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General Survey

Japanese Economy Expected to Experience Sustainable Growth: Economic White Paper for 1997

On July 18, the Economic Planning Agency (EPA) published its annual economic white paper for 1997. Subtitled "the Japanese Economy Geared up for Reform," this year's white paper says the nation's economy is now ready for full-fledged structural reform. Last year's white paper said the economy was on a recovery course and moving at a mild pace. The EPA Director-general commented that this year's white paper is optimistic about the economy but that the economic trends are not all positive. Attention should continue to be directed to slight business fluctuations after release of the white paper.

Confirming that consumption and investment are firm, the paper points out that the weaker yen has since the latter half of 1996 helped the Japanese economy move down the path to a self-reliant recovery. Although the financial deflation through the April 1 hike in the consumption tax and the restraint on public works, temporarily slow the tempo at which the economy recovers, the white paper predicts that the recovery will be sustained. The after effects of the "bubble years" in the latter half of the 1980s, including the massive bad loans made by financial institutions, are no longer a problem that will drag down the overall economy. Attention should now be focused on the structure of individual sectors, the white paper stresses. It thus expresses the view that ripples from the bubble years have substantially disappeared in macro-economic terms. While claiming that the current super-low interest rates has contributed to economic recovery, the paper notes that they have also brought about a deterioration of returns to corporate pension schemes stemming from lower rate of returns on assets.

Meanwhile, the white paper stresses the importance of reforming the economic structure. In particular, deregulation is cited as being essential for a return to long-term stable growth. While valuing international competitiveness and higher productivity in manufacturing, the paper is critical of the non-manufacturing sector. In particular, the ineffectiveness of financial institutions was noted as a factor which is likely to restrain economic development.

Working Conditions and the Labor Management

Forty Percent are Critical of Downsizing: Rengo- Soken (JTUC Research Institute for Advancement of Living Standards) Survey

Nearly 40 percent (39.4%) of salaried workers are critical of trimming the labor force at their firms. They seem to be saying that employers "have not been making enough other changes and only take 'trimming the fat' as the easy way out. In December 1996 Rengo Soken (JTUC Research Institute for Advancement of Living Standards), a think tank of Rengo (the Japanese Trade Union Confederation), administered a survey to 2,000 salaried workers aged 24 to 65, to which 825 (41.3%) responded. Men accounted for 96.5 percent of the responses. Their average age was 40.9 years, and nearly half were section-chiefs. The respondents were employed mostly by firms with 300 and more regular employees.

According to the survey, around 40 percent of the respondents considered the effects of the current recession are serious. Another 40 percent considered them to be slightly serious. Furthermore, 23 percent replied that their company's total workforce had been cut by more than 20 percent since 1990; 19.5 percent answered that their workforce had been slashed by over 20 percent in their own workplace. Nearly 40 percent were critical of efforts to slim down the managerial ranks. Some expressed the opinion that: "Corporate measures to cope with the recession have largely missed the mark" (36%), that "employers avoided taking responsibility for what caused the recession" (29.3%), and "the sense of trust in the company was fading" (30.1%) (42.9 percent among those at workplaces where the workforce shrank by more than 20 percent). A large number (84.8%) felt that it was likely they would be asked by employers to leave the company to transfer temporarily or permanently to other firms before reaching their firm's mandatory retirement age. Especially in the financial sector, 24.5 percent said they will "pretty likely to be asked to go." Thus, many salaried workers are aware that radical changes are occurring in the environment around them. In other words, the idea of staying with the same company until mandatory retirement is beginning to break down. While their sense of confidence in firms is shaking, about 80 percent thought of leaving jobs in the past. However, only 6.2 percent said they will have much opportunity to leave willingly in the future. 27.2 percent said so even including those who said they "will have a little chance to do so." Asked why they were less likely to switch to another job voluntarily, the largest percent (46.9%) of those surveyed said "no other workplace in which I can fully utilize my ability," followed by those who felt uneasy about a change in their work environment (32.3%). The second group seemed to lack confidence in their own abilities. Another 27.9 percent said they would not rule out leaving corporate life to start a new career on their own. Thus, many Japanese "*salarymen*," are uneasy about the downsizing of the managerial stratum in their own firm, but cannot exactly break free from their dependence on the firm.

The Workplace Environment at Construction Site

On August 30, the Ministry of Labour released the results of a survey on the work environment. The survey was administered in November 1996 to about 11,000 firms with 10 and more employees, to about 12,000 construction workers, and to about 1,000 tunnel and subway construction sites. Replies were received from 85.2 percent of the 11,000 firms, 86 percent of the 12,000 construction workers and 92 percent of the 1,000 construction sites.

The firm survey found that to create a comfortable workplace environment, construction companies put emphasis on the adequacy of layout and work space, a boost in the firm's image, the improvement of the poor environment which will be created irrespective of the nature of work and creation and improvement of facilities for recovery from fatigue. However, in order to create a more comfortable workplace, they lack both funds and the necessary know-how controversial. Around 40 percent of the firms dealt with dangerous jobs, but 90 percent of the firms felt that their work environment was adequate, a view supported by work-environment measurements.

In the survey of the worker themselves, 34.1 percent said the workplace environment was "comfortable in overall terms," 21.9 percent said it was not comfortable, and 43.5 percent could not say either way. As for improvements they wanted, 31.6 percent wanted a comfortable resting place; 28.7 percent wished for a better layout of the machinery, tools and the work space; 28.4 percent wanted less hard or heavy work which caused physical fatigue, such as carrying heavy loads or operating with a stooping posture. Recognition of harmful or dangerous work varied widely depending on the kind of job each individual was in, but most felt it was largely inadequate, the survey said. As for the health of workers, 37.7 percent said they are healthy, and 44.9 percent answered that they are fairly healthy. About 30 percent replied that they have chronic health problems.

Finally, the survey of tunnel and subway construction sites revealed that since 1991 (when the previous survey was done) automatic gas warning devices had been increasingly installed at sites which were likely to have flammable gas. The survey also indicated that dust concentrations had been lowered as a result of better efforts being made to measure dust concentration levels and to introduce automated and robotized construction machinery.

Human Resources Management

Trends in Internship Programs

Internship programs are fairly common in the United States. In Japan some

foreign-capital companies and venture companies also have introduced such programs. In 1997 several major firms --- such as Matsushita Electric Industrial Co., Ltd., Asahi Chemical Industry Co., Ltd., and Daiei Inc.--- have begun to introduce internship programs. Although the companies which have such programs have not involved a large number of participants' interest in the concept is rapidly growing in Japan, and a tripartite relationship between businesses, students and universities is emerging. Meanwhile, the Ministry of Education, Ministry of Labour, and Ministry of International Trade and Industry are taking the issue of the internship program in an extremely active manner and are inaugurating a variety of study groups and committees to examine the potential of such programs.

The internship program is a system under which students can gain workplace experience relating to their own fields of study or to future career paths while still in schools. It is useful for companies to gain wider access to students in order to communicate better with them. It is also useful for students to earn about the corporation's need for a diverse kind of workers. Unlike at Japan's large companies, recruitment activity at venture companies, allows the employer and the students to discuss freely their needs and ideas. Furthermore, it is expected that an understanding of how companies work will be greatly enhanced when students discuss matters among themselves. Companies are now looking for the best way to structure these programs.

For the students, the internship program allows them to experience how companies really function, while at the same time acquiring useful skills on the job. Many are now aware that entering a large company does not necessarily guarantee their economic stability later in life. But the program has not necessarily received favorable support from students in all areas, and there are cases in which the program fails to differentiate between student *arubaito* (casual employment) and the student intern experience. While companies expect the internship program to enhance the quality of education by combining theory and practice, to cope properly with the decline in the number 18 years olds in the population in the years ahead, colleges and universities intend to regard programs like the internship program as means of luring students. Moreover, having a good relationship with companies is vital to introducing such programs, and colleges and universities are pushing ahead with programs although their efforts to tackle the issue are varied.

Public Policy

Integration of Ministry of Labour and Ministry of Health and Welfare Agreed Upon the Administrative Reform Council's Proposal to Streamline Japan's

Administration

On September 3, the advisory Administrative Reform Council, headed by Prime Minister Ryutaro Hashimoto, unveiled its interim report. The report proposes a streamlining of various ministries and agencies. From the beginning, the Council focused on identifying the functions the nation should perform in the 21st century. It then drew up a reorganization plan for the ministries and agencies which constitute the national government. In the discussions involving the reorganization of ministries and agencies, the Council members hotly debated the division of the government's fiscal and financial functions, and Japan's postal services were also contentious. The interim report provides a blueprint for "one office and 12 ministries and agencies." The report now provides the Council with a basis for discussions at the political level while drafting the final report.

In the area of labor administration, the Council agreed that the Ministry of Labour and the Ministry of Health and Welfare should be merged into one ministry which was tentatively named "the Ministry of Employment and Welfare." A new Ministry of Employment and Welfare would be in charge of employment, industrial safety, medical care, pensions, welfare provisions and other related matters. The report documents the development of its discussions and lists issues for each of the ministries regarding the proposed merger. It argues the view that "labor administration should be separated from other tasks" but notes that "care should be taken to prevent the administration of employment and labor affairs from being left untouched."

Integration of the two ministries is generally considered in terms of the graying of Japanese society, with a decline in the younger population in the years to come. As for measures to deal with the elderly, the report stressed the need to move ahead in providing an environment which will enable elderly people to work and in developing medical and welfare services including nursing care. As for the declining number of children, the report calls for the establishment of facilities to help women rear children while working. Here, the government is seen as a "referee" whose job is to ensure that the labor market functions properly while also being a "player" on the welfare side as it redistributes income outside the labor market. These two functions are fundamentally different, and many informed people fear that the amalgamation of the two ministries will result in the functions being less clearly defined and thereby less effectively performed.

Special Topic

Changes in Japanese Human Resource Management: A Demand-Side Story

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1.0 Introduction

Despite widespread debate on the "demise of Japanese-style management" and on changes now occurring in human resource management (HRM) practices in Japan, little employee-side story has been told. What type of rewards do employees consider important? Are they likely to be more motivated by the newer practices being proposed? To what extent do they feel committed to their firms and what do they think about their careers? In this paper, these and other questions are examined, using data from a survey conducted at the Japan Productivity Center for Socio-Economic Development in 1996 (see Figure 1). The focus in this paper is on changes in HRM practices related to white-collar and managerial employees.

2.0 Changes in White-Collar and Managerial Employment

Employees working for large Japanese corporations have enjoyed a prolonged period of company growth and a relatively privileged employment status from the late 1950s through the 1980s. The pressures for individual contribution and company loyalty were intense. An implicit quid pro quo existed, however. For their dedication and personal sacrifice they were entitled to a good job and employment security. Managers usually enjoyed continuous salary growth, regular career promotions, and long-term employment security. The large recession experienced by Japan in the 1970s (caused largely by the two oil crises) did not substantially change employment patterns for the core employees in large firms.

However, in recent years changes have occurred in the circumstances which had allowed Japan's large firms to maintain structured internal labor markets and formal arrangements for managing white-collar and managerial employees in the manner just described. Pressured by global competition, rapid by technological change and, most importantly, by the high cost of labor due to the aging of the workforce, many employers have begun to question the effectiveness of current HRM practices as they apply to managers and other white-collar workers. It has been argued by many that the arrangements for long-term employment and

seniority wages need a major overhaul. While the current commotion may mean yet another revision as part of the on-going series of adjustments that have been occurring since the 1960s, two aspects of the current moves relate particularly to white-collar and managerial workers: the introduction of competitive appraisal practices which emphasize individual differentiation and the externalization of core, regular-status employees (see Morishima 1995 for details).

2.1 Competitive appraisal practices which emphasize individual differentiation

This advance reflects a shift away from basing employee rewards on criteria related to seniority and capability development. With regard to middle and senior managers, the current change is resulting in an increasing emphasis on the more careful evaluation of employees in terms of their contributions to the organization through such practices as performance-based evaluation and management-by-objectives. This change is most visible in the arrangements for the compensation of middle and senior managers, although a number of firms have also introduced similar measures for a range of other non-managerial white-collar workers. According to a survey conducted by the Ministry of Labour in 1995, approximately 7.9 percent of large firms (with over 1,000 employees) have built some type of pay-for-performance criteria into their compensation formulae for white-collar workers. Another 11.6 percent are considering do so over the next five years.

Another common practice is to assign employees early in their career with the firm to managerial and supervisory positions. This finding goes against currently the accepted practice that formal status differentiation among employees in the same cohort (defined by year of entry and occupation grouping) occurs only after 7-10 years of en masse advancement with little individual differentiation. The approach to promotion was considered necessary in order to select employees with managerial.

Two surveys conducted six years apart suggest that the timing at which firms introduce status differentiation may now be occurring earlier in the white-collar employees' careers than previously was the case. In a Ministry of Labour survey conducted in 1987, more than 20 percent of firms reported introducing status and large pay differentials more than 10 years after the cohort entered the firm. Another 40 percent introduced such differentials after the cohort had been employed for 5 to 10 years. In a Japan Institute of Labour survey conducted in 1993, the proportion of firms introducing such differentials after 10 years dropped to 7.6 percent, with 33.1 percent doing so after the cohort had been employed 5 to 10 years. In this survey, the largest proportion of firms (46.3 %) reported that they would introduce large status and pay differentials in the third year.

2.2 The Externalization of Regular Status Core Employees

The externalization of employment has been proceeding in Japan in a manner similar to that found in other industrialized nations. In particular, Japanese firms have begun to externalize white-collar and managerial positions not only through the increased use of part-timers and temporaries (Osawa and Kingston 1996), but also by hiring limited-contract employees and sorting employees into categories having different levels of employment security. The goal has been to introduce mobility and to obtain a better matching of employees and jobs. This is done by reducing the likelihood of long-term employment and by giving both employees and employers more autonomy in choosing the "right" partners.

Some Japanese firms have also begun to utilize a variety of devices to sort white-collar workers into employment categories with different levels of employment protection. According to a survey conducted by the Ministry of Labour in 1990 and 1996, the number of firms offering multiple career tracks increased from 6.3 percent of all firms in 1990 to 11.5 percent in 1996. Firms having employees "retire" from managerial positions at a pre-set age increased from 11.8 to 15.8 percent during the same period. Finally, "specialist" career tracks were used in 19.9 percent of the firms in 1996, compared to 16.2 percent in 1990. "Specialists" usually enjoy less employment protection than managerial-career employees, although they may have been hired in the same group.

Finally many firms have also started to remove senior members of the management ranks from their white-collar workforce permanently. Japanese firms often use *shukko* and *tenseki* to transfer their employees to other firms and organizations. Some transfer destinations are affiliated in terms of capital or business transactions; others have no such affiliation (Sato 1996). With *shukko*, employees are temporarily lent to other companies. With *tenseki* their official employment status is permanently changed and they become an employee of the receiving firms. Strategies to remove senior employees range from early voluntary retirement to aggressive outplacement counseling (called *Katatataki*). As a result of a combination of these approaches, Japanese white-collar and managerial employees now find themselves placed in various places on the continuum from being strongly protected to being weakly protected.

Overall, increasingly competitive compensation and promotion practices, and the growing use of externalized employment arrangements indicate Japanese employers' attempts to gain flexibility and to control cost with regard to their white-collar and managerial HRM. We will examine employee attitudes toward these new practices.

Figure 1. Data Used in This Paper

<u>Sample</u>	: 3126 White-Collar and Managerial Employees in 33 Firms in the Tokyo and Osaka Metropolitan Areas.
<u>Date of Survey</u>	: June 1996
<u>Response Rate</u>	: 46%
<u>Method</u>	: Questionnaires Distributed by Firms; Returned Directly by Mail.
<u>Basic Characteristics</u>	: Percent Male, 93.3; Percent with College Degrees, 83.4; Percent in Management Positions, 60.6; Percent of Respondents Younger Than 31 Years Old, 29.2; Older Than 45, 17.1.

3.0 Employee Motivators

What motivates employees? More specifically, do rewards and reward allocation procedures associated with the new practices motivate employees? We asked about the importance of the following items in motivating respondents to work hard: (i) establishment of clear performance goals, (ii) open feedback on evaluation results and on the reasoning behind them, (iii) use of performance and output in employee evaluation, (iv) assignment of those with superior talent to important positions regardless of age or seniority, (v) effort taken into account in employee evaluation, (vi) intra-company posting of vacancies, (vii) promotion and upgrading in the skill-job grade, (viii) long period of evaluating managerial candidates with little differentiation among cohort members in terms of rewards during that period; and (ix) internal skill development through work experience. Respondents were asked to rank each item from "important" (coded as "5") through "neither important nor unimportant" (coded as "3") to "unimportant" (coded as "1").

The items cover a wide range of rewards and reward allocation procedures offered by Japanese organizations. Some of them (e.g., use of performance and output in employee evaluation) are not considered as traditional Japanese HRM practices, whereas others (e.g., the long period of evaluation) are seen as being more established practices in large Japanese firms. Figure 2 shows the average for each of the nine items. "Internal skill development through experience" was considered the most important by the respondents, and the long period to evaluate managerial candidates the least important.

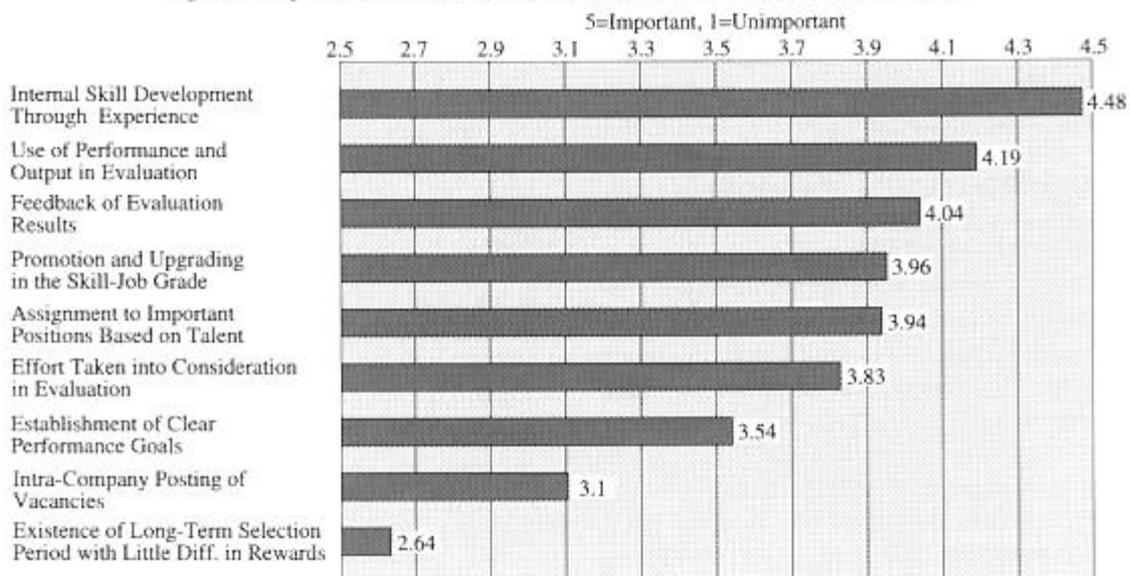
Three conclusions may be drawn. First, many of the newer practices were highly rated by the respondents. For example, "use of performance and output in employee evaluation" and "open feedback of performance evaluation results" were considered as highly important. Second, the most important motivator in the above list was "internal development of skills

through experience." Thus, while many Japanese white-collar employees appear to accept the newer practices, employees as a whole still want to have in-house skill development, the hallmark of Japanese employment practices to date (Kawakita 1996). Third, some current HRM practices, such as the long evaluation period for managerial candidates, are not favored by employees. Also, although some traditional practices such as "promotion and upgrading in the skill-job grade system" and "considering effort in employee evaluation" are still seen as having an important role to play, they were assigned lower ranks than the new practices mentioned above.

A weak relationship emerged between employees' hierarchical positions and their attitudes toward the new reward systems. Higher ranking managers were more favorably disposed to the newer types of rewards and reward allocation practices. As for age effects (Figure 3), the general pattern is that the importance attached to all of these items declines as employees approach mid-forties and picks up again. One can speculate that employees in mid-career might have extra-work needs attributable to family and other non-work responsibilities. Thus, their motivation might be related to such items as time-off and extra compensation. Finally, the results were quite stable across all job categories.

Overall, Japanese managers and non-managerial white-collar employees strongly favor the newer practices proposed by employers. However, they also seem to feel that some of the current practices (especially in-house training through experience) warrant careful consideration.

Figure 2. Importance of Rewards and Reward Allocation Procedures as Motivators



4.0 Choice of Employment Practices

Do employees prefer to choose newer HRM practices when given a choice? Respondents were posed with four pairs of alternatives employment practices (see Figure 3) and were asked to choose A or B from each pair. One choice (A) represented the newer approach to employee management; the other (B), a current practice. (See the results in Table 1.)

With regard to Choices 3 and 4, approximately 80 percent of the white-collar employees prefer newer practices to current practices. A strong majority of employees (78.7%) prefer to have staffing practices which promote employees with high potential even though that may involve reversal of seniority order and hierarchical positions (or simply put, working for a boss who is more talented but younger than the respondent). An even higher proportion of employees prefer to acquire skills that are portable across firms even though that the job may not lead to promotion to senior management positions.

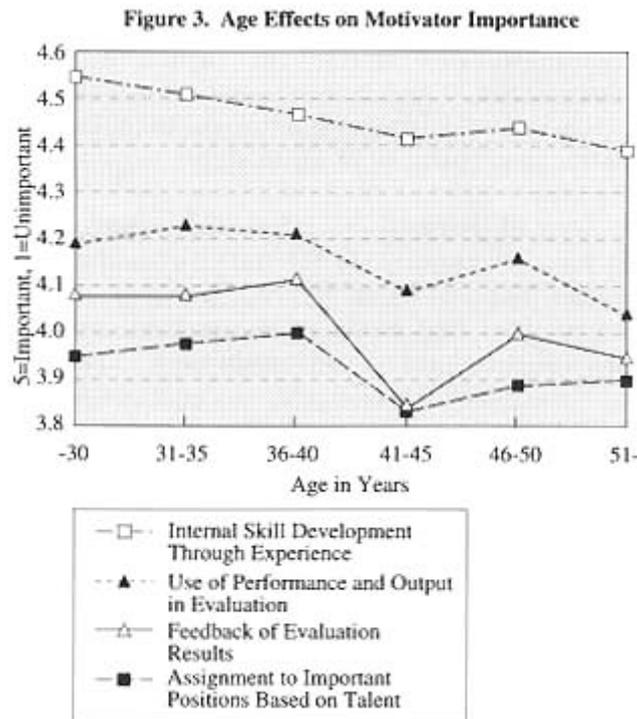


Figure 4. Employment Practice Choices Used in the Survey

<u>Choice #1:</u>	
A:	Compensation practice which pays high wages when your performance is good but does not link pay to age or seniority
B:	Compensation practice which does not pay high wages even when your performance is good, but links pay to age and seniority.
<u>Choice #2:</u>	
A:	Job in a company with high pay but little levels of investment in training and career development.
B:	Job in a company with low pay but high levels of investment in training and career development.
<u>Choice #3:</u>	
A:	Staffing practice which may involve demotion and possibilities of being passed over by junior employees but offers early selection and promotion for those with potential.
B:	Staffing practice which does not involve demotion and possibilities of being passed over by junior employees, but does not quickly promote those with potential.
<u>Choice #4:</u>	
A:	Job which may train you to be a professional with skills that are useful in other companies, but which is not likely to lead to senior management positions.
B:	Job which trains you to have skills that are useful only in your company, but which is likely to lead to senior management positions in your company.

Table 1. Proportion of Employees Choosing the Newer Approach in Questions 1-4 in Figure 4

	Choice 1	Choice 2	Choice 3	Choice 4
Overall	53.5%	24.3%	78.7%	79.8%
By Age				
-30	54.9%	26.2%	78.2%	86.7%
31-45	54.9%	22.4%	77.7%	79.9%
45-	46.9%	27.2%	82.5%	67.6%

However, the results show a somewhat different pattern when it comes to remuneration. Only slightly more than half of the employees prefer to have their wages based solely on job performance without consideration of age or seniority. Many Japanese employees still favor having at least some weight given to seniority or age and the notion of life-cycle needs. Moreover, about three quarters of employees want to work in a company that invests heavily in skill development, and would not want to see that investment foregone simply for a higher salary. The provision of internal training appears to be a very strong expectation among Japanese employees.

5.0 Attachment to Firms and Career Preference

The final question examined here is: how do employees view their employing organization relative to their work, and how do they think about the development of their own careers. The widespread idea is that Japanese employees show high commitment to their employing organizations and desire to develop their careers within the firm. If, however, as changes in HRM practices occur, employees' attachment to their firms may become weaker and their concept of career may become similar to that of the professionals. Alternatively, such HRM changes would not be effective unless employees' relationship to the firms becomes more "market-like" and the exchanges of rewards and labor more explicit. They may also have to accept careers as professionals with specialized skills. Will Japan's white-collar employees really go for such an employment relationship?

We posed two questions to examine this issue (see Figure 5). Again, "A" was the view thought to be closer to the viewpoint of the new HRM practices. Respondents were asked to indicate on a scale ranging from "5" (having a view close to A) to "1" (having a view close to B). Table 2 shows the results.

**Figure 5. Attachment to Firms and Desired Career:
Questions in the Survey**

<u>Question 1:</u>	
A:	I would be willing to move to another company, if, in my present firm, I cannot do the type of work I want to do in my present firm.
B:	I would like to continue working for this company even if I cannot do the type of work I want to do.
<u>Question 2:</u>	
A:	I would like to develop a career as a professional by developing skills and acquiring knowledge and experience in a particular area.
B:	I would like to develop a career in this company by developing skills and acquiring knowledge and experience broadly.

**Table 2. Proportion of Employees
Choosing "A" as their Preference when Responding to the
Choices Given in Figure 5**

	Question 1	Question 2
Overall	57.0%	42.0%
By Age		
-30	67.3%	46.9%
31-45	56.9%	40.4%
45-	37.2%	38.1%

The results indicate that more than half of the respondents are willing to move to another company to be able to do the type of work they prefer. The differences by age, however, are quite considerable. Fewer of the older respondents (about 37 %) would move.

Regarding their preferred career, less than half were interested in having a career as a professional with specialized skills, and the percentage again drops for the older age groups. Thus, the majority of employees still prefer to have jobs that provide them with career development with broad skills within their firms, although many are also inclined to move to other firms to be able to do the work they like.

6.0 Conclusion

The introduction of flexibility and cost controls in the employment of white-collar workers and managers seems to be in vogue among Japanese employers. Pressures for change come from the new competitive environment and rapid aging of the workforce. It has also become a fad to attempt to change white-collar HRM. In response, large employers in Japan have started another round of attacks on current practices. Two trends are most visible. One is the introduction of competitive appraisal practices which result in the differentiation of employees. The second is the externalization of core, regular-status employees. One missing actor in this discussion, however, has been the employees. They constitute the "demand" side of the change equation. Their attitudes were examined in this paper.

The survey data presented in this paper allow us to conclude that employees' attitudes are mixed. Employees seem to favor many of the newer practices such as use of performance and output in employee evaluation and assignment of those with talent to important positions regardless of their seniority and age. In this sense, more performance-based reward and staffing practices are strongly supported or at least accepted by white-collar employees.

However, the same employees would also like to maintain current patterns of internal human resource development and company investment in skill development. A majority also appear to prefer in-house career development with training in a broad range of skills. An important issue is that this type of in-house training investment assumes that employees stay with the firm for a long time. This approach also tends to emphasize the development of latent abilities rather than past performance and output when it comes to evaluating employees.

The changes in HRM practices which large Japanese firms are now introducing will make the employee-organization linkages more "transactional" or "market-like". The duration of employment may also become much shorter while the terms of employment more explicit. Training is likely to be conducted outside the corporate settings and in previous jobs. Employees will be expected to be fully trained and able to take responsibility when they are hired. Under these circumstances, the desire of many employees for their employing organizations to provide training and in-house career development may not be satisfied. The results presented in this paper suggest that we need to engage in a much larger discussion of

the impending changes in HRM practices and their implications for employees, especially in terms of whose responsibility it is to develop job-relevant skills and to what extent employees are expected to invest in human resource development.

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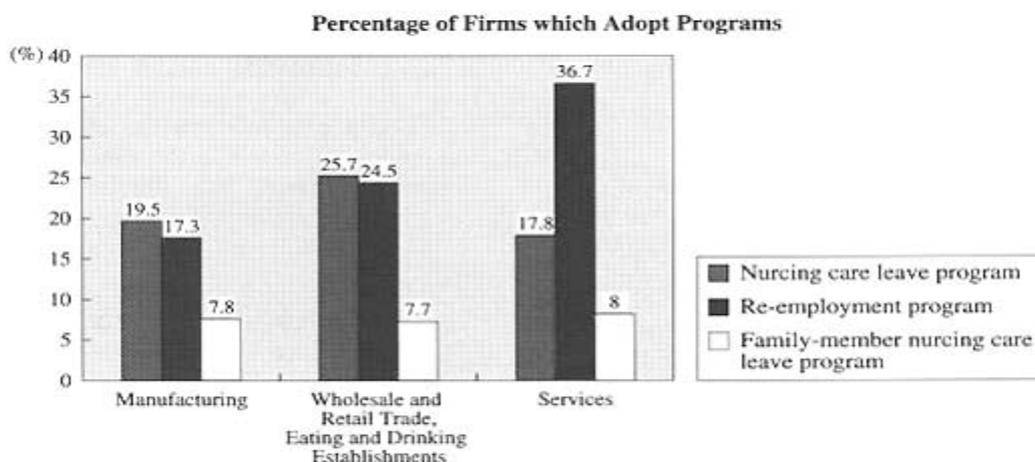
Statistical Aspects

Recent Labor Economy Indices

	August 1997	July 1997	Change from previous year
Labor force	6,521(10thousand)	6,873 (10thousand)	55(10thousand)
Employed	6,590	6,649	48
Employees	5,377	5,426	47
Unemployed	231	224	7
Unemployment rate	3.3%	3.3%	0.1
Active opening rate	0.7	0.74	0.02
Total hours worked	149.7 (hours)	163.6 (hours)	2.2*
Total wages of regular employees	(¥ thousand) 286.9	(¥ thousand) 289.8	1.0*

Notes: 1.*denotes annual percent change.

2.From February 1991 the data for "total hours worked" and "total wages of regular employees" are for firms with 5 to 30 employees.
Source: Management and Coordination Agency, Ministry of Labour.



Note : For more information on the Child Care Leave Law, see Nitta, Michio. "Child Care Leave Law and Its Background." *Japan Labor Bulletin* 30.9 (1991): 5-8.
Source: 1996 Survey on Women Workers' Employment Management.