, 1992: 32-3).

Sixthly, regarding the effectiveness of implementing flexitime, 23.2 per cent of the firms said that flexitime was 'very effective', 67.0 per cent replied 'fairly effective', 4.1 per cent 'not so effective', and none answered 'not effective at all'. Positive judgments were given to such goals as 'improving morale through higher esteem for employees' spontaneity', 'rationalization of working time', 'improving mental and physical conditions through more flexible working' and 'more efficient work by enhancing consciousness of working hour', although the aim of 'shortening overtime' was not fully realized.

Seventhly as for plans to newly introduce flexitime, among the firms which had not implementing it, 23.3 per cent were 'presently considering introduction in near future', and 37.5 per cent 'have the will to consider future introduction', whereas only 7.9 per cent had 'no intention to implement flexitime in the foreseeable future'. Therefore, it is expected that the flexitime will be permeated in large Japanese firms in near future.

## **2. 'Super-flexitime' and its Implications**

As mentioned above, flexitime is basically a multi-purpose practice. It appears to have promoted the spontaneity and discretion of employees especially engaged in intellectual jobs such as in R&D and design sections in terms of working practices. This discretionary feature of work has evolved in parallel with more conscious rationalization of time spending as well as the exclusion of peripheral, unnecessary jobs, and shortening of overtime to a certain extent.

However, there have been important unanticipated consequences of implementing flexitime. Based on their experiments, a number of firms have clearly realized that the quality or creativity of intellectual jobs - apparently different from manual work - do not necessarily correspond to the amount of time spent at them, although this was understood in general terms previously. This realization in turn points to a significant new development in personnel management. This may be illustrated by a concrete example<sup>(4)</sup>.

Toppan Printing Corporation with nearly 13,000 employees, one of the leading in Japanese printing companies today<sup>(5)</sup>, introduced flexitime into the sales section in 1986 after a joint six-month study with their trade union. One of the major objectives was to shorten

overtime and to rationalize the time administration in that section. Initially, the system had a 'core time' of five hours a day, and partially because of this, the goals of introduction were not attained. Based on this experience and after careful consideration, the relevant parties including the enterprise union leaders reached the critical conclusion to introduce a entirely new flextime system without core time - 'super-flexitime' - from August 1990 after a trial period of six months.

At present, the number of employees under this super-flexitime amounts to 640; 237 in the general planning and sales promotion sections, and 403 in R&D and information systems, excluding the line managers in these sections. According to Mr. Kuromitsu, the personnel manager, employees under super-flexitime are required to attend at least one hour a day, and to work 160 hours per month (i.e., multiplication of an eight-hour-day by a twenty-day-month) without direct and close time supervision, with neither overtime nor early attendance by definition. They can work only five hours on a certain day, for example, and eleven hours the next day according to their own discretion and with some coordination with colleagues or customers. Second, the new time administration became as follows: every employee under super-flexitime has to submit his/her own 'next month work schedule' by the 20th of every month, describing the days of planned attendance as well as the holidays to be taken in some detail to the manager. It must be filed and maintained in a place capable of being easily checked and revised. Moreover, if it is envisaged beforehand that in the next month, the amount of work will be much to be done within the ordinary hours of super-flexitime, everyone can be free from super-flexitime and work under the 'traditional' pattern with overtime payment. This implies that the primary intention of the firm is not to cut wage costs through saving on overtime payment. Thirdly, instead, Toppan Printing has introduced a new allowance in order to virtually compensate de facto overtime working by paying additional 35 per cent of the total basic monthly salary, housing allowance and managerial or researcher allowance provided that anyone working under super-flexitime attended the basic monthly working days; i.e., twenty days per month including annual paid holidays.

Fourthly, regarding personnel appraisals, the company has introduced a new incentive system. To those who are in the general planning and sales promotion sections, employee achievement is appraised by line managers and classified into three categories every three months. 'A' rank brings an additional payment of 25 per cent, 'B' rank by 15 per cent, and 'C' rank by only 5 per cent of the basic monthly salary plus housing and managerial allowances. For an employee ranked as 'A' throughout the year, the incentive bonus amounts to one month's income. Differences from employees in the R&D and information system sections are two-fold. One is the interval of evaluation - in the latter, employees are appraised every six months. Second, in the latter case 'A' means an additional 50 per cent in October or April, 'B' means 30 per cent, and 'C' 10 per cent respectively. The proportion of each category is around

about one third.

Fifthly, in the early period of super-flexitime introduction, some line managers complained that time administration was obstructed, while employees from another sections without super-flexitime also voiced dissatisfaction. At present, however, no serious trouble is reported.

Sixthly, Table 2 indicates the overall effectiveness of super-flexitime. According to a questionnaire survey on employees working under the super-flexitime conducted by management just six months after the implementation, most employees as well as managers acknowledged the value of super-flexitime in the sense of only a few respondents answering negatively. However, nearly one third of managers felt there were problems which needed to be resolved, although the contents were not specified. Super-flexitime has implications for personnel management.

**Table 2 Overall Evaluation\* of 'Super-flexitime'**  
(unit: %)

	employees (n=508)	managers (n=109)
'positive'	40.6	42.2
'needs reform'	26.8	35.8
'negative'	9.6	15.6
n.a.	23.0	6.4

One basic feature of administration of industrial labour is symbolically expressed in the phrase 'time is money'; wages are paid according to the number of working hours, and the amount of production relies on those of working hours. This has been expressed by the 'hourly rate' of payment for blue-collar workers. As far as the intellectual work is concerned, as in the case of R&D, design and planning jobs, performance cannot be evaluated by the number of hours actually worked. Working hours do not guarantee the quality of output. In fact, less qualified employees may have to work longer than the talented, and due to longer working hours, the former may be paid more. This raises fundamental question for personnel administration. To what extent this new perception of personnel management may bring about the crucial transformations in practice, nobody knows at present. Mr. Kuromitsu should perhaps be given the last word. The corporate organization he envisages - with those working under super-flexitime in mind - is 'a collective of entrepreneurized "gold-collar" employees'.

## Conclusions

1. Recently, flexitime has been implemented in offices of large firms, particularly R&D and design, general administration and planning. The rapid increase has been stimulated partially by a series of recent legislative reforms to shorten working hours. However, in many

cases it is accompanied by a core time - 10:00am to 3:00pm, for example - which has hindered the shortening of working hours. 'Super-flexitime' is a device to avoid this shortcoming and to promote shorter working hours.

2. Major objectives in introducing flexitime are multiple; 'improving morale through higher esteem for employees' spontaneity', 'rationalization of working time', 'more efficient work by enhancing consciousness of working hours', 'improving mental and physical conditions through more flexible working', 'stimulating flexible and creative thinking', 'shortening working hours' and so forth. As implied by these objectives, flexitime is beneficial not only for management but also for employees in the sense that it may enhance the quality of working life of employees. As for attaining these goals, according to the results of recent questionnaire surveys, flexitime appears to be effective in achieving some of the above objectives, and it is executed that flexitime will be implemented in more firms in the near future. It appears that many employees are generally in favor of flexitime and favor introduction with some caution even at present (cf., note 2).

3. Super-flexitime has no core time. In several case studies, employees have been required to submit the following month's schedule in advance, to attend every day at least one hour, to work 160 hours per month and to attain the 'negotiated' or 'contracted' goals successfully. In these respects, their working ways have become much closer to those of self-employed entrepreneurs. It might be possible to infer from this a future organizational image of 'a collective of entrepreneurized employees'. This will mean a 'farewell to the administration of industrial labour'; in other words, in a certain jobs, it is no longer appropriate to pay money in terms of employee working hours. Instead, the new criterion to evaluate each employee is the work performed or achieved in itself, which is not be a simple function of working hours.

It is an open question to what extent basic changes in perception of personnel evaluation and related organizational features will bring about a real transformation in experience of work.

Notes:

- (1) The term flexitime here refers to a system by which full-time employees may choose voluntarily the beginning and ending time of everyday work, which is very often encompasses a core time of several hours, provided that he/she works a certain amount of monthly hours. As for the unit of time, for example, Amira Galin states that it is 'usually a day, a week or a month, and less frequently a longer period of up to a year' (Galín, 1991: 9). The definition used here is rather narrow in terms of the unit of time, and its application to full-time regular employees.
- (2) According to the Survey on Urban Commuting and Its Effects on Employees Living and Working Conditions conducted in November 1990 (Inagami et al., 1991), whose sample of 867 was mostly middle-aged, male, higher status white-collar employees (nearly seventy per cent of them were middle managers) working in large firms located in Central Tokyo, 18.2% had already worked flexitime, 18.2% responded that 'it is possible to introduce it from now', 47.8% that 'it is possible to introduce with a little of devices', 19.7% that 'it is impossible to introduce in future'. As to the possibility of reducing 'the frequency of

- meeting and meeting time', their response were largely in favour.
- (3) Both of the surveys (JOA, 1989; JPC, 1992) were entrusted by the Ministry of Labour. The firms polled were similarly the large firms most of which were listed on the Tokyo Stock Exchange.
  - (4) From the interview with Mr Y. Kuromitsu, personnel manager of Toppan Printing Corporation, on the 31st January 1992 by the study group of urban commuting mentioned above.
  - (5) In general, working hours in the printing industry - most printing firms are small and medium-sized - are fairly longer than the average in all industries and therefore the issue of working hour reduction is a serious one. In a sense, the 'backwardness' of the industry and the seriousness of management to resolve this problem might have resulted in the noteworthy innovation of 'super-flexitime'.

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## Statistical Aspects

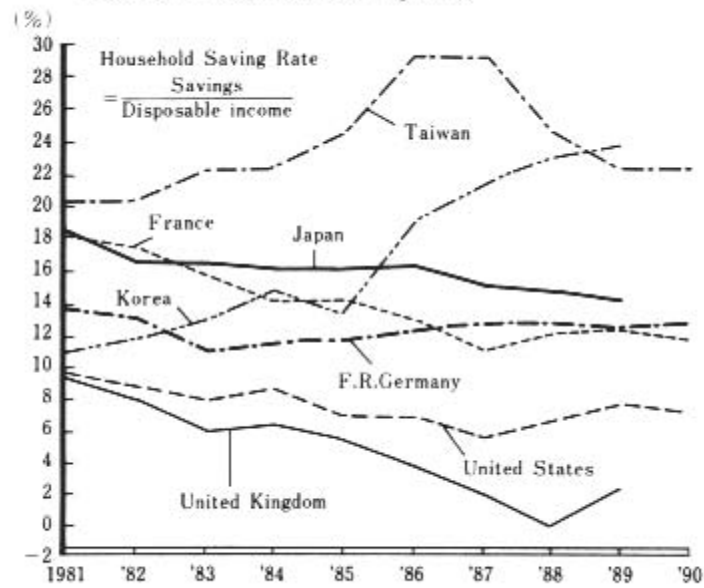
### Recent Labor Economy Indices

	August 1992	July 1992	Change from previous year
Labor force	6,618 (10 thousand)	6,614 (10 thousand)	54 (10 thousand)
Employed	6,474	6,480	49
Employees	5,138	5,188	124
Unemployed	145	141	5
Unemployment rate	2.2 %	2.2 %	0.1
Active opening rate	1.02	1.04	- 0.38
Total hours worked	156.4 (hours)	172.7 (hours)	- 2.8*
Total wages of regular employees	266.5 (¥thousand)	269.2 (¥thousand)	2.0*

Source: Management and Coordination Agency, Ministry of Labour.

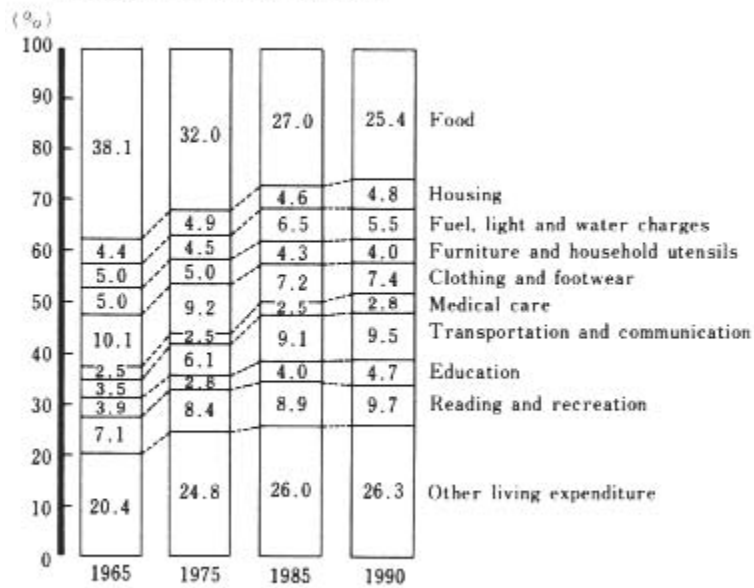
- Notes: 1. \* denotes annual percent change.  
2. From January 1991, data of "Total hours worked" and "Total wages of regular employees" are for firms with from 5 to 30 employees.

### Trends in Household Saving Rate



Source: Bank of Japan, *Comparative Economic and Financial Statistics*, 1991.

### Expenditure in Family Life



Source: Management and Coordination Agency, *Family Income and Expenditure Survey*.