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GENERAL SURVEY

Female Employment and Corporate Performance: Report on Gender Equality

The “Japanese Corporate Performance and Female Employment” report, released by the Ministry of Economy, Trade and Industry’s Study Group for Gender Equality in June, shows that firms with favorable working environments for female employees have proportionally more female workers, and produce better business results. In line with such findings, the report lays out basic policies which firms and society as a whole should tackle to make better use of female workers.

The *Labour Force Survey* produced by the Ministry of Public Management, Home Affairs, Posts and Telecommunications provides information on female participation in the labor market for the last 20 years. In the early 1980s until around 1990 the number of female workers, particularly employed workers, increased sharply, reaching

Termination of the *Japan Labor Bulletin*

For 44 years, the *Japan Labor Bulletin* has supplied information concerning labor issues in Japan to the world. However, the Japan Institute of Labour will be closed with the inauguration of the Japan Institute for Labour Policy and Training on October 1, 2003, and therefore this will be the last issue of the Bulletin (Vol. 42-No. 9). May we take this opportunity to thank all our readers.

The Japan Institute for Labour Policy and Training will introduce up-to-date labor developments by continuing to publish the semi-monthly English-language e-mail magazine (distribution free) with enriched contents. We hope you will enjoy reading it. The new institute plans to launch, around January 2004, an English-language quarterly journal that will carry articles on important labor policy studies and the results of its research. We hope you will also read it. (To subscribe to the e-mail magazine, please access: <http://db.jil.go.jp/emm/jmj.htm>. To inquire about the *Japan Labor Bulletin* or the forthcoming quarterly journal, please contact us at: akuwa@jil.go.jp.)

25.92 million in 1991, accounting for 40.7 percent of all workers. During the 1990s, however, the number of female workers, like that of their male counterparts, saw only sluggish growth, totalling 25.94 million as of 2002 (when the proportion of female workers was 41%). The sluggish growth of female employment in terms of numbers accompanied a failure to improve the utilization of female workers. (See Figure 1 and Table 1 on pages 2 and 3.) According to the fiscal 2001 *Basic Survey on the Employment of Women* by the Ministry of Health, Labour and Welfare, the proportion of female managers remained low: the percent of female assistant managers (*kakari-cho*) stood at 11.9 percent; that of female managers (*ka-cho*) at 5.5 percent; and that of general managers (*bu-cho*) at 3.2 percent. (For details, see the August 2002 issue of the *Japan Labor Bulletin*.)

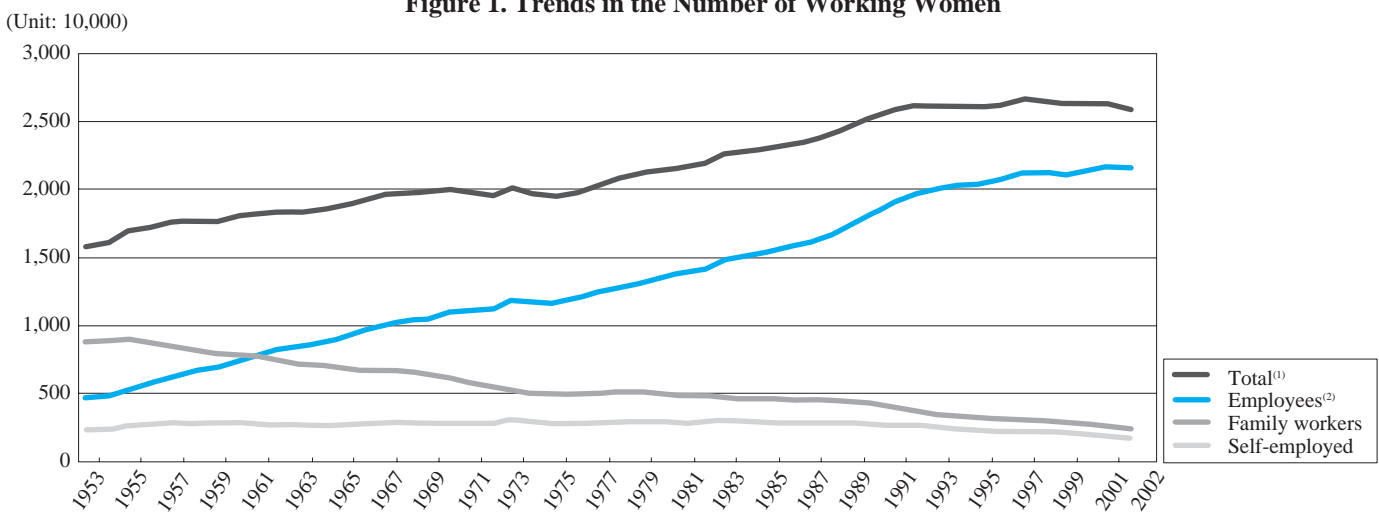
In analyzing the relationship between female employment and corporate business performance — a subject that has not received much attention — the report reviews ways to establish a work environment desirable for both workers and firms. One analysis, using data from *Basic Surveys of Japanese Business Structure and Activities*, has discovered that firms with a higher proportion of female workers tend to enjoy higher profit margins

(though the reason for this positive correlation remains unclear). On the other hand, there was no correlation at the level of individual firms between the ratio of female workers and the profit rate for each year. A supplementary analysis claims that the real factors linking increased female employment and improved business performance are a corporate climate where women can demonstrate their ability to the fullest, and personnel and human resource management policies which make good use of female workers. More precisely, the report concludes that firms with a smaller gap in years of service between men and women, and with schemes which re-employ women who have left the company due to marriage or childbirth, are those where women can demonstrate their abilities fully, and thus corporate performance is improved.

Taking into account the fact that a simple increase in the number of women does not result in increased profits, the report emphasizes a corporate outlook which acknowledges ability and achievement regardless of gender as the most fundamental element in making the best use of female workers. It also proposes that society as a whole must promote a good balance between work and family life — including encouraging childcare leave and improving childcare facilities; pushing forward

Statistical Aspect

Figure 1. Trends in the Number of Working Women



Source: *Labour Force Survey*, Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications.

Notes: Figures shows monthly average for the year.

⁽¹⁾ Includes "Employment Status not reported."

⁽²⁾ For a breakdown, please see Table 1 (from 1980 to 2002).

with reforms of the health insurance system and corporate wage systems that affect women who are labeled the spouse of an employee; and establishing systems that are non-discriminatory to female employment.

HUMAN RESOURCE MANAGEMENT

Firms Reduce Opportunities for Off-the-Job Training

The Ministry of Health, Labour and Welfare recently published the results of the fiscal 2002 *Basic Survey on Ability Development*.

Firms which provided their regular employees with off-the-job training (OFF-JT) during fiscal 2001 totalled 60.2 percent of all businesses surveyed, a 4.7 percent drop from fiscal 2000. Compared to the figures for the previous fiscal year, the proportion fell for companies of all sizes, but still remained higher among larger firms: from 56.1 percent to 45.0 percent among firms with less than 30 employees, and from 90.8 percent to 82.9 percent among those with 300 or more employees. On the other hand, 44.8 percent of the firms surveyed provided systematic on-the-job training (OJT), whereas 54 percent did not — an increase of 3.2 percent over the previous fiscal year. By company size, the proportion fell among firms with 300 or more employees (from 71.9% to 66.5%), but increased among other firms.

The survey classified corporate training policies into two major types: those which aim to give gen-

eral training to upgrade the skills of all employees, and those which focus on training “selected employees” which the firms has targeted as worth the investment. While “the training of everyone from the bottom up” has been and will be given priority among 54 percent and 57.8 percent of the firms surveyed, respectively, an increasing number of firms with 300 or more employees are shifting their training policies to focus on “selected employees.”

Although a majority of firms intend to conduct future training within the firm, the percentage has fallen (from 54% to 48.1%) as an increased number of firms turn to outsourcing (a jump from 42.2% to 48.4%). Meanwhile, 75.6 percent of the firms surveyed considered that the development and upgrading of skills has been the responsibility of the firm, and 68.6 percent reported that would continue to be the case. On the other hand, 21.1 percent of the firms surveyed believed that the individual worker had been responsible for upgrading their skills, and 27.9 percent answered that he/she would be responsible in future, with an increasing number of firms making the point that self-responsibility is of importance in ability development.

Firms which encouraged self-development accounted for 74.7 percent, a decrease of 6.4 percent from the previous fiscal year. The types of support given to employees for self-development included financial support with tuition fees, etc. (60.5% to 51.4%), providing information concerning training courses outside the company, correspondence courses, etc. (46.3% to 37.3%), and

Statistical Aspect

Table 1. Number of Women Workers, by Type (1980-2002)

(Unit: 10,000)

Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Employee	1,354	1,391	1,418	1,486	1,518	1,548	1,584	1,615	1,670	1,749	1,834	1,918
Regular	1,109	1,139	1,152	1,196	1,222	1,247	1,282	1,300	1,343	1,407	1,480	1,561
Temporary	182	190	203	224	229	237	238	253	262	276	286	287
Day laborer	63	62	63	66	67	65	64	62	65	66	68	70
Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Employee	1,974	2,009	2,034	2,048	2,084	2,127	2,124	2,116	2,140	2,168	2,161	
Regular	1,609	1,636	1,662	1,670	1,698	1,721	1,707	1,684	1,689	1,706	1,679	
Temporary	296	303	304	310	318	336	347	362	383	393	417	
Day laborer	69	69	69	68	68	71	70	71	67	68	66	

Source: *Labour Force Survey*, Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications.

accommodating working hours to the needs of self-development (33.9% to 22.7%). (Multiple answers allowed.) On the other hand, the proportion of firms which answered nothing in particular increased from 17.2 percent to 22.6 percent over the year.

As for the findings of the employee survey of the Basic Survey, 32.1 percent of employees received OFF-JT during fiscal 2002, a decrease of 3.3 percent compared to the previous fiscal year. Incidentally, an average worker spent 34.2 hours involved in off-the-job training during the year.

The percentage of workers who were involved in some type of self-development program in the previous one year stood at 33.2 percent, a drop of 4.1 percent. The decrease was particularly substantial among middle-aged and elderly workers. Asked about the reason for upgrading their skills, the highest proportion, 73.2 percent, answered in order to acquire knowledge and ability needed for my job, followed by obtaining certificates or passing qualifying examinations (38.1%), and preparing for future jobs or career improvement (37%). (Multiple answers possible.) A comparison with the findings of the survey conducted the previous fiscal year shows that the proportion of those who wanted to obtain certificates increased by four percent, whereas those who needed to acquire additional knowledge and ability for their job decreased by 6.3 percent. Concerning the methods of self-development, the highest proportion, 34.2 percent, took

advantage of radio or TV programs, professional books, the Internet, etc. This was followed by participation in voluntary study or research groups within the company (31.0%), sitting for certificates or qualification examinations (31.0%), participation in study or research groups outside the company (25.3%), and taking correspondence courses (16.9%). (Multiple answers possible.)

One-Quarter of Large Firms Call for Voluntary Retirement: Ministry Survey

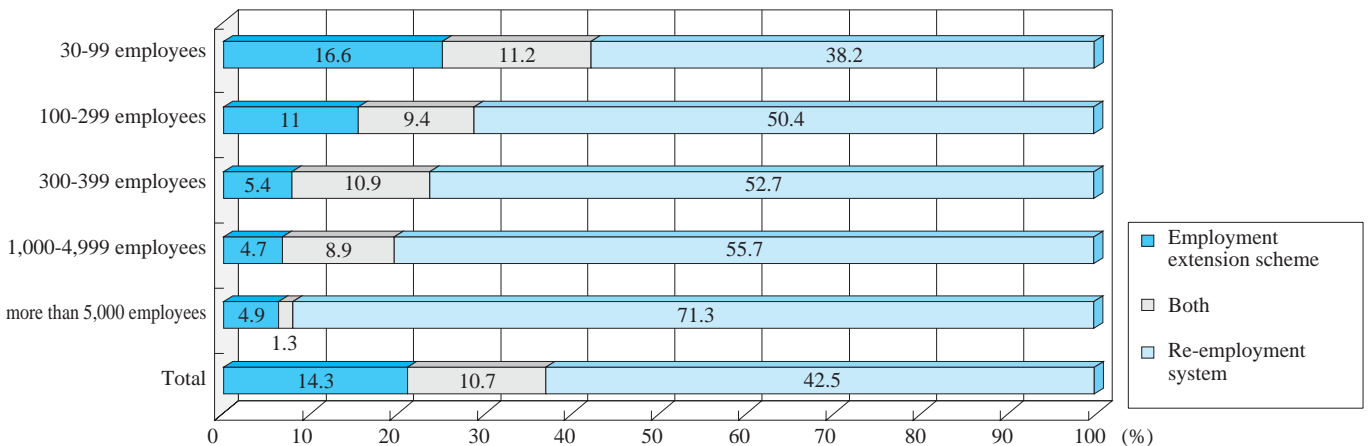
According to the results of the 2003 Survey on Employment Management published by the Ministry of Health, Labour and Welfare in July, one-fourth of all large firms called for voluntary retirement between 2000 and 2002. A majority of such firms claim that the early retirement scheme is effective in labor cost reduction. However, various negative effects of such employment adjustment have been pointed out, including an increase in working hours among those still employed.

This annual survey focuses each year in turn on one of three issues concerning employment management — hiring, personnel management, and retirement in private firms. This year's survey highlighted the handling of retirement. The survey targeted some 5,800 private firms with 30 or more employees, and was carried out in January 2003. (The usable return rate was 76.7%.)

Of all firms with a mandatory retirement age

Statistical Aspect

Figure 2. Percentage of Firms with an Employment Extension Scheme or Re-employment System



Source: Survey on Employment Management, Ministry of Health, Labour and Welfare, 2003.

system (92.2% of the firms surveyed), an across-the-board retirement age was set by 97.5 percent, and for 89.2 percent of these firms the age was set at 60. On the other hand, the percentage of firms which set their mandatory retirement age at 61 or above increased from 7.6 percent in 2000 to 9.6 percent in 2003. At the same time, however, the proportion in relation to company size is highest, 10.4 percent, among firms with 30 to 99 employees, whereas the figure is a mere 1.6 percent among firms with 5,000 or more employees. It is quite common for such large firms to make use of "re-employment schemes" whereby workers "retire" on reaching retirement age, but are then re-employed. It was, in fact, found that more than half the companies with 1,000 or more employees surveyed adopted this scheme. (See Figure 2 on page 4.) (Concerning employment extension after age 60, see the September 2002 issue of the *Japan Labor Bulletin*.)

Meanwhile, private firms, particularly large ones, are equipped with early retirement systems with generous treatment, under which employees are entitled to generous retirement and other allowances if they leave the company before the mandatory retirement age. The proportion of firms with such systems were 41.1 percent among those with 1,000 to 4,999 employees, and 57.3 percent among those with 5,000 or more employees. Those eligible for the early retirement systems with generous treatment are employees aged 45 or under (10.4%), those aged 45 to 49 (21.6%), those between the ages of 50 to 54 (34.6%), those 55 years old and older (24.2%), and all employees (6.7%). The distribution shows that employees in their 50s are the main recipients of the system.

Where the actual operation of the system is concerned, eight percent of the firms surveyed called for voluntary early retirement with generous packages in the three years between 2000 and 2002. By company size, only a small number of firms with 30 to 99 employees put it into operation, accounting for a mere 5.7 percent. On the other hand, 24.8 percent of firms with 1,000 to 4,999 employees and 27.2 percent of those with 5,000 or more employees, that is, one-fourth of the large firms surveyed, have experienced implementation of the system. Asked about the impact of the system, the highest proportion, 80.2 percent, answered that it helped reduce labor costs, followed by it helps in appropriately adjusting the employment level (56.5%), and

it facilitates the reorganization of the corporate structure (36.8%). (Multiple answers possible.)

On the other hand, the survey detected the deterioration of the work environment at some firms which have adjusted their workforce level through the system; 23.9 percent of the firms surveyed said that implementation of the system increased the working hours of workers who remained at the company, and 22.5 percent that there had been drainage of essential personnel.

PUBLIC POLICY

Revised Labour Standards Law Enacted

With the number of labor disputes concerning dismissals increasing steadily, on June 27, a revised Labour Standards Law was approved at a plenary session of the House of Councillors. This was the first time rules concerning dismissals were concretely laid out.

Currently, the Civil Code gives employers the right to dismiss workers. At the same time, the Labour Standards Law provides that employers must give at least 30 days' advance notice of dismissal, or pay the workers in question a sum equivalent to their average wage for at least 30 days. However, since there is no law laying down the criteria for dismissal, judicial decisions have come to form case law, forging so-called legal principles which in practice place restriction on abuse of employers' right to dismiss. The latest revision of the Labour Standards Law supports and makes use of these legal principles, clearly stipulating that in cases where a dismissal is not based on any objectively reasonable ground, and is not acceptable as a rightful decision in light of current social norms, the dismissal will be invalid as constituting an abuse of the right to dismiss.

The bill initially drafted by the government stated, prior to the above, that "employers have a right to dismiss their employees." However, labor unions, opposition parties, the Japan Federation of Bar Associations and other bodies raised objections, insisting that this could give the impression that employers have a free hand in dismissals. Government parties yielded and eliminated the statement. In addition, counterproposals from the opposition parties have been incorporated; for example, working rules must specifically state that to dismiss employees requires appropriate reasons

based on current social norms, and the revised law includes an article saying that employees cannot be dismissed unless something occurs to justify it (applicable to firms with 10 or more employees).

The establishment of a law concerning dismissal was first put forward by the Koizumi Cabinet, which stressed that the law would facilitate labor turnover and encourage transformation of the industrial structure. Thus since July 2001, when the idea was adopted as one of the basic policies of the Council for Regulatory Reform, the legislation of regulations concerning dismissal has been under discussion. Part of the discussion centered on introducing a financial solution of dismissals, but labor and management failed to reach an agreement here. At the same time, Rengo (Japanese Trade Union Confederation) and other labor unions have been calling for the clear stipulation of four items in judging the validity of dismissals as a corporate restructuring measure (necessity for dismissals, obligation to endeavor to avoid dismissals, reasonable selection of people to be dismissed, and obligation to hold labor-management discussions). These were not included in the revision, but despite this, a supplementary resolution in favor of the four items was approved in the House of Councillors, requesting that employers be familiarized with the items. Rengo was satisfied with the resolution, saying that it would serve to some extent as a check on unfair dismissals.

Apart from the above, the law now defines the maximum limit of a fixed-term labor contract as three years, rather than the previously set one year. (For workers engaged in highly specialized duties and those 60 years old and older, the maximum limit has been extended from the previous three to five years.) In this clause, too, a request from the opposition parties was incorporated, so that the altered clause states that “the worker in question may retire whenever he wishes after serving one year.”

A system for providing a “discretionary working style of planning duties” for workers engaged in planning, proposals, surveys, and analysis concerning management was adopted in the revision of the Labour Standards Law in 1998. Under the latest revision, the system is now no longer confined to headquarters or equivalent business establishments. Furthermore, conditions for adoption of the system were relaxed, so that the adoption does not require a unanimous resolution by a labor-management committee, but an agreement with the approval of 80 percent or more of the participants.

New Law to Support Employment of Single Mothers

On July 17, a bill concerning “Special Measures to Support Employment of Mothers in Fatherless Families,” requesting private firms and public insti-

Statistical Aspect

Recent Labor Economy Indices

	June 2003	July 2003	Change from previous year (July)
Labor force	6,771 (10 thousand)	6,722 (10 thousand)	-3 (10 thousand)
Employed ⁽¹⁾	6,411	6,381	7
Employees ⁽¹⁾	5,373	5,382	3
Unemployed ⁽¹⁾	361	342	-10
Unemployment rate ⁽¹⁾	5.3%	5.3%	-0.1
Active opening rate ⁽¹⁾	0.61	0.62	0.08
Total hours worked ⁽²⁾	157.9 (hours)	157.6 (hours)*	-0.4 (%)
Monthly cash earnings ⁽²⁾	481.9 (¥ thousand)	401.9 (¥ thousand)*	-1.9 (%)

Notes: ⁽¹⁾ Seasonally-adjusted figures.

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

*Preliminary figures.

US\$1= ¥116 (September 1, 2003)

Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications, *Rodoryoku Chosa* (Labour Force Survey); Ministry of Health, Labour and Welfare, *Shokugyo Antei Gyomu Tokei* (Report on Employment Service), *Maitsuki Kinro Tokei* (Monthly Labour Survey).

tutions to preferentially employ such women, was passed at a plenary session of the House of Representatives and became law. In line with the enactment in April of a “Revised Law concerning the Welfare of Single Mothers and Widows,” which cut child-support payments to such women, the new “Law concerning Special Measures” seeks, among other things, the cooperation of private companies in the employment of women in such families and encourages business opportunities for welfare bodies employing mothers from fatherless households. The law is also equipped with a set of guidelines, recommending (1) that individual prefectures, in drawing up plans in accordance with the Revised Law concerning the Welfare of Single Mothers and Widows, should pay special attention to giving support to such mothers who are seeking jobs; (2) that each year the government should submit for Diet approval measures to encourage the employment of such mothers; and (3) that local public bodies, in a way similar to the government, should make efforts to promote the employment of single mothers. The law came into effect on August 11, and will be effective for a limited period until the end of March 2008.

Last year and on into this year, the Ministry of Health, Labour and Welfare has revised a series of laws — the Law concerning Child-Support Allowances, the Law concerning Welfare of Single Mothers and Widows, and the Child Welfare Law — establishing a comprehensive system to support mothers, covering everything from the financial aspect, including childcare and daily livelihood, to the encouragement of employment. The number of households without fathers has been increasing steadily due to the rise in the divorce rate, and currently stands at 950,000. Under such circumstances, the cost of paying childcare allowances has nearly reached a limit, and last year the Ministry revised the Law concerning Child-Support Allowances so that the maximum amount of allowances to single mothers fell from some ¥2.05 million to ¥1.3 million. The revised Law concerning Welfare of Single Mothers and Widows, on the other hand, is to partially cut, starting around fiscal 2008, welfare payments for those who have received the payments for six years or more, while strengthening support for single mothers to find employment. Ministry statistics show that some 80 percent of single mothers work, but their average

income, some ¥2.29 million, amounts to a mere one-third of a two parent household. The low income of families with single mothers is attributable to the large number, some 40 percent, of single mothers who work part-time or on other non-regular labor contracts, and also because women working as regular employees receive low wages. This is because a majority of single mothers who are regular-employees usually work for small businesses with less than five employees located near their homes or that are convenient for taking care of their children. In addition, nearly 80 percent of such mothers are junior-high or high school graduates, so that their salaries are set low from the beginning.

In line with this, the Ministry’s strengthened measures to support employment of single mothers focus on (1) the establishment across the country of 95 Centres for the Employment and Financial Independence of Mothers in Fatherless Families to offer comprehensive services including career counselling, lectures, and job information; (2) the launching at 10 locations across the country of pioneering prototype businesses for the creation of job opportunities, such as making electric maps at home; (3) the provision of allowances to help in attaining financial independence; (4) the promotion of employment by public bodies; and (5) the allocation of counsellors at Hello Work offices (Public Employment Security Offices) for widows and other job seekers. The allowances towards financial independence mentioned in (3) are comprised of (a) subsidies of ¥300,000 per head to employers when they promote newly hired part-time workers to regular employees; (b) payment of living expenses (¥103,000 per month) to single mothers taking job training courses during the last one-third of the course period (a maximum of 12 months); and (c) reimbursement of 40 percent of tuition fees (from a minimum of ¥8,000 up to ¥200,000) after the completion of training courses designated by local public bodies. In addition, staff to help fatherless families attain economic self-sufficiency will be allocated to prefectures and cities, to get a grasp of the realities of such families, and provide personal advice, guidance on attaining financial independence, and counselling concerning vocational ability development and job searching to those who apply for allowances.

Changes in White-Collar Employment from the Employee's Perspective

Motohiro Morishima

Professor

Graduate School of Commerce and Management
Hitotsubashi University

1. Introduction

The lives of many white-collar employees in Japanese corporations have undergone drastic changes in the last decade. During this period, many of the treasured principles of Japanese white-collar HRM practices are said to have been either modified or replaced. Most notably, in terms of employee evaluation and reward practices there has been a shift from emphasizing skill and seniority to concentrating on individual employee performance. This change will lead to a greater disparity in pay among employees, a departure from past practice in which disparity was regarded as undesirable for employee morale and teamwork (Morishima, 2002). This emerging practice is often called *seikashugi*.

Similarly, another change is the almost unanimous shift away from the “lifetime employment system.” It is now common practice for firms to hire a large number of mid-career workers as full-time employees and to outsource to external service providers work that once was conducted by regular, full-time employees. A large number of part-time, temporary and other contingent workers are now working in many offices in most corporations. Most importantly, regular advancement through and happy retirement from the firm that a worker entered when young is now the reserve of only a privileged few. One result of these changes is that *risutora* (restructuring) — which describes the attempt by corporations to shed middle-aged and senior white-collar employees from their workforce — has become a household word.

Yet, although there is ample talk about the “new HRM practices,” there is only modest evidence that the old practices have been replaced. More importantly, we are fairly ignorant about the impact these changes have on employees and corporations. Evidence is slow in coming.

For example, while many surveys indicate that

employers have changed or modified their employee evaluation and compensation systems to one that emphasizes employee performance (Fujimura, 2003), researchers do not yet agree on whether corporate efforts to evaluate employees more stringently using performance have actu-



ally led to larger intra-company wage disparity (see Shinozaki, 2002 on this debate). My analysis (Morishima, 2002) indicates that even after the introduction of pay-for-performance schemes, intra-company wage disparity has not substantially increased, because employers are not confident of their evaluation system that lays the basis for larger wage disparity (Morishima, 2002). Moreover, there is little or no research on the impact that *seikashugi* has on employee motivation and corporate performance.

In contrast, there is more hard evidence that part-time and other contingent employment has increased. Sato (2003) says that as of 1999, the proportion of atypical workers to workers as whole was 27.5 percent, of which part-time workers accounted for 20.3 percent, followed by contract employees (2.3%) and dispatched (temporary) workers (1.1%). In addition, Morishima (2001) shows that employers have started using contingent workers strategically, which means that employers now use different kinds of contingent workers for different purposes. The strategic use of contingent workers has led to an increase in the variety and amount of non-regular, atypical kinds of workers.

Despite all this evidence, however, researchers have only begun to examine how the use of contingent workers affects employees (see

Morishima, 2001 for the impact on regular-status employees) and corporations (see Japan Institute of Labour, 2000).

2. A More Serious Change

In addition to HRM changes, there is likely to be another, more subtle change in white-collar workplaces. This change, which I like to call “an increase in work intensity,” may be related to the above-mentioned shifts in HRM practices, but is likely to go way beyond a simple modification of HRM practices. Employers — faced with global competition, introduction of new information technology (IT), and the economic downturn following the collapse of the bubble economy — are under enormous pressure to rationalize office work, redesign white-collar workplaces, reorganize white-collar work and get more out of workers for the same amount of compensation.

More specifically, the results of these employer efforts are likely to include developments such as demands for newer and wider skills, higher performance goals, an expanded job scope and more responsibilities, additional subordinates to supervise and speed up. Consequently, it can be expected that white-collar work has become more intense and the situation of workers more difficult. In addition, workers may also be faced with changes in how work is carried out, including such developments as greater interaction with more customers and colleagues, and more involvement with new information and communications technologies. Similar trends to reorganize white-collar work and increase the amount of work for white-collar employees have been observed in other countries in recent years (Cappelli, 1999; Howard, 1995; Taylor, 2003).

However, these developments are not simply part of changes in HRM practices; they are likely to be the outcome of an overall trend in which employers reorganize white-collar work so that it

becomes more cost efficient. Modifications in HRM practices are only one example of how employers may accelerate the introduction of work reorganization. Thus, these changes may or may not accompany new HRM practices. However, if changes to HRM practice accompany an intensification in work, employees face two problems: more intense work and a more stringent performance evaluation scheme, and uncertainty in employment relationships.

My goal in this report is to examine whether there really has been an intensification of work in Japanese white-collar workplaces, based on observations from employees. In addition, I will also examine whether there have been other changes in the workplace, such as the introduction of pay-for-performance practices and the spread of information and other kinds of communication technologies, again from the viewpoint of the employee. As noted earlier, these changes could be part of the efforts undertaken by employers to reorganize and redesign white-collar workplaces.

Although an objective measurement of workplace change is necessary, my focus in this report is on what workers think and perceive, because I believe that it is the workers themselves who know best. Thus, my question is whether or not Japanese white-collar workers perceive that their workplaces have changed over the last few years, in the areas of HRM practices, IT use and work intensification. A unique data set obtained in a survey conducted by the Japan Institute of Labour in 2002 is used in this report.*

3. Do Workers Think HRM Practices Have Changed?

Let's first look at the basics: HRM practices. Here two questions are examined: 1) whether white-collar workers perceive that reward (compensation and promotion) practices have changed from one that emphasized skills and seniority to

***Data set:** Data used in this report were obtained in a survey conducted by the Japan Institute of Labour in March 2002. A full report of the survey was published in March 2003 (Japan Institute of Labour, 2003). In this survey, a random sample of 1,500 businesses was initially selected, using a database maintained by Teikoku Data Bank, from all Japanese employers with 100 or more employees, which have been in operation for 10 years or longer. The sample was stratified by the size of the company to allow a larger representation for large-scale employers. Then, a letter requesting cooperation was sent to the HRM departments of 1,500 companies, accompanied by a total of 10,500 questionnaires to be distributed to white-collar employees working in a variety of functions and divisions.

We received 1,225 usable questionnaires, yielding a response rate of 11.7 percent. Due to this procedure, one should be cautious when interpreting the results, because a self selection bias may have been introduced at least twice, once when companies agreed to participate and again when individual workers agreed to fill out the questionnaire.

Table 1. Perceived Shift in Compensation and Promotion Practices

From 1999-2001	Sample	Yes
Individual performance occupies more weight than seniority and skill	Manager	72.0%
	Non-manager	54.1%
Pay disparity has increased	Manager	40.0%
	Non-manager	29.8%
Promotion to management comes sooner	Manager	43.2%
	Non-manager	29.2%
Promotion of junior employees ahead of senior employees has become more common	Manager	55.4%
	Non-manager	40.6%

one that emphasizes performance (*seikashugi*), and 2) whether the number of contingent workers has increased and what type of work these contingent workers do. Table 1 shows results regarding the shift to *seikashugi* in a three-year period (1999-2001).

Two patterns can be observed in the results shown in Table 1. First, a shift in performance evaluation, promotion and pay practices is observable for both managerial and non-managerial employees, but the degree to which these new practices have been introduced to the non-managerial workforce is less pronounced.

The second observation is that the change in payment method is much more advanced than are the changes for promotion. In fact, the difference between these two practices is about 20 percent in most cases. There may be a variety of reasons for this unwillingness on the part of Japanese employers to introduce “fast-track” type promotion practices. One is that promotions are more obvious than pay differences, and are likely to cause dissatisfaction among employees expecting regular advancement.

Overall, *seikashugi* is a practice that has affected mostly managerial employees with regard to their monetary reward.

The next issue is the change in the utilization of contingent workers. The basic picture is that 18.4 percent of the respondents say that the number of contingent workers has decreased over the three year period, while 42.8 percent report no change and 38.7 percent say that the number has increased⁽¹⁾. Thus, the proportion of contingent

workers does not seem to have increased rapidly over the last few years.

However, an important question is how these contingent workers are utilized in white-collar workplaces. Is there a change in the type of work conducted by these workers? An argument that is often heard is that the increase in contingent workers threatens the employment security of regular-status workers because they now conduct work that was previously done by regular-status workers. We may call this argument the replacement hypothesis. Results in Table 2 indicate that at least as of now, this fear may not be warranted.

Table 2. Perceived Shift in Work Conducted by Contingent Workers

Contingent workers engaged in:	Sample (the sub-sample consists of respondents in workplaces where the number of regular-status workers decreased during 1999-2001)	Yes
Managerial, planning and other types of core work	Total Sample	6.9%
	Sub-sample:	7.7%
Work requiring special skills or knowledge	Total Sample	28.1%
	Sub-sample	31.8%
Work assisting core employees	Total Sample	45.9%
	Sub-sample	50.8%
Routine work	Total Sample	65.6%
	Sub-sample	67.3%
Variable and/or temporary work	Total Sample	33.6%
	Sub-sample	33.4%

Again, two observations are possible in Table 2. First, the majority of contingent workers do not seem to be engaged in high value-added work that is usually undertaken by regular-status workers. Less than one-third of the time contingent workers are assigned work requiring specialized skills and knowledge. Similarly, the difference in percentages between the total sample and the sub-sample consisting only of respondents in workplaces where the number of regular-status workers has decreased over the three-year period is minimal. Although there is a very slight tendency for the percentages to be higher in the sub-sample, the differences are not close to statistical significance. Thus, the replacement hypothesis is not supported, at least in the current data set. Overall,

contingent workers in white-collar workplaces continue to be engaged in low value-added, supporting work.

4. How Has IT been Integrated into White-Collar Workplaces?

The next issue is the introduction of new information and communication technologies into white-collar workplaces. While not directly related to HRM or work intensification, a number of researchers have argued that IT has substantially changed the style of work for white-collar workers in other countries (e.g., Taylor, 2003). We attempted to explore the extent and nature of IT use in Japanese white-collar workplaces.

Table 3. Extent of IT Use and Its Impact

		Percent of respondents saying that IT has improved their work efficiency
Total Sample	Percent of total	66.4%
Workplaces where PCs are provided to less than 40% of the workers	19.8%	55.1%
40 to 79% of the workers	15.1%	67.0%
80 to 99% of the workers	18.5%	66.7%
More than 1 PC per person	45.6%	71.0%

Results in Table 3 indicate that Japanese workplaces have adopted new information and communication technologies quite substantially. Almost half the workplaces provide more than one personal computer per worker; there is only about one in five workplaces where PCs are not readily available for white-collar employees. Many workers also seem to find IT quite useful in making their work more efficient. Thus, IT has truly made an inroad to Japanese workplaces.

Yet, an important issue beyond the simple diffusion of IT is the way it is being used by white-collar workers. In the survey, six questions were asked to determine the nature of IT use by white-collar workers. The results indicate that almost 96 percent (95.6%) of the respondents use it for word-processing and spreadsheet data processing.

In addition, more than 70 percent use IT for internet access (74.4%) and e-mail (73.2%). But when it comes to higher-level usage such as off-site customer presentation and mobile access to a corporate LAN, the percentages decrease substantially. About 35 percent (35.4%) use it for oral presentation and only 14.5 percent take their computers off-site and connect to their company LAN.

Thus, although the evidence is still scant, IT does not seem to have substantially changed the way that white-collar workers work. While IT appears to have enabled white-collar workers to work more efficiently, our results also indicate that IT tools have not changed the working style of white-collar workers. It is likely that Japanese workers have not assumed a work style in which IT is used outside the office — for example at customer sites or remote locations — a work style that has become quite common in countries such as the United States. As of now, IT appears to be a tool used within the boundaries of the office.

5. Has Work Really Intensified in White-Collar Workplaces?

The next issue is the most elusive of all: whether Japanese white-collar work has intensified over the last few years, a trend that has often been observed in many other countries (Cappelli, 1999; Taylor, 2003). It was my suspicion that the increased intensity of work demanded by employers is a more important change than the simple introduction of IT or a change in HRM practices.

To examine this issue, a number of items were included in the JIL survey. Nine items intended to measure changes in individual work intensity are listed in Table 4. Three trends seem to stand out. First, a large proportion (60 to 70%) of the respondents felt that employers are demanding different skills. For some, better and more specialized skills are demanded, whereas for others, skills to handle non-routine tasks are being requested. Many seem to feel that their employers' skill requirements have been upgraded or shifted.

Second, many workers also appear to feel that expectations of their performance have increased both in terms of quantity and quality. Respondents seem to feel that their employers are demanding more work and higher performance goals. If this is not work intensification, what is? The conclusion from these two observations is that Japanese

white-collar workers believe work is intensifying.

Finally, relative to the upgrading of skills and higher performance expectations, workers do seem to feel that their working relationships with other workers and customers has intensified. Most importantly, only about one-quarter of those who responded said that they now spend more time outside the office than inside. This is rather surprising because Japanese firms are known for their customer-oriented service and stressing the importance of inter-corporate ties. It's possible that greater interpersonal contact may not yet be part of the intensification of work, and a more detailed examination of this issue is needed.

Thus, the overall conclusion is that work intensification is most strongly felt in terms of skill requirements and expectations of higher performance. During the 1999 to 2001 three-year period, work concerned with interpersonal relationships has not intensified.

In addition to changes in individual work intensity, the survey also asked about changes in team climate⁽²⁾. Teams still play an important role in the Japanese work organization and, collaboration within teams is often emphasized. Therefore, any change in team climate is likely to play a central role in the perception white-collar workers have about the quality of their workplaces and time spent at work. More specifically, when work-

Table 4. Items Measuring the Change in Individual Work Intensity

From 1999-2001	Percent agreeing
1. Level of skills and abilities required to do my job has increased	75.6%
2. More specialized knowledge is required	56.1%
3. Number of regular and non-regular employees under my supervision has increased	30.9%
4. Meetings and other collaborative tasks with colleagues have increased	47.2%
5. Time spent outside the office has increased	24.6%
6. Skills to deal with non-routine work have become important	62.4%
7. Areas in which I make final decisions have expanded	38.8%
8. Amount of work has increased	63.4%
9. Performance goals have become harder to attain	47.7%

Table 5. Items Measuring Changes in Team Climate

From 1999-2001	Percent agreeing
1. A few talented employees are assigned most of the work	42.4%
2. Information tends to be confined to a few select team members	34.6%
3. Collaboration within teams has weakened and individualism has become stronger	21.8%
4. Disparity in skills and abilities has widened	46.2%
5. It has become relatively easy to identify who are good and poor performers	35.4%

places become more individualized and the relationship among workers becomes more competitive, workers will feel pressured to compete against their colleagues. Such workplaces are not likely to provide comfort and security to white-collar workers. Table 5 shows the answers to five items that were used to measure changes in team climate toward individualization.

The picture one gets is that white-collar workplaces have become somewhat individualized and competitive over the last few years. In many cases work is assigned to and information confined to a few select members, perhaps those employees who can be relied upon to produce good results. The disparity in skills and abilities has also widened in 46.2 percent of the teams, and in about one-third, high performers have become easier to identify. These results indicate that both in terms of skills/abilities and performance recognition, white-collar teams are now focusing more on the individual.

Yet, an important observation is that collaboration within teams is still relatively intact, as only slightly more than 20 percent (21.8%) report a change toward individualism. In addition, 18.4 percent of the respondents say that they disagree with this statement (unreported in Table 5). These two trends — individual focus on performance recognition and skills, and emphasis on collaboration within teams — may create some tension in white-collar workplaces in the future, which, in turn, could have a negative impact on workers.

Figure 1. Work Intensity, Performance Evaluation, Contingent Workers, and IT Use

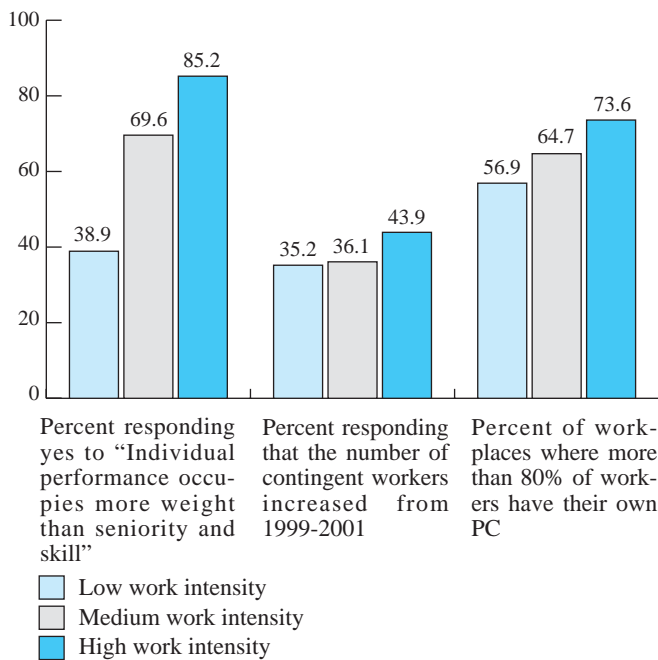
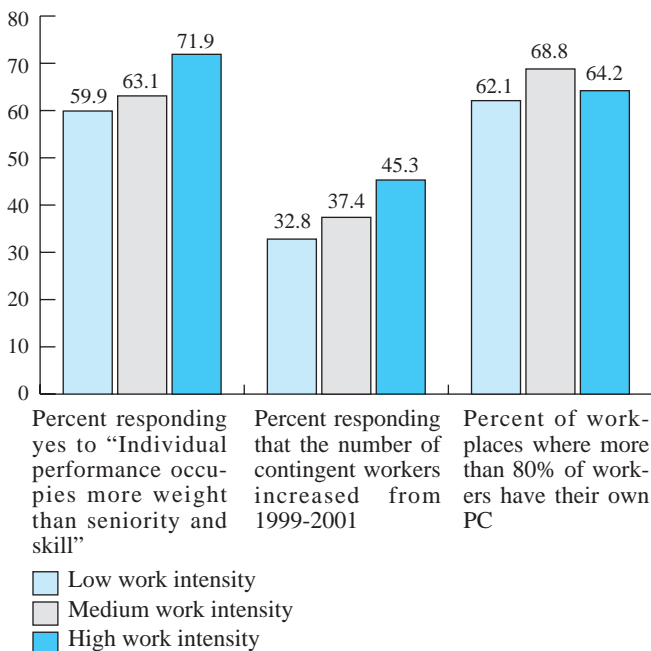


Figure 2. Team Climate, Performance Evaluation, Contingent Workers and IT Use



6. Is There a Relationship among HRM Changes, Use of IT, More Contingent Workers and Intensification?

The final question to be examined is whether or not the changes and shifts described so far — a

shift to performance-based evaluation, increased use of contingent workers and the introduction of IT, and changes in work intensity and team climate — are related. In other words, the question is whether there is a general pattern of change that involves all these shifts and changes. In other countries, such overall reorganization and redesign of white-collar work is often observed (Cappelli, 1999; Taylor, 2003).

To examine this question, I created the following two scales. The first may be called a work intensity scale and is the sum of all the items in Table 4. The second may be called a team climate scale, and is the sum of all the items in Table 5. In both cases, original questionnaire items were coded as “agree” (3), “neither agree nor disagree” (2), and “disagree” (1). Since the numbers on these items were simply summed, higher scale points were interpreted as indicating intensification of work and individualization of team climate, respectively.

Then in the next step, respondents were classified into three groups representing high, medium and low levels of the work intensification and team climate scales. In terms of the work intensification scale, 427 individuals (38.0%) comprised the “high” group, with the “medium” and “low” groups having 296 (26.3%) and 401 (35.7%), respectively. With regard to the team climate scale, the “high,” “medium,” and “low” groups had 367 (30.0%), 379 (30.9%) and 434 (35.4%) respondents, respectively.

Finally, to examine the relationship between these two scales and the three changes that have occurred in the workplace (the spread of performance-based evaluations, more contingent workers, and the introduction of IT), I cross-tabulated the three sub-sample groups mentioned above and the three variables indicating workplace changes. The items representing workplace changes were: 1) Percent of workers responding yes to “Individual performance occupies more weight than seniority or skill”; 2) Percent responding that the number of contingent workers has increased during the three-year period; and 3) Percent of workplaces where more than 80 percent of the workers have personal computers on their desk. Results of the cross-tabulation are shown in Figures 1 and 2.

In Figure 1, the relationship between work intensity and changes in the workplace is examined. Most importantly, note the difference in per-

centages that indicate the likelihood that performance-based evaluation was introduced, the number of contingent workers has increased, and personal computers are distributed to more than 80 percent of the workers among the three groups that differ in the level of work intensification. I assume no causality between the variables, but the relationship is clear. In places where workers perceive higher levels of work intensification, the likelihood of HRM changes (performance evaluation and contingent workers) and the use of IT technology is much higher. Thus, the evidence seems to indicate that there is a general pattern for white-collar workplaces to be reorganized. Employers who reorganize and intensify white-collar work are also likely to introduce changes in HRM and IT use.

A weaker but similar pattern is observed with regard to the team climate scale: the more teams have become individualized, the greater likelihood HRM changes and the use of IT have been introduced. Again, no causality is assumed, and our observation simply indicates that individualization of teams, and HRM changes and IT use are positively correlated.

7. Conclusion

What has really changed in white-collar workplaces over the last few years? Has the increase in work intensity occurred parallel to a reorganization of work that has occurred in other countries? These are the questions that were the focus of the foregoing discussion. There has been a great deal of talk among Japanese observers that HRM practices have changed (performance-based compensation and evaluation, and the increased use of contingent workers). IT and other kinds of communication technologies have also been introduced into white-collar workplaces.

Yet, there has been little effort to link these changes to the general pattern of work intensification in white-collar workplaces. Since employers often introduce HRM changes and IT technologies in their efforts to meet challenges posed by poor economic performance, it is expected that these changes are introduced as part of their drive to rationalize white-collar work and increase the amount of work. As a consequence, employees are likely to experience greater demand for new and more sophisticated skills, broader job scope and

more responsibilities, an accelerated pace of work, uncertainty in employment and heightened interpersonal contacts in job performance, greater use of information and communication technologies, and so forth. All these changes are likely to intensify white-collar work and pose new challenges for workers. This type of overall change in white-collar workplaces has been observed in other countries. The evidence in this report shows that this pattern is also occurring in Japan, and that white-collar work is becoming more intense and the situation of workers more difficult and competitive.

Notes:

- (1) This percentage increases slightly to 43.6 percent even when the sample is restricted to those who reported that their workplaces have lost regular-status workers in the three-year period.
- (2) The term "team climate" is often used in organizational behavior research and refers to how members perceive the social and task environment of a team. Here the questions refer to the degree of individualization in teams.

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The 2003 White Paper on the Labour Economy: A Summary of the Analysis

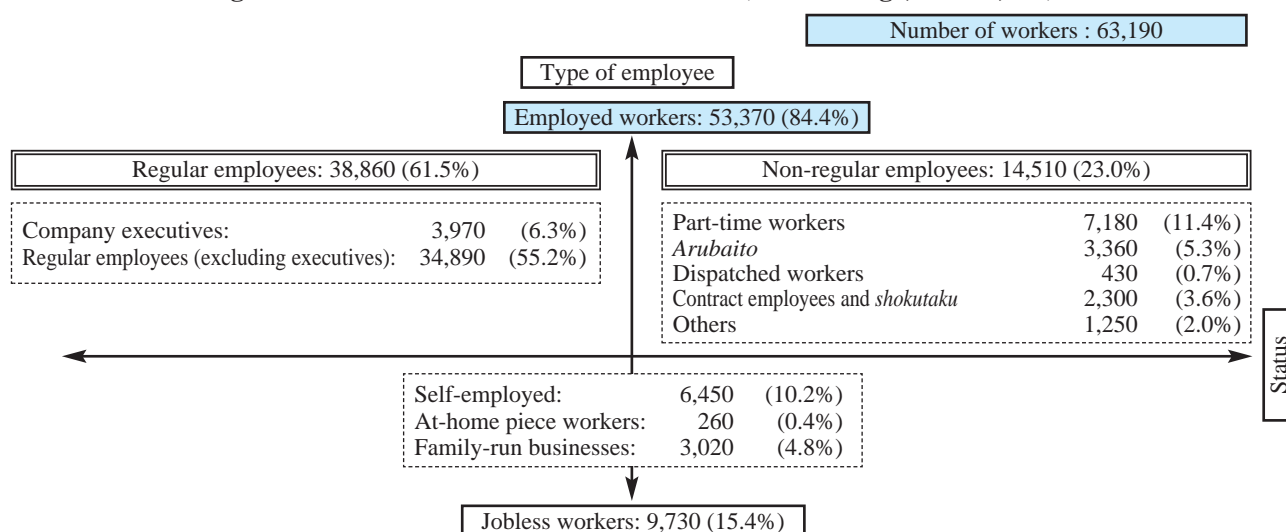
On August 26, the Ministry of Health, Labour and Welfare released its *2003 White Paper on the Labour Economy*. This year's main theme is "changes in the economy and society and diversification of working styles." The White Paper notes that non-regular employees now account for one-quarter of all workers, showing an accelerating diversification of employment patterns, while *freeters*, who work on a part-time or *arubaito* (side job) basis, number 2.09 million. While recognizing that diversification is a natural development accompanying economic and social changes, the paper emphasizes the necessity of improving the labor market environment which will allow workers to choose their working style in accordance with their own aspirations and abilities.

1. Freeters Total 2.09 Million

The White Paper estimates that the average number of *freeters* in 2002 was 2.09 million (940,000 males and 1.15

million females). The figures are based on the total number of workers aged 15 to 34 who are exclusively on a part-time or *arubaito* basis, minus those who are either students or married. In terms of the factors underlying the increasing number of *freeters*, the paper cites the tightening labor market for university graduates, resulting in an increasing number of jobless new graduates; the growing number of young people who quit their jobs; and the large number of alternative choices available in the labor market for young people due to their better economic situation, apart from the traditional one of becoming a regular employee. In terms of educational level, the number of junior high or high school graduates who are *freeters* stands at 1.39 million, 66.5 percent of all *freeters*, and this group also accounts for a high proportion, 10.6 percent, of non-student workers aged 15 to 34. The paper attributes the large proportion of *freeters* among junior high and high school graduates to a substantial decrease in the number of job openings at private firms,

Figure 1. Breakdown of Number of Workers (2002 average, unit: 1,000)



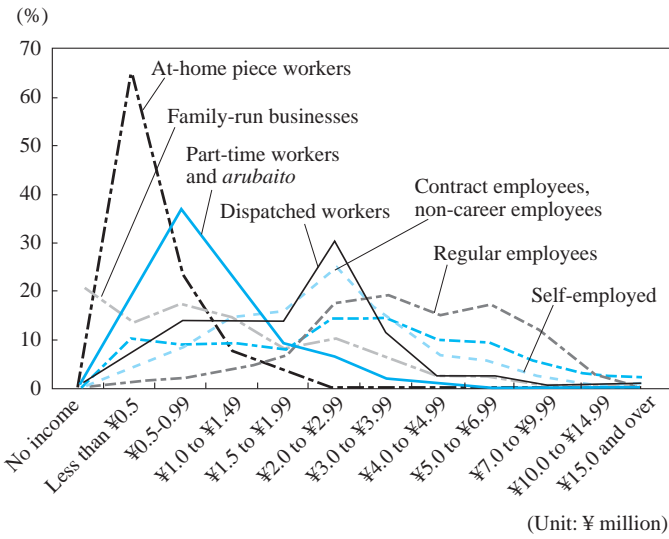
Source: *Labour Force Survey (detailed analysis)*, Statistics Bureau, Ministry of Public Management, Home Affairs and Posts and Telecommunications.

Note: The unit is 1,000, and the figures in parentheses are percentages of the total number of workers.

In the *Labour Force Survey*, the diverse working styles (types of work) are defined as:

Regular employees	People designated as "general employees" or "regular employees" at their place of work.
Part-time workers and <i>arubaito</i>	People designated as "part-time workers," " <i>arubaito</i> " or who have a similar title at their place of work regardless of the number of hours or days worked.
Dispatched workers	People hired at a worker dispatching agency and dispatched to client companies under the Worker-Dispatching Law.
Contract workers	People who are hired for a fixed term to be assigned to a job that requires a special skill or knowledge.
<i>Shokutaku</i>	People designated as " <i>shokutaku</i> " or who have a similar title at their place of work regardless of working conditions or the contract period.

Figure 2. Breakdown of Workers by Working Style and Annual Income



Source: Labour Force Survey (detailed analysis), Statistics Bureau, Ministry of Public Management, Home Affairs and Posts and Telecommunications.

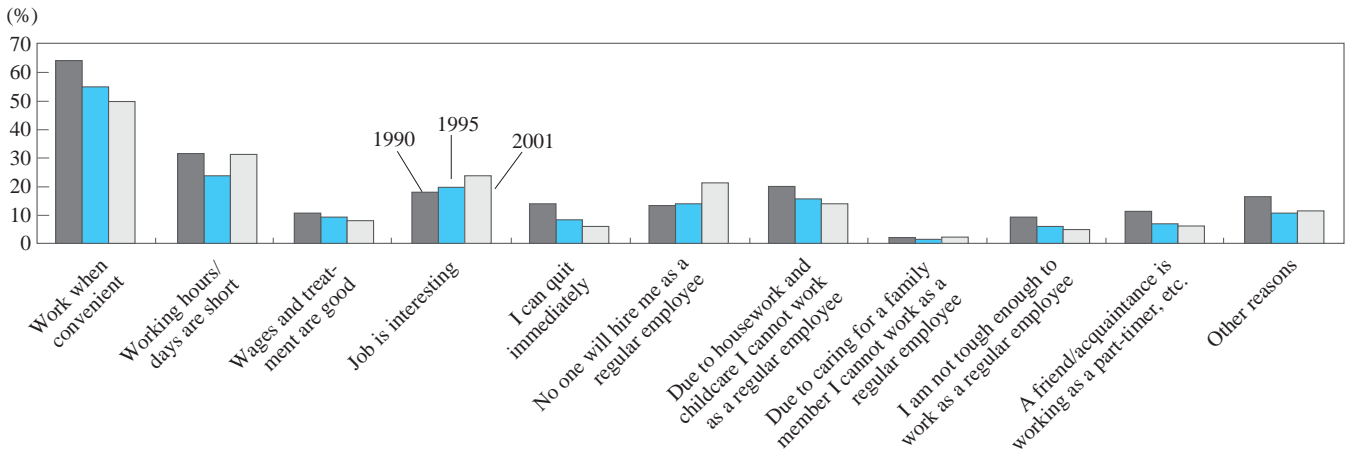
an increase in the number of jobs on a non-regular basis, and an increasing number of young people who have entered the labor market with little awareness of the types of occupation available or any specialized knowledge.

The White Paper also clarifies the problems caused by the increase in the number of *freeters*, warning that working on a *freeter* basis, particularly while workers are young, will deprive them of good opportunities to formulate a proper future career, as well as depleting the human resource accumulation of the country as a whole, which may have a negative impact on the future growth of the nation's economy.

2. Non-regular Workers Account for One-quarter of All Workers

A diversification of employment patterns is also in progress. In 2002, the average number of employees totalled 53.37 million out of a total of 63.19 million workers as a whole. Of employed workers, regular workers accounted for 38.86 million, while part-time, *arubaito*, dispatched and other non-regular employees numbered 14.51 million. This means that one-fourth of all workers are on non-regular work contracts. In particular, the number of part-time and *arubaito* workers totalled 10.53 million, accounting for 72.6 percent of all non-regular employment. The White Paper cites a drop in the number of regular employees accompanied by a continuing increase in the number of non-regular employees as recent features of the labor market. It explains that the diversification of employment patterns has been created by the impact of

Figure 3. Reasons for Working as a Part-time Worker (multiple answers)

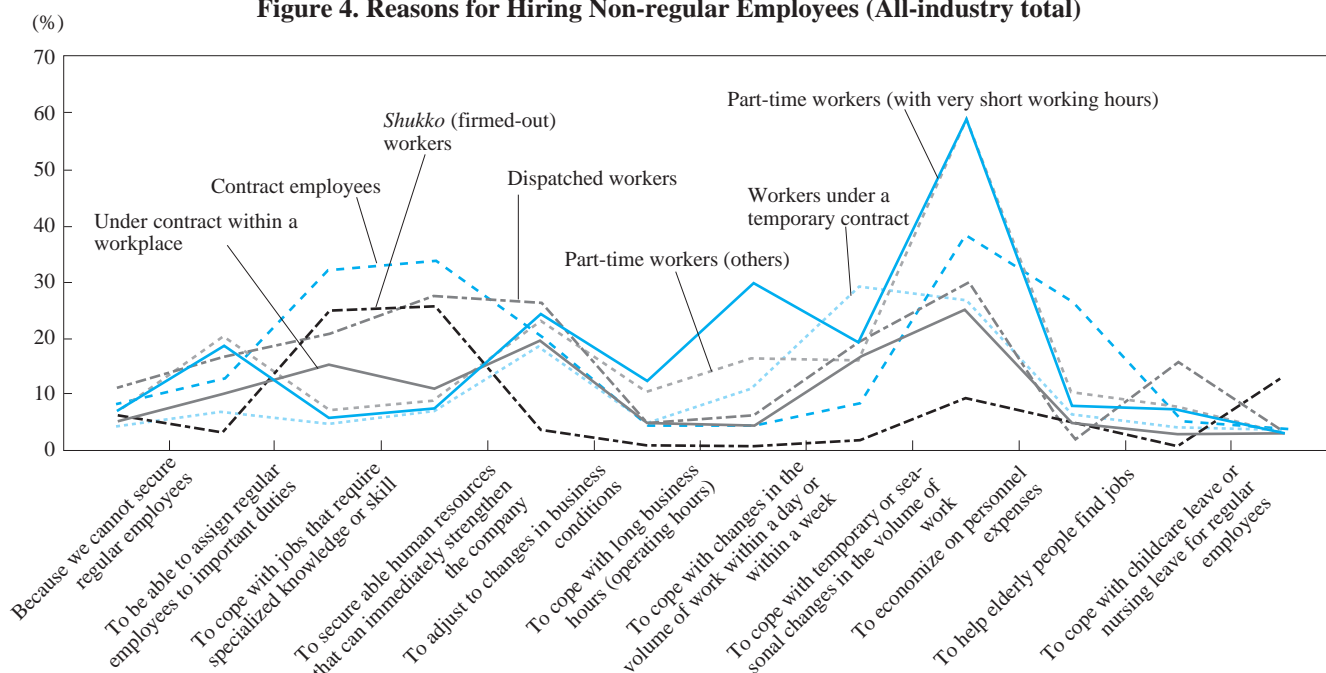


Survey of the Actual Situation of Part-time Workers, defines the above working styles as:

Regular employee	Regular employees	Ordinary workers defined by law concerning the improvement, etc., of working conditions of workers on shorter working hours (so-called part-time labor law).
	So-called regular employees	
Non-regular employees (Part-time workers, etc.)	Part-time workers	Workers whose specified working hours per week are shorter than those of regular employees regardless of what they are called, such as part-time workers, <i>arubaito</i> , quasi-employees, <i>shokutaku</i> , and temporary workers.
	Workers on shorter working hours	
	Others	Workers other than regular employees whose specified working hours per week are the same as or longer than those of regular employees.

Source: Survey of the Actual Situation of Part-time Workers, the Ministry of Health, Labour and Welfare.

Figure 4. Reasons for Hiring Non-regular Employees (All-industry total)



Source: Survey of Personnel Administration Strategy of Companies and Workers' Consciousness about Employment (Corporate Survey), Japan Institute of Labour, 2003.

Note: This chart only covers companies that answered questions about changes in the number of employees by working style in the last three years.

In the Survey of Personnel Administration Strategy of Companies and Workers' Consciousness about Employment (Corporate Survey) working styles are defined as:

So-called regular employees	Employees for whom the period of work is not specifically set. Part-time workers and <i>shukko</i> (firmed-out) workers to other companies are excluded.	
So-called non-regular employees	Contract employees	Employees hired for jobs that require special knowledge or skill.
	Temporary employees	Employees hired temporarily or on a daily basis for a period of up to one month.
	Part-time workers (short hours)	Employees who work fewer hours a day or fewer days a week than regular employees and whose period of employment exceeds one month or is not explicitly set.
	Part-time workers (others)	Employees who work almost the same number of days or almost the same number of days a week as so-called regular employees and whose period of employment exceeds one month or is not explicitly set, and workers who are called part-time workers or are in a similar situation.
	<i>Shukko</i> (firmed-out) workers	People who work at the company concerned on loan from another company. It does not matter whether they are registered in the list of employees at the lender company.
	Dispatched workers	People who have been dispatched from a temporary worker placement agency under the Worker-dispatching Law.
	Employees under contract within a workplace	People who work at a business establishment under contract.

part-time, *arubaito* and other non-regular employment, rather than by an expansion of self-employment. The paper suggests that the diversification of working styles is a natural development matching changes in the economic and social situations, so that it is vital to create improved social systems in line with such diversification. It emphasizes the necessity of improving the labor market environment, thus enabling workers to select working styles that suit their own life styles.

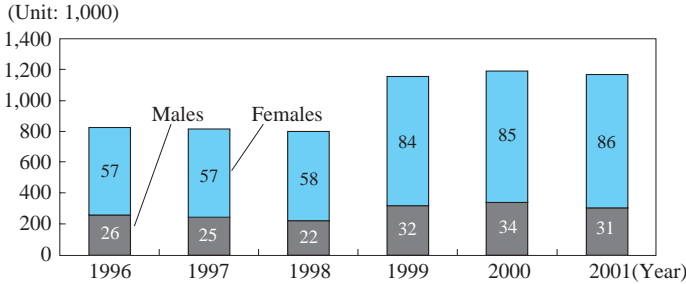
3. Reluctant Part-time Workers Total 1.17 Million

The number of "involuntary" part-time workers (that is, workers who are obliged to work on a part-time basis

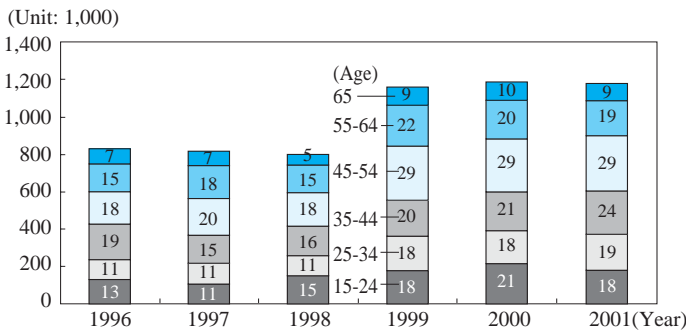
because they cannot get a full-time job) is also increasing. As of February 2001, such part-time workers totalled 1.17 million (310,000 males and 860,000 females). The number increased sharply in 1999. At the same time, the proportion of part-time workers in managerial posts (bureau chief, department chief, section chief, unit leader and group leader) is also increasing. What is more, 43.2 percent of the business establishments surveyed answered that the proportion of non-regular employees who engaged in duties identical to regular employees had increased in the previous three years — a sign that an increasing number of non-regular employees play essential roles at workplaces.

Figure 5. Trends in Involuntary Part-time Workers

(1) Trends in Involuntary Part-time Workers by Sex



(2) Trends in Involuntary Part-time Workers by Age



Source: *Special Survey of the Labour Force* (February), Statistics Bureau, Ministry of Public Management, Home Affairs and Posts and Telecommunications.

Note: In the above chart, the figure refers to those who want to work for 35 hours a week or more but are only working 1-34 hours are considered involuntary part-time workers.

4. Wages for Non-regular Workers Half That of Regular Employees

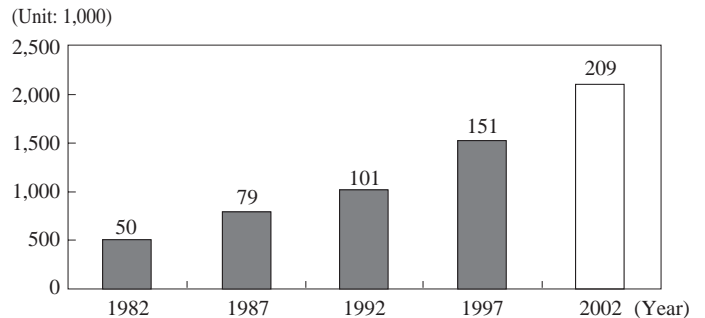
Wage differentials between part-time workers and general workers have been widening. A comparison of wage gaps among female workers in 2001 in terms of hourly wages, calculated from annual wages including bonus payments, shows that female part-time workers earned only 54.3 percent of what female general workers made. The White Paper confines its analysis of the reasons behind such differences to female workers, and concludes that, despite the fact that more part-time workers tend to serve one company longer in all industries, and an increasing number of such part-time workers are responsible for essential aspects of the companies, wage determination systems for such workers do not reflect their length of tenure. In addition, the widening wage gap is also attributable to a change in occupational structures in the latter half of the 1990s; it is in low paid jobs that the proportion of part-time workers has increased more than the average. One factor behind the widening wage gaps, thus, is the concentration of part-time workers in low-paid jobs.

5. Ability Development Inspires Non-regular Employees

The White Paper points out that part-time workers who

engage in their duties with a strong self-motivation tend to be more dissatisfied with low wages, and warns that a continued gap in labor conditions between non-regular and regular employees is likely to sap morale and motivation for self-improvement among the former, hindering their optimum use. A White Paper survey reveals that, regardless of whether employment is regular or non-regular, the degree of satisfaction with wage levels is higher among those who have access to training courses or supportive systems for self-improvement at their workplaces than those who do not. This implies that the provision of support for ability development among non-regular employees as well as regular ones will help abate dissatisfaction with wages among the former. Among non-regular employees, part-time workers (with shorter working hours) would seem to be more satisfied with their wages if they are eligible for, not just opportunities for ability development, but bonus payments and chances to be promoted to regular employees as well; the survey shows in fact that part-time workers with access to such treatment were more content with their wage levels. As for dispatched workers, offering training courses is effective in alleviating dissatisfaction with wages among those who work on a regular basis, and providing training courses and support for self-improvement is effective among registered dispatched workers.

Figure 6. Change in the Number of Freeters

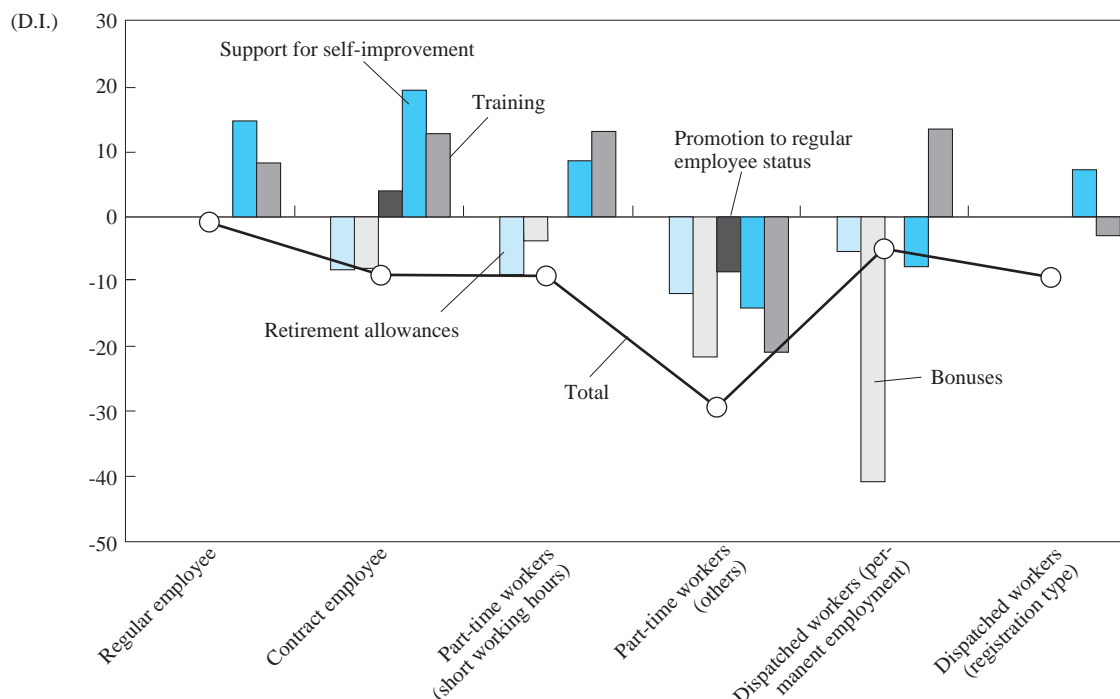


Sources: Data for 1982, 1987 and 1997 is from *The Analysis of Labour Economy 2000*; and for 2002 from *Labour Force Survey (Detailed Analysis)*, Statistics Bureau, Ministry of Public Management, Home Affairs and Posts and Telecommunications, specially processed at the Labour Policy Counselors' Office of the Ministry of Health, Labour and Welfare.

Notes:

- (1) In regard to 1982, 1987, 1992 and 1997, *freeters* are defined as people aged 15 to 34, and (1) in the case of people who are employed, those who are called *arubeito* or "part-time workers" at their workplaces, and in the case of males, those whose length of service is one year and over but less than five years, in the case of females, those who are single and work most of the time, and (2) in the case of jobless people, those who neither do household chores nor attend school and who want to work as *arubeito* or part-time workers.
- (2) In regard to 2002, *freeters* are defined as people aged 15 to 34 and limited to people who already graduated from school, not including students, and in the case of females, those who are single, and (2) in the case of people who are employed, those who are called *arubeito* or "part-time workers" at their workplaces and (3) in the case of jobless people, those who neither do household chores nor attend schools and who want to work as *arubeito* or part-time workers.
- (3) Please note that there is no continuity between the numerical values for 1982-1997 and those for 2002 because, for one thing, the definition of *freeters* differs.

Figure 7. The Diffusion Index of the Degree of Satisfaction with Wages, etc.



Source: Survey of Personnel Administration Strategy of Companies and Workers' Consciousness about Employment (Employee Survey), Japan Institute of Labour, 2003.

Notes:

- (1) The Diffusion Index of the degree of satisfaction has been calculated by considering the answer "Satisfied" as +2; "Rather satisfied" as +1; "Rather dissatisfied" as -1; "Dissatisfied" as -2 and calculating the percentage of each group.
- (2) The total is a value obtained by calculating the number of workers in each working style regardless of whether the various systems mentioned are available or not, and the columns show the degree of satisfaction calculated in regard to workers for whom the system concerned is available by working style.

Figure 8. Wage Differential between Part-time Workers and General Workers, Wages of Part-time Workers and Regular Employees, and Their Rate of Growth

Company size/Industry	(Unit: %)			(Unit: ¥)			(Unit: %)		(Unit: ¥)			(Unit: %)
	Wage differential (based on the wage of general workers as 100%)			Wages of part-time workers			Growth rate	Wages of general workers			Growth rate	
	1990	1995	2001	1990	1995	2001	1990 to 2001	1990	1995	2001	1990 to 2001	
Total	58.9	57.4	54.3	768	914	936	1.8	1,303	1,591	1,724	2.6	
1,000 or more employees	46.7	48.5	45.7	817	962	971	1.6	1,750	1,985	2,127	1.8	
100-999 employees	62.3	59.0	53.5	777	933	930	1.6	1,247	1,581	1,737	3.1	
10-99 employees	69.3	64.6	62.6	736	870	907	1.9	1,062	1,346	1,448	2.9	
Construction	67.9	64.6	63.6	745	942	965	2.4	1,098	1,458	1,518	3.0	
Manufacturing	68.8	65.0	62.5	730	855	911	2.0	1,061	1,316	1,457	2.9	
Transportation and telecommunications	49.9	55.8	51.8	805	977	930	1.3	1,612	1,751	1,795	1.0	
Wholesale, retail, restaurant business	61.8	59.1	55.5	753	889	885	1.5	1,218	1,504	1,596	2.5	
Money-lending and insurance	45.6	47.6	52.5	926	1,013	1,092	1.5	2,029	2,128	2,081	0.2	
Real estate business	57.0	60.3	54.5	782	969	957	1.9	1,373	1,607	1,756	2.3	
Services	62.2	58.4	54.6	867	1,020	1,038	1.6	1,395	1,748	1,900	2.8	

Source: The Basic Survey on the Wage Structure, Ministry of Health, Labour and Welfare processed at the Councilors' Office (Labour Policy to Director-General for Policy Planning and Evaluation) of the Ministry of Health, Labour and Welfare.

Notes:

- (1) Wages are calculated by dividing annual wage, including bonus, by the number of hours actually worked.
- (2) Wages are those for female workers.
- (3) The growth rate of wages is the annual growth rate.
- (4) The industrial classification does not include mining, electric utilities and city gas, heat supply, and waterworks, where the number of part-time workers does not reach 1,000.

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