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WORKING CONDITIONS & THE LABOR MARKET

More Cases Recognized as *Karoshi*-related following Legal Revisions

In December 2001, the criteria used to determine whether cerebral or cardiac afflictions should be recognized as work related (that is, *karoshi*, or death from overwork) were relaxed. Since that time, the number of such cases has drastically increased.

The revisions include lengthening the period used to decide if a work accident was related to an excessive workload from one week prior to the incidence to six months prior to the event. At the same time, in assessing the excessive strain caused by working long hours, the number of hours worked is now used as a benchmark. In cases where the employee worked 100 or more hours of overtime in the month prior to the incidence, or 80 hours or more each month for the past six months, the incident is considered to be work related.

Statistics from before and after the revisions show

that 85 cases were recognized as *karoshi* in fiscal 2000, 143 in fiscal 2001, and 115 from April to September 2002 — a sharp increase as this figure for the first half of fiscal 2002 already equalled 80 percent of the figure for the entire previous fiscal year. The high number for fiscal 2001 is due to the number of cases whose decisions were reversed following the revisions.

Meanwhile, the number of suicides recognized as work related that were committed by employees suffering from depression due to a heavy overtime load has sharply increased since 1999 when these criteria were eased. (There were three cases in 1998, 11 in 1999, 19 in 2000, and 31 in 2001.)

The sudden increase in the number of cases recognized as work accidents caused by excessive overwork is due, of course, to the fact that the criteria were revised. In addition, it has been noted that during the prolonged recession, many firms have curbed hiring and encouraged middle-aged and older employees to opt for early retirement, thus increasing the workload of employees in the “core” age groups, and raising the likelihood of still more work acci-

dents.

According to the results of the *Labour Force Survey*, the percent of male employees who worked 80 or more hours of overtime a month — the yardstick for judging *karoshi* — hovered around 18 percent between 1993 and 1999, but exceeded 20 percent in 2000, and has increased for the three consecutive years since. By age group, it is workers aged 30 to 34, followed by 35 to 39 year olds and then those aged 40 to 44 who are hit the hardest.

Notes:

- (1) Cases recognized as *karoshi* also include those where the worker involved is still alive; for example, if a worker suffers a subarachnoid hemorrhage and is in a coma. Unsuccessful suicide attempts are also included in the statistics.
- (2) Concerning the relaxing of the criteria for *karoshi*, see the February 2002 issue of the *Japan Labor Bulletin*; for suicides caused by depression from overwork, see the November 1999 issue.

Unpaid Overtime Becomes a Serious Problem

Nearly half of all union members have worked unpaid overtime, with the average being 30 hours per month, according to the results of a survey carried out by Rengo (Japanese Trade Union Confederation).

The survey, conducted in June 2002 and targeting 23,000 workers, showed that 17.8 percent of the respondents “frequently” performed “service overtime;” 6.2 percent answered that about half of their overtime hours were unpaid; and 23.5 percent said that they “occasionally” worked overtime without pay, for a total of 47.5 percent. Of this 47.5 percent,

the average amount of unpaid overtime was found to be 29.6 hours: 30.5 hours for male workers and 20.5 hours for female workers.

Among male workers (including those who responded that they did not work unpaid overtime), a conspicuously large number in their early 30s worked more overtime than any other age group, an average of 11.8 hours, while the same age group registered the highest proportion, 2.9 percent, of those whose overtime hours totaled 80 or more in a month. (See Figure 2 on page 3.)

By industry, the average number of unpaid overtime hours was quite high in financing, insurance and real estate, and in the commerce and distribution sectors. By job type, workers engaged in sales and services worked the most unpaid overtime.

As for why they worked so many hours, the largest number of workers replied, “to reach the norms assigned to me” (44.7%). While 21.6 percent answered, “to improve my own ability,” a conspicuously large percentage gave negative reasons for working overtime without pay, “because my colleagues also worked overtime without pay” (22.4%); “the atmosphere at my workplace makes it difficult to demand overtime allowances” (19.8%), and “because the company has strict rules on how much overtime we can work” (13.6%). (Multiple responses possible.)

Concerning how overtime hours are recorded, 43 percent replied that the burden fell on the individual worker to estimate the number of hours he/she worked. And at some business establishments employing this method of recordkeeping the process

Statistical Aspect

Figure 1. Number of Cases Recognized as *Karoshi*-related by Occupation

Occupation	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Specialist	10	10	12	15	25
Managerial post	27	26	20	20	26
Clerical post	14	21	15	16	18
Sales	1	3	5	3	5
Service	0	3	2	3	6
Driver	9	7	12	12	30
Engineer	10	18	8	6	20
Others	2	2	7	10	13
Total	73	90	81	85	143
Number of claims (total)	539	466	493	617	690

Source: Ministry of Health, Labour and Welfare.

is inadequately supervised, leading to occasional overestimates but, far more frequently, to underestimates by employees; the latter case, in particular, is responsible for many cases of excessively long working hours and “unreported overtime” left unpaid.

As long working hours and work without pay has become a serious problem, the Ministry of Health, Labour and Welfare published on December 13, 2002, statistics concerning overtime without pay. This special compilation covers cases of unpaid overtime which Labour Standards Inspection Offices across the country investigated between April 2001 and September 2002, and where the companies involved paid their workers afterwards. The statistics were confined to cases where unpaid wages exceeded ¥1 million per company, and do not reflect the entire picture as many cases were not reported.

According to these statistics, the number of firms which paid overtime at the request of the bureaus totalled 613, covering 71,322 workers and total payments of ¥8.1 billion. Those figures mean that the average firm failed to pay ¥13.28 million, or ¥110,000 per worker for unpaid overtime.

By industry, the largest number of firms that did not pay for overtime was in the manufacturing sector, 174, followed by 152 in the commercial sector, and 55 in the financing and advertisement sectors. In terms of the number of workers involved, the financing and advertisement sectors were first (19,795 workers), followed by manufacturing (18,922) and commercial businesses (15,654).

One concern is that the increase in workload per

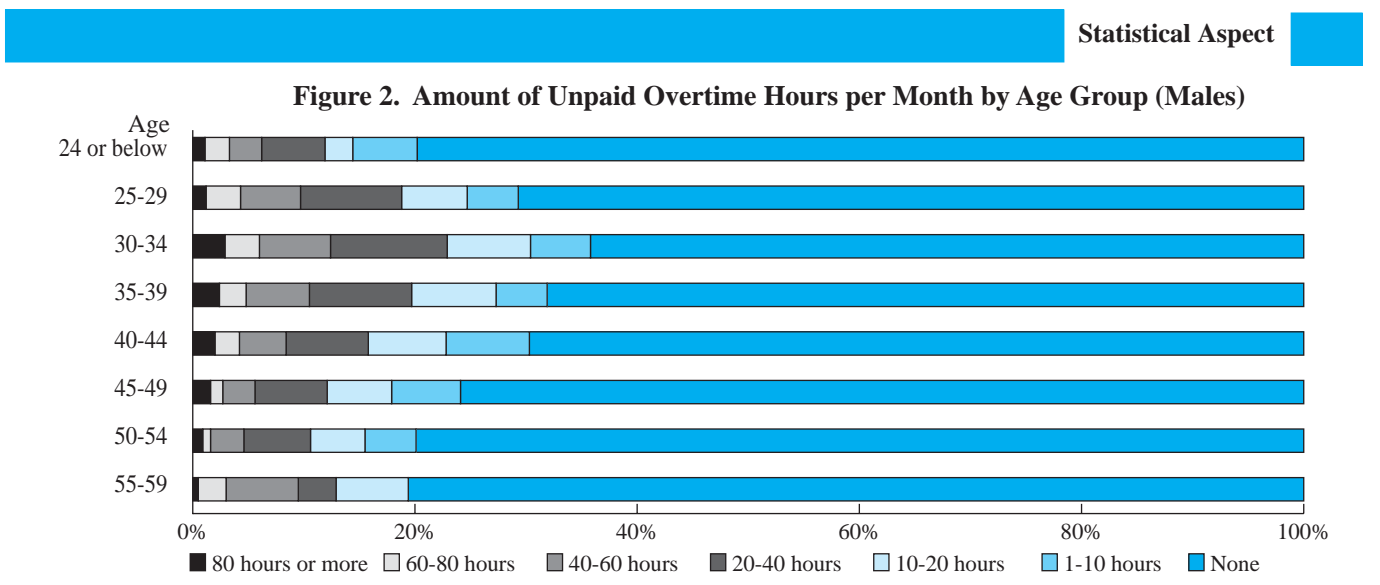
individual due to recent measures to reduce workforces, and intensified competition among workers due to the introduction of performance-based wage systems will result in excessively long working hours. Accordingly, the Ministry of Health, Labour and Welfare plans to eliminate the practice of unpaid overtime by making efforts to supervise firms in appropriately managing working hours, and by handling outrageous cases with severe legal punishment.

Notes:

- (1) In this survey by Rengo, unpaid overtime is defined as the difference between unscheduled working hours actually worked and those for which the worker was paid.
- (2) The Labour Standards Law exempts “employees in charge of supervision or management (supervisory managers)” from the application of company rules concerning working hours. In general, “supervisory managers” are defined as those who are responsible, together with chief executives of companies, for decisions concerning working conditions and other aspects of human resource management. They include, for example, department managers and heads of factories. But exemptions must be applied in accordance with the actual role of the employee involved, rather than their title. In fact, in most large firms, managers (*kacho*) are categorized as supervisory managers, so they receive allowances for their “posts” but are no longer eligible for overtime payments.

Mismatch between Supply and Demand for Those Who Work from Home

According to a recently released government survey on working from home, while companies had difficulties securing able workers, workers who



Source: Rengo (Japanese Trade Union Confederation).

wished to work from home had problems finding jobs.

The survey, conducted by the Ministry of Health, Labour and Welfare in February 2002 and published in November, received replies from 472 firms looking for people who work at home, and 375 such workers.

The information services and survey sectors contained the largest number of companies looking for tele-workers, 34.1 percent, followed by 27.8 percent in the publishing and printing sectors, and 22.5 percent in the designing and planning sector. By size, small firms with less than 30 permanent employees accounted for some 80 percent. Concerning the workers, males accounted for 30 percent of all the respondents and females for 70 percent; the average person was 41 years old; and 65 percent of the male respondents and 76 percent of the females were married. As to why these workers chose this type of employment, a majority wanted to be able to work at their own pace and the freedom to balance work and their home life.

The companies were mainly looking for people

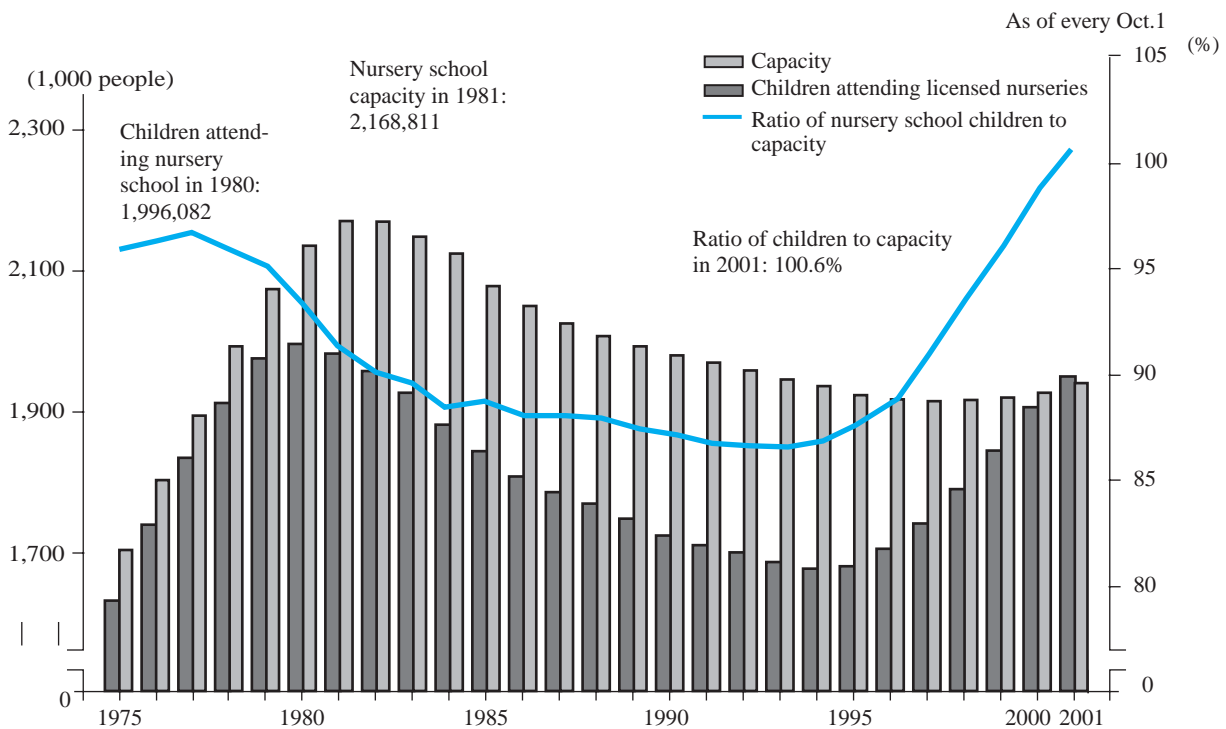
with “specialized skills” and for additional help “to get through particularly busy periods.” The problems they encountered included “a huge difference in terms of the quality of an individual’s work;” “difficulty in securing able personnel;” and “difficulty in meeting deadlines.” On the employees side, the most common problems were “securing enough work,” and “low pay.”

A majority of firms found their home-based workers through introductions by their employees, self-promotion by home-based workers, and retirees. Few firms recruited applicants via public advertisements. Most workers looking for home-based employment took advantage of contacts with companies they once worked for, introductions by others working in the same field, and introductions by acquaintances; comparatively few relied on job advertisements in newspapers or on the Internet.

Where actual job contracts are concerned, as many as 40 percent of the firms and 60 percent of the workers concluded agreements verbally. Some 23 percent of the firms hiring home-based workers had experienced problems, while 29 percent of the male

Statistical Aspect

Figure 3. Trends in the Number of Children Attending Licensed Nurseries, Capacity and the Ratio of Nursery School Children to Capacity



Source: Ministry of Health, Labour and Welfare.

and 16 percent of the female home-based workers had experienced trouble with their contracted companies. In 2000, the Ministry of Health, Labour, and Welfare provided “guidelines for fair conduct of home-based work,” explaining the need for an unambiguous written contract between the two parties to forestall potential trouble.

PUBLIC POLICY

Nurseries for Pre-school Children Filled Beyond Capacity

According to a Ministry of Health, Labour and Welfare survey, as of October 1, 2001, the number of infants and children attending licensed nurseries nationwide exceeded capacity for the first time since the survey began to monitor the figures in 1956.

Public and private nurseries authorized by local governments play a considerable role in supporting women with children who work. According to the survey, there were 22,231 nurseries in Japan, 12,580 public and 9,651 private. Total capacity (1.08 million infants and children) to the number of all infants and children under school age was 25.2 percent, meaning that it is possible for one-quarter of all infants and children to attend a licensed nursery.

The number of infants and children taken care of at licensed nurseries fell steadily after reaching a peak in 1980, but rose again after hitting bottom in 1994. Since then, the figure has increased, reaching

some 1.95 million in 2001, which is more or less the same number in 1980. As of 2001, the proportion of infants taken care of at licensed nurseries to infants as a whole was 25.4 percent; for the first time the number of children at licensed nurseries exceeded their capacity. (See Figure 3 on page 4.)

While the number of children has been steadily decreasing, the number of those attending nurseries has sharply increased. As the ministry notes, the main reason for this is that more mothers are working for extra income during the current recession. Another factor concerns the decision by the ministry in 1998 to allow nurseries to accept more infants and children than they have the capacity to handle. Thirty-two percent of public nurseries exceeded their capacity, while a whopping 79 percent of all private nurseries faced the same situation.

The Japanese government has been making every effort to expand the number of places that care for infants and children to achieve “a balance between work and child-care.” (See the September 2002 issue of the *Japan Labor Bulletin*.) Between fiscal 2002 and 2004, it is planning to make room for an additional 150,000 infants and children. Despite this, the demand remains higher than supply, which means that the measures undertaken are failing to catch up with an increasing demand for nursery services. As of April 2002, the number of infants and children who were on waiting lists to enter licensed nurseries totalled some 25,000.

Statistical Aspect

Figure 4. Percentage of Disabled People Employed in the Private Sector in 2002

Company size (by no. of employees)	Number of firms	Number of permanent employees	Percentage of disabled people employed	Proportion of firms not satisfying their statutory employment quota
56-99	21,913	1,606	1.5	55.1
	21,756	1,598	1.6	53.3
100-299	27,610	4,038	1.3	56.2
	27,823	4,062	1.4	54.8
300-499	5,287	1,758	1.5	61.0
	5,385	1,795	1.4	61.8
500-999	3,573	2,186	1.4	66.2
	3,597	2,207	1.5	66.6
1,000 or more	2,555	7,159	1.6	72.9
	2,554	7,272	1.6	73.4
Total	60,938	16,749	1.5	57.5
	61,115	16,936	1.5	56.3

Note: The bottom lines refer to the figures for 2001.

Source: Ministry of Health, Labour and Welfare.

Names of Firms Not Meeting Hiring Requirements for Disabled to Be Published

On December 26, 2002, the Ministry of Health, Labour and Welfare published figures showing the percentage of disabled people employed in the private sector. The rate, which stood at 1.47 percent as of June 1, 2002, is defined as the proportion of disabled workers working in the private sector compared to the number of workers as a whole in the sector. In the past 20 years, the rate has increased slightly, from the 1.20 to 1.29 percent range to the 1.30 to 1.39 percent range in the 1980s, and reaching 1.4 percent or higher in the 1990s. The proportion of firms which did not satisfy their statutory employment quota — the legally required hiring rate for disabled people in relation to the overall labor force in individual companies — was 57.5 percent in 2002; the figure increased among small and medium-sized firms with less than 300 employees, but fell among firms with 300 or more employees. (See Figure 4 on page 5.)

The Disabled Persons' Employment Promotion Law obliges business establishments with 56 or more permanent employees to hire enough people with mental or physical disabilities to account for 1.8 percent or more of their overall labor force. (The rate is 2.1 percent for national and local governmental bodies.) Companies which fail to fulfill their statutory employment quotas are required to pay a monthly levy of ¥50,000 per person. The levies collected are used, for example, in rewarding firms which employ

more disabled workers than required, and in subsidizing organizations which facilitate the employment of disabled people. (Levies are not imposed on businesses with less than 300 permanent employees.)

Firms that are remiss in hiring disabled people must submit their "employment plans" to the Minister of Health, Labour and Welfare even if they pay a levy. When the performance is particularly unsatisfactory, the ministry also conducts "administrative guidance." If these measures still fail to increase the number of disabled workers, the names of the firms in question will be published. So far, the names of four companies have been disclosed.

In November 2002, a Cabinet Office committee considering the disclosure of information suggested that firms not fulfilling their legal obligations whose names have not yet been released should be disclosed upon request. This was sparked by a request from a non-governmental organization, based on the "Law concerning Access to Information held by Administrative Organs," that the Ministry of Health, Labour and Welfare disclose a list of companies which were not meeting their quotas. This request was rejected, and the NGO appealed to the committee.

Following the committee's suggestion, the ministry now plans to publicize the names of such firms even before giving them administrative guidance, provided such disclosure is called for. At the same time, however, there is concern that the decision to disclose may undermine trust in the administration, and go against the principle of the levies.

Statistical Aspect

Recent Labor Economy Indices

	November 2002	December 2002	Change from previous year (December)
Labor force	6,684 (10 thousand)	6,622 (10 thousand)	-77 (10 thousand)
Employed ⁽¹⁾	6,346	6,291	-71
Employees ⁽¹⁾	5,350	5,348	-13
Unemployed ⁽¹⁾	338	331	-6
Unemployment rate ⁽¹⁾	5.3%	5.5%	0.0
Active opening rate ⁽¹⁾	0.57	0.58	0.07
Total hours worked ⁽²⁾	157.3 (hours)	153.5 (hours)*	-0.1 (%)
Monthly cash earnings ⁽²⁾	293.5 (¥ thousand)	632.7 (¥ thousand)*	-2.4 (%)

Notes: ⁽¹⁾ Seasonally-adjusted figures.

⁽²⁾ Figures refer to establishments employing five or more people.

*Preliminary figures.

US\$1= ¥120 (February 3, 2003)

Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications, *Rōdōryoku Chōsa* (Labour Force Survey); Ministry of Health, Labour and Welfare, *Shokugyō Antei Gyōmu Tōkei* (Report on Employment Service), *Maitsuki Kinrō Tōkei* (Monthly Labour Survey).

Dangers Facing Businessmen in their 20s and 30s Who Work for Large Companies

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Some of my colleagues have left, but no junior workers have joined the company. Daily duties increase to such an extent that nothing is ever done properly. The internal company structure is forever changing, and there is no certain future. Partially encouraged by catch phrases from business magazines such as A Competitive Employee Thinks and Acts for Himself, young employees end up taking too much upon themselves.

Since the burst of the “bubble” economy, young workers at large companies have lost faith in the future. The number of university graduates in their 20s or 30s working as regular employees for large companies with 1,000 or more employees totals some 1.5 million. This figure is almost equal to the number of *freeters* (young part-time and temporary workers) said to be 1.5 million or two million, yet, while such *freeters*, or “parasite singles,” attract comment as an employment problem affecting young people, problems affecting their counterparts in large firms are given little attention. Even in large firms, employees in their 40s and 50s who quit via early retirement schemes are helped out by a series of measures, but little attention is paid to younger workers remaining at those companies — put more bluntly, they are ignored.

Meanwhile, a spate of corporate misdeeds has come to light among large or well-known companies. The majority of firms in the general construction and distribution sectors, which have been suffering from massive bad loans and are hobbling the Japanese economy, are, in fact, giant companies. The culprits behind the sharp drop in stock prices and the instability of the financial system are again large firms: mega-banks. While some say that such firms are too large to be allowed to go bankrupt, others wonder why small and medium-sized firms have to put up with the present state of economic difficulty thanks to the larger firms.

The responsibility for poor business performance lays at the feet of corporate management, and is not the fault of young workers. But, the seemingly indefinite delays in business management reforms have resulted in many young workers in large firms becoming exhausted both physically and mentally.

1. Reality behind the Statistics

The Ministry of Public Management, Home Affairs,

Posts and Telecommunications conducts a series of surveys covering 40,000 households every month called the *Labour Force Surveys*. The information contained in these surveys allows one to calculate the ratio of those who work 60 hours or more per week to those who are scheduled to work 35 or more hours per week.

Long working hours have traditionally been associated with workers in small and medium-sized companies. For example, at the beginning of the 1990s, the proportion of those who worked 60 hours or more per week in companies with five to 29 employees was twice as high as the number of workers in firms with 500 or more employees.

This “normal” state of affairs has changed since 1998. Today, company size is not a determining factor when looking at the number of employees who work 60 hours or more per week; since 1993, the proportion of employees working long hours for small and medium-sized firms has stayed more or less steady, whereas that for large firms has sharply increased.

These surveys are not directed towards business establishments but towards individual households, so that statistics for working hours include overtime and hours worked on holidays, both of which are not accurately recorded on the company side. In fact, it is almost commonplace to encounter someone who clocks 100 hours or more of overtime within a month, most of this undoubtedly representing “service overtime” (overtime without pay); this is conspicuously common among regular employees in their 20s and 30s. Among the young people that I know, one person worked 200 hours of overtime in a month, the highest number of hours, while the average was 80 hours per month. The results of the *Labour Force Surveys* for the past three to four years show that one-quarter of male workers in their 30s work 60 hours or more per week.

On the other hand, statistics from business establishments present a different picture than those gathered from household surveys. According to the findings of an establishment survey — the *Basic Survey on Wage Structure* conducted by the Ministry of Health, Labour and Welfare — overtime among male university graduates aged 30 to 34 at firms with 1,000 or more employees increased by two hours from 18 hours in 1995 to 20 hours in 2001. These figures are much lower in terms of both working hours as such and the growth rate, and are

excessively far from reality.

The increased workload and greater mental stress involved are more serious than is suggested by the official statistics for working hours. In December 2001, the criteria for recognizing work accidents involving cerebral and cardiac illnesses (known as *karoshi*) were broadened, resulting in a drastic increase in the number of cases fighting to be recognized as work accidents, and in the number of cases that have been so recognized. At the same time, however, even when such official recognition is not obtained, there are still many young workers under serious stress.

I have investigated various circumstances affecting young workers, mainly those in their 20s and 30s employed at large companies or affiliates. From these studies, though not reflected in official statistics, I have begun to draw a rough picture of a steadily deteriorating situation — much worse, in fact, than I had, imprecisely, imagined.

2. On the Edge

In referring to employees under mental duress and the measures taken to help them, companies use the term “occupational mental disorders.” In many cases, due to work-related stress an individual may not be able to sleep for days despite being exhausted. Mounting overtime hours gradually makes him think there must be something wrong with his mental health, and on consulting a company doctor or psychiatrist, he learns that in fact there is something wrong. The employee may well feel a resistance to working.

Employees suffering from such disorders are often diagnosed as suffering from “mood disorder,” that is, a psychological ailment different from major depression, the latter of which is caused by a change in neurotransmitters in the brain. Major depression, the cause behind many suicides, is mostly observable among the middle-aged and senior citizens, but mood disorders affect mainly the younger generations. It was reported that at one IT systems development company the number of requests for days-off and temporary leave for mental anguish grew twofold in 2001 compared with the previous year. Mood disorders are strongly related to environmental factors affecting the people concerned. It is an open secret in the IT industry that a considerable number of workers are suffering from mood disorders.

Due to difficulty in obtaining accurate statistics, any decisive comment is prohibited, but an increase in the number of young people under mental stress appears not to be confined to a specific industry. The number of people seeking mental health counseling at one manufacturing company almost doubled, from the usual 20 to 30 to over 50 in fiscal 2001. If they were asked, most workers would reply that their colleagues are suffering from a mood disorder.

The following are not detailed descriptions of melancholia or mood disorders themselves, which are the field of psychiatrists and experts on mental health and of

which I am not qualified to discuss. What is important here is the fact that a large number of workers in their 20s and 30s employed by large firms find it not at all surprising that they have developed psychological problems.

Young workers on the verge of such psychological breakdowns often complain that they are nothing more than “expendable” or “disposable” objects. A man in his 30s working for a company in the service sector related to semi-conductors noted, “Frankly, the work environment has been gradually worsening. Unable to form any long-term prospect, many people simply handle their duties as a kind of routine responsibility.” Some workers direct their resentment at the company or their superiors, but a majority just resign themselves to the helpless situation. “However hard I work, I never finish.” “I have no idea why I have to work so hard.” “There’s no sense of reward.” Such feelings go round and round in their mind, exhausting them.

Their sensibilities also become paralyzed: they find themselves lost, wondering whether they are valued or not. “I’d go out of my head,” said a man in his 30s working for a food manufacturing company, “if I didn’t turn one perfectly normal part of my human nature into a machine.”

Long working hours make it difficult for workers to look after their families and home properly. Gulfs form and deepen among family members. A man who senses that his wife, too, has become exhausted because of him must put up a front as a good father and husband at home, which puts additional pressure on him.

3. New Generation, New Realities

Excessive workloads are obviously behind the long working hours and melancholia many workers in their 20s and 30s face.

Labor cuts and curbs on new hiring prompted by deteriorating business performance clearly mean that the remaining employees must work harder. The deterioration of business performance prompts a halt to new hiring and the encouragement of early retirement, which leads to an increase in the workloads of the remaining workers, resulting in sloppiness which, in turn, further worsens the company’s business performance.

An increased workload is also attributable to company reorganizations through mergers and spin-offs. Reorganization mixes existing duties with new ones, both of which become the responsibility of workers at the bottom of the corporate hierarchy. Though barely managing to keep up with their routine tasks, they now must cope with new assignments. Naturally, they come to feel they have had enough and begin to lose interest in their work.

The proliferation of IT, which is supposed to make work more efficient, seems in fact to increase the workload of young workers. Mobile telephones and e-mail are good means of communication, but they can also be a source of terror. The individual works hard until midnight to finish a report which he sends to his boss by e-mail,

then jumps into a taxi to return home for a brief sleep. Turning up at the office the next morning, he finds he already has mail from the boss calling for more detailed investigation. Compared to face-to-face discussion or telephone conversations, in which one is in direct contact with the other side, communication via e-mail has a special feature in that people tend to make a request or place an order quite casually.

A mobile telephone rings when its owner is off for the day and at a park with his family. As business clients know his telephone number, they try to contact him directly whenever something happens. People belonging to older age groups may well claim that they once worked as hard when they were younger, but they certainly were not exposed to the menace of e-mail and mobile telephones.

The sense of “foreseeing no future” that is unique to young male university graduates who work for large firms is borne out by statistics. In recent years, the disappearance of the middle class and increasing inequalities have attracted much attention, but in reality, the wage disparity has not widened that much as a whole. One reason for this phenomenon is that wage levels among the top earning group, that is, male university graduates in their 40s who work for large firms, have not risen very much. At the same time, with many firms adopting performance-based wage systems, and with business performance varying increasingly among different firms, wage levels vary widely within that group. This in turn makes the younger generation at large firms, male university graduates in their 20s and 30s, doubt the stability of their future: will hard work for the next 10 to 20 years really result in a satisfactory salary and status in the workplace? One company related to public services plans to postpone promotions to managerial posts for nearly eight years for those employees who joined the company after 1989, but has withheld this information from its regular employees. Even so, in general the employees acutely feel that they will face increasing difficulties in the future.

Statistical analyses show that people who tend to suffer from psychological problems share particular characteristics, such as over-seriousness, perfectionism or the inability to develop personal relationships. But anyone can end up with a mood disorder; it is not necessarily a sign of a weak personality. The point is not individuals per se, but the need to understand that people in their 20s and 30s are facing a threatening situation different from that of the older generation.

4. Reports that Are Never Read

Lack of understanding by superiors and colleagues is another factor placing pressure on those in their 20s and 30s. The degree of an increasing workload varies among them. In cases where superiors lack management skills, duties tend to weigh unfairly upon a particular group or particular individuals. Such superiors expect a lot from their better workers, who work hard to live up to expecta-

tions, a tendency that is particularly common among employees who have just graduated from university.

As unequal allocation of assignments among workers continues, employees handling more work begin to suspect that they are not regarded as promising but are simply being taken advantage of. It would be different if a larger workload resulted in increased salaries or promises of better treatment in the future, but they see no such possibilities. So, eventually, they begin to think, “why me?”

Apart from personal incompetence among their superiors, the situation is compounded by the impression that superiors seem to have given up even the will to form responsible judgements. A stressed superior gives sloppy “instructions” to his subordinates — “Anyway, do both jobs while you are at it” — thus pointlessly increasing the burden on the latter, who are obliged to continue working until midnight on reports which will never be read.

Employees in their early 40s unanimously claim that they respect the opinions of their subordinates, yet they tend to make judgements derived solely from their own successful experience during the bubble era. One male worker at a general construction company claims that it is the “deputy managers” and “group leaders” in their early 40s who receive the larger part of the extra workload. It seems that managers in their late 40s and 50s give responsibility to people in this age group, but have no idea of what still younger workers are actually doing and thinking. “Restructuring measures by the company have driven out the superiors who really did have ‘superior’ knowledge and management ability,” sighs a male employee in his 20s in charge of technical sales at a manufacturing firm.

Thus one branch manager of a housing company could say in all seriousness, “You’re not as good at your job as X is, so even if you worked the same number of hours as X, nothing would be accomplished. How many hours’ sleep do you have, anyway?” And another could say to an employee just back after psychological treatment, “You might’ve been under work-related stress, but the people around you, too, have been stressed by your own way of handling work!”

Lack of understanding is also affected by the graying of the workforce. At workplaces where the majority of employees are middle-aged or older with no young people being hired, people make little effort to improve the work environment in favor of young workers who form a minority age group. Claiming that they themselves used to work just as hard in the past — which cannot be proved anyway — they avoid facing the difficulties of younger generations. The phrase, “the efforts made while you are young will pay off later,” hardly inspires young people today.

Some middle-age and older workers talk superficially of the power of young people to change the company for the better. What they fail to mention is that however hard their younger colleagues strive for higher posts, they cannot reach them because they, the older people, keep them

for themselves.

There is another feeling that many young people harbor, apart from their reaction to more work and a lack of understanding from superiors and others; a worker who works really hard may wonder, "What is the purpose? I've no idea."

Some people may say that someone who finds working at a particular company so difficult has the option of quitting. In fact, though, there is no data which demonstrates an increase in job-switching among workers at large firms in their 20s and 30s. Why, then, do they force themselves to work so hard? No matter how hard one thinks, it is difficult to find the reason.

In the past, people like this were labeled "workaholics" or "worker bees." But it is too easy to decide that these people voluntarily work hard. Such a worker finds "something special" in his job, though he himself cannot say what that something is. It could be the satisfaction that comes from satisfying customers or business partners, but even that does not explain all the hard work. Perhaps it is the self-fulfillment or satisfaction that comes with achievement? But it actually appears that the main reason is that they are afraid to "stop working." A sense that one is being moved by something that is inside but not of oneself.

Perhaps the most honest was the man who quit his firm and said, looking back on all the work he put in, "It wasn't my boss who made me work all those hours; I don't know why I did it even now."

This is one reason why the situation of employees in their 20s and 30s at large firms is too deep-rooted to be solved simply by paying extra allowances for overtime, strictly banning unpaid overtime, or other similar measures.

5. The Need to Protect Oneself

Work-sharing is often mentioned as a way to reverse the trend in the unemployment figures. However, it may in fact worsen the work environment for the generations concerned. Middle-aged and older workers who normally leave the office at five in the evening would be able to leave at four o'clock thanks to a work-sharing scheme, but employees in their 20s and 30s, who normally work until eleven every evening, would not, on the other hand, be able to leave the office at ten o'clock. The reduction in working hours among middle-aged and older workers would end up increasing the working hours of the younger generation, who would probably miss the last train home.

Under the current harsh social and economic situation, any modification to the work environment, such as the adoption of work-sharing, is likely, if done incorrectly, to result in a worse situation for young workers. This being the case, they have to protect themselves. How, then, do young workers at large firms actually defend themselves? The method varies among individuals, though there are some shared practices.

The harder they work, the more the workload increases. The more seriously they tackle their duties, the more they puzzle over unreasonable assessments they are given. The more they expect of their firms, the more strongly they feel disappointed later on. The situation is very confusing, one way of defending oneself, thus, is to accept confusion as such.

"I wouldn't mind giving up my job at any time, but for the moment I shall do my best." "I shall do my best, but not go too far." People with these kinds of seemingly inconsistent outlooks appear to be free from psychological disorders; they do their best within the framework of maintaining their pride and dignity, but allow themselves to some extent to be easy-going. A report which would take until the small hours of the night to finish if tackled seriously, does not need to be perfect if the demands of the boss himself are not so serious.

Either way, to defend oneself one must have rest. "Working in this company is like driving an automobile with one's foot on the accelerator on a highway with lots of sharp bends," said a worker in his 30s at a semi-conductor manufacturer. It is, however, the driver himself who makes the decision to step on the accelerator; the difference between, say, a good athlete and a bad one is whether or not he can decide to rest if he finds it necessary. A good worker must switch off his mobile telephone when he spends a day-off with his family.

When asked about their mode of self-defense, many people say that they are making preparations for when they quit. There are in fact some superiors who quite happily make inappropriate remarks and give inappropriate directions to subordinates. If your boss treats you in a very bad way for months on end, you need to document this, giving details of the duties and assignments you have done. If necessary, you will be able to use this information in the future. Also, a certain degree of financial preparation is necessary in developing a more easy-going approach, allowing yourself to think, "I wouldn't die even if I gave up this job."

Another method for many workers in their 20s and 30s is to always "leave my heart open to the outside world." If one faces a dead-end and has no emotional release, one might well face a mental breakdown.

One should use one's limited spare time to make opportunities to meet different people outside one's own company. For those who feel the strain and loneliness associated with someone who belongs to only one organization, it is valuable to have weak-ties relationships outside the company. Such a social network provides a sense of security that there are others with common problems, a sense of relief that there is someone to talk to, and a sense of self-awareness that the assessment of the individual at work is only a small part of that person.

Sociologist Mark Granovetter of the U.S. says that what is vital for job switching is a weak-ties network of human relationships among people who can trust each other but do not see each other frequently. Weak ties play

a significant role not only when attempting to land a new job but also when hanging onto the same job.

Building up weak but wide ties in a variety of human relationships will prevent the individual from becoming stuck in everyday life at the workplace. I have heard from a surprisingly wide range of individuals that this helped them learn how they should approach their work, and how to discover fresh and unexpected ideas.

6. The Arrogance of the 'All-Understanding'

With an increasing number of employees suffering from mental distress, firms are beginning to view the problem seriously, though it is doubtful whether appropriate measures are actually being taken in a wide range of firms.

According to the findings of a *Survey on Workers' Health* carried out in 1997 by the Ministry of Health, Labour and Welfare (though the statistics are somewhat out of date), three out of four business establishments with 10 or more employees did not provide counselling or any measure to deal with the psychological problems of their employees. Even among firms with 5,000 or more employees, 40 percent did not take such measures. Compared to the situation in 1997, a larger proportion of firms have certainly started to adopt some measures to deal with mental stress, but there is no guarantee that the measures actually taken are successful. It is an urgent task for corporate and administrative bodies to come to grips with safeguarding the mental health of their employees in an effective way.

Nevertheless, people under mental stress are not identical; a standardized scheme or set of procedures would not be able to treat different people. Even if all your subordinates behave normally at the workplace, individuals have different kinds of accumulated exhaustion. A manager may learn the seriousness of a situation for the first time when a subordinate begins to suffer from mental illness, whereas another may not even know that the subordinate is leaving the company unless he has responsibility as his direct superior.

Of course, there is no almighty superior — however able he may be — who can perfectly understand the psychology of all his subordinates. In this sense, the attitude of a superior — whether he bears in mind that he may not be able to truly understand those working under him and tries to treat his subordinates individually, or if he arrogantly convinces himself that he perfectly understands them, believing that everyone is in the right place and that everyone is responsible — plays a great role in determining a subordinates' desire to work.

The relationships not only between a superior and a subordinate, but also between husband and wife, lovers, and even among friends will suffer if one side is convinced it perfectly "understands" the other. Human relationships can only be maintained as long as one makes an effort to understand the other as much as possible while being aware that it is impossible to fully understand

everything, while alive to that part of the other, which one is never able to grasp.

What happens in the mind and the subconscious is highly personal and almost impossible for others to understand. All the more critical is it for people to try to understand each other even if they cannot do so completely. Giving advice as if one understood the other's feelings perfectly — such as "Get a grip on yourself!", or "Why don't you leave the company if it is so tough?" — has no meaning at all. What is much more meaningful is to be prepared to just listen, or to try to listen to the other person.

7. The Desire to Work at a Large Company

I have concentrated on young workers in their 20s and 30s at large firms simply because information on them is readily available, but it seems likely that the situation is deteriorating among young workers at small and medium-sized firms, also.

Those who work for large, well-known companies right after graduating from university are still considered to be high flyers in Japanese society as a whole. Thus, society tends to closely watch the lives of this "elite," and people are beginning to realize that successfully entering a top university and then working for a famous company is not necessarily a recipe for happiness. Not surprisingly, students are no longer studying hard to enter a good university.

With no hope of working as a regular employee anywhere, not to mention at a large firm, an increasing number of young people decide to work as *freeters*. They see no point of becoming stuck in one company forever; in a way, one can understand why youth wish to be "free." Nevertheless, a society in which people do not respect a steady life spent working within an organization is not a healthy one. After all, large firms always have a certain impact on society, and draw attention in both the good and bad sense.

Thus it is only natural for young people to wish to "work for a large firm which has social influence." Previously one could find merit in belonging to a large firm, perhaps, knowing that struggling hard was rewarded with opportunities to grow up personally in the course of a long working life. If one can live off one's own talent and ability without belonging to any working body, so much the better. But for young people who believe that they are not very gifted, to study hard and attempt to work for a large company should be an acceptable alternative in life. Society will be free from obstructions when both types of lives — working independently and working for an organization — are possible.

There are young people who work until midnight in the offices of large companies. For them to think they have no bright future is surely asking for major social problems later on. I have a feeling that the essential thing now is not to sympathize or feel sorry for them, but to encourage them in a strong but matter-of-fact way.

JIL NEWS AND INFORMATION

Briefing on Labor Issues: The Current Situation of Corporate Pension Schemes and Their Future

On December 4, 2002, the Japan Institute of Labour held a briefing on labor issues, the fourth briefing held in fiscal 2002. A pension consultant was invited to speak on "The Current Situation of Corporate Pension Schemes and Their Future." Such briefings are designed to provide information on Japanese economic and labor issues, mainly for foreign embassy personnel concerned with labor and economic affairs, employers of foreign affiliates in Japan, people associated with foreign chambers of commerce and industry, and representatives of the foreign media. Of the main points discussed, this article outlines reforms undertaken by corporate pension schemes, and a study of an enterprise dealing with the reforms.

Corporate pension plans have been widely used to supplement public pension plans. They take the form of two defined-benefit plans: the Employees' Pension Funds and the Tax-qualified Pension Plans. The former consists of pension schemes of individual, mostly large, firms together with a section of the public Employees' Pension Scheme managed by the firms. The latter, on the other hand, are accumulated funds eligible for certain tax exemptions, and are established by firms of all sizes, from large to small.

The decline in reserve funds, due to the prolonged recession and the progressive undermining of life-time employment practices, is making it impossible for company defined-benefit corporate pension plans to adequately cope with the situation. Moreover, a revision of the accounting system for retirement allowances has revealed a shortage of corporate pension fund reserves. Together, these factors have encouraged a comprehensive re-organization of pension schemes under the name "corporate pension reform." Two laws — the Defined Contribution Pension Law (effective October 2001) and the Defined Benefit Corporate Pension Law (effective April 2002) — were enacted as the pillars of the reform, and the two existing defined-benefit pension

plans were re-shuffled into three defined-benefit pension plans and one defined-contribution pension plan.

Thanks to a wider choice of corporate pension plans, an increasing number of firms are now comprehensively revising their corporate pensions and retirement allowance schemes. In 1998, Matsushita Electric Industrial Co., Ltd. introduced a new payment system enabling employees to receive extra payment with their bonuses at the expense of giving up their retirement allowances when they leave the company. The company was trying to provide its employees with a choice of wage and benefit systems in an attempt to deal with the varied needs of workers and secure self-supporting personnel. Employees who opt for advance payment of retirement allowances are not eligible for membership in the company's corporate pension scheme.

Concerning the pension scheme, Matsushita immediately took advantage of the Defined Benefit Corporate Pension Law to return management of and payments from the Employees' Pension Funds to the government, and introduced, earlier than any other Japanese firm, a "cash-balanced-plan" combining features from both the defined-benefit and defined-contribution pension plans. As for supplementary benefits to the Employees' Pension Funds which are borne by companies, Matsushita adopted a "point system" whereby the amount of individual employees' contribution to the company was calculated in cash terms so the amount of retirement allowances would better reflect an employee's achievements while he/she was working.

It is likely that the defined-benefit pension plans, as corporate pension schemes, will gradually give way to a combination of other types of pension plans, including defined-contribution plans. The next question will be how firms can best achieve stable management of their pension funds.

OPINIONS REQUESTED

The editor invites readers to send their views and comments on the contents of *JLB* via e-mail to akuwa@jil.go.jp or via fax to +81-3-5991-5710.

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