

# **Survey on Work and Life among Expatriates in Japan**

## **Survey Results**

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**The Japan Institute of Labour**

Result of Survey on Work and Life among Expatriates in Japan

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## Foreword

The Japan Institute of Labour (JIL) began providing labor information in Japan to foreign companies and foreign-affiliated companies in Japan in fiscal 2000. This was a response to the rapid increase in investment in Japan by foreign firms since the second half of FY 1998, and we are continually modifying and improving the information that we offer as we gain a better understanding of the needs of foreign companies and other interested parties. One type of information that seems to be sorely needed, according to our needs survey so far, is information concerning the problems of expatriate workers in foreign-affiliated companies in Japan. The reasons that these needs are urgent include the high cost of sending expatriate employees to Japan, which is higher than the cost of sending expatriate employees to other countries, and the lack of materials for setting up proper working conditions for these employees. However, since existing materials concerning these problems were extremely sparse, we at the JIL decided to conduct surveys, gather basic data, and produce our own materials.

The questionnaire in this survey were based on the questionnaire in the Survey on Work and Life among Japanese Expatriates at Japanese-affiliated Companies Abroad, conducted every other year by the JIL. This was due to our belief that some of the problems faced by employees sent overseas by their parent companies would be similar. For this reason, and in order to discover exactly where the problems lie, we also plan to conduct a separate analysis comparing the results of this survey with the results of the Survey on Persons Dispatched Overseas by Japanese Companies: Their Work and Lives, also conducted in fiscal 2000.

We encountered a number of problems in administering the survey. Of these, the biggest problem was that the actual number of expatriate workers at foreign-affiliated companies in Japan is unclear. If we define foreign-affiliated companies in Japan as Japanese corporations that have more than 1/3 foreign capitalization, and branches or offices of foreign corporations, we can get an approximate number. However, as far as we were able to learn from our research, there are no statistical data showing the actual number of foreigners working at these companies. Furthermore, although there are two conceivable types of expatriate employees: (1) those who were hired in the home country of the parent company of a foreign corporation, or those who were hired by a subsidiary or other branch founded in a foreign country and dispatched to Japan, the so-called “dispatched expatriate employees”, and (2) foreigners hired in Japan. However, there are no existing materials that treat this distinction statistically.

In carrying out this survey, we adopted the methodology of (1) obtaining the cooperation of foreign chambers of commerce in Japan, sending survey questionnaires to the member companies of each chamber of commerce (except those which clearly seemed to be Japanese companies), asking the companies to have their dispatched expatriate employees complete the survey, and then, in order

to maintain a balance among the locations of the company headquarters, (2) sending the survey questionnaire to companies listed on the Foreign-Affiliated Companies CD-ROM 2000, published by Toyo Keizai, Inc., taking care to avoid any overlap with the companies contacted under (1). We cannot state with any certainty that this is the best methodology, but we believe that it is one of the best methods available at this time.

In fiscal 2000, foreign investment in Japan increased 30% over the previous year to ¥3.1251 trillion, the highest figure ever, more than 100 new foreign-affiliated companies were established, and reinvestment in foreign-affiliated companies that were already in Japan also increased. We believe that if investment in Japan by foreign firms increases, the number of expatriate employees will also increase along with it. Therefore, the JIL plans to improve its survey methods and continue to conduct this survey in the future.

In carrying out the survey, we obtained the cooperation of foreign chambers of commerce and foreign-affiliated companies in Japan. On the occasion of the publication of the survey results, we would like to express our deepest thanks to everyone who participated or cooperated.

We hope that all concerned parties, especially foreign-affiliated companies in Japan, will be able to make good use of this report.

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The Japan Institute of Labour

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# Outline of the Survey

## 1. Purpose

This survey is in the form of a questionnaire focused on foreign expatriate employees working at foreign-affiliated companies in Japan. The intention was to clarify the working conditions, living environment, degree of satisfaction, and so on, of foreign dispatched employees working at foreign-affiliated companies in Japan.

## 2. Sample Type

The focus is on foreign dispatched employees (including representatives, executives, and non-managerial staff) dispatched from a parent company and working at a foreign-affiliated companies in Japan (including subsidiaries, subsidiary-affiliated companies, foreign branch offices, and offices for employees stationed in Japan – any with foreign capitalization greater than 0%).

## 3. Survey Method

We obtained the cooperation of 14 foreign chambers of commerce and industry in Japan and, of the member organizations, we distributed a total of 3,345 questionnaires to liaison officers at 2,529 companies. Also, 332 copies were distributed to 104 of the companies appearing on Toyo Keizai's "Foreign Affiliated Companies in Japan CD-ROM2000"(in Japanese) (Nov. 1999). In total, 3,677 copies of the questionnaire were distributed to 2,633 companies with parent organizations located in 29 different countries or areas (See the attached Table 1.)

**Attached Table 1: Number of Questionnaires Distributed**

	Companies	Questionnaires distributed
1-(1) Member Companies of Foreign Chambers of Commerce and Industry in Japan	2,529	3,345
1-(2) Sample Companies from "Foreign Affiliated Companies in Japan 2000" (Toyo Kezai)	104	332
Total	2,633	3,677

However, there is no objectively captured data on foreign dispatched workers in Japan, so the sample size is not clear. Cases also existed in which there were no suitable subjects for the survey, such as in Japanese enterprises that were included among the member organizations of the chambers of commerce and industry, and foreign businesses that hired foreign workers locally (in Japan). Questionnaires were directly collected from individual respondents, and then summed up.

(Working Committee)

For the successful implementation of this survey the following people, as a committee, did a concrete examination of the survey contents.

Mitsuhide Shiraki Professor, Waseda University, School of Political Science and Economics

Takashi Umezawa Professor, Kokushikan University, Faculty of Political Economics

Hirohisa Nagai Associate Professor, University of Tsukuba, Graduate School of Business Sciences

Secretariat: International Affairs Department , The Japan Institute of Labour

#### **4. Survey Period**

The time of survey implementation was November 1, 2000. The questionnaires were distributed throughout November, and collected by January 31, 2001.

#### **5. Collection of Questionnaires**

We summed up that portion of questionnaires that were collected by the last day of January 2001. Compared with the 3,677 survey distribution subjects in 2,633 companies from 29 countries or areas, the total valid copies collected came from 307 people representing 23 countries or areas. Effective reply rate is 8.4%. However, the reply rate could be higher when the actual sample size is considered.

(Parent company locations of the collected questionnaires) (Total: 23 countries)

The United States, Canada, the United Kingdom, France, Germany, Belgium, Denmark, Italy, the Netherlands, Sweden, Switzerland, Finland, Norway, Ireland, India, Singapore, Pakistan, the Philippines, Korea, China, Hong Kong (China), Australia, New Zealand



## 1-(1)Members of Foreign Chambers of Commerce and Industry in Japan

Region	Foreign Chambers of Commerce and Industry in Japan	Companies	Questionnaire distributed	Total
North America	The American Chamber of Commerce in Japan	607	863	993
	The Canadian Chamber of Commerce in Japan	107	130	
Europe	The British Chamber of Commerce in Japan	485	590	1,744
	Deutsche Industrie- und Handelskammer in Japan	242	360	
	Danish Chamber of Commerce Japan	50	55	
	Chambre de Commerce & d'Industrie Francaise du Japon	226	312	
	Finnish Chamber of Commerce in Japan	23	26	
	Swiss Chamber of Commerce and Industry in Japan	89	149	
	The Italian Chamber of Commerce in Japan	111	129	
	The Swedish Chamber of Commerce and Industry in Japan	65	80	
	The Norwegian Business Forum	36	36	
	The Belgian-Luxembourg Chamber of Commerce in Japan	7	7	
Asia	The Korea Federation of Companies in Japan	330	432	432
Oceania	Australian & New Zealand Chamber of Commerce in Japan	151	176	176
Total		2,529		3,345

Note 1) Since some Japanese companies are included among the members of foreign chambers of commerce and industry, we excluded them from the survey as much as possible, but a certain number of Japanese companies ended up being included. (The responses from the 9 persons employed by Japanese companies were considered invalid responses.)

Note 2) In some cases, the chamber of commerce affiliation and the nationality of the parent company do not coincide (e.g. an Irish company joining the British Chamber of Commerce).

Note 3) Companies which had no respondents are included.

**1- (2) Sample companies from “Foreign Affiliated Companies in Japan 2000”(Toyo Keizai)**

Region	Country/Area	Company	Questionnaires distributed	Total
North America	U.S.	50	147	147
Europe	U.K.	3	6	
	Germany	9	21	
	France	5	13	
	Finland	1	1	
	Switzerland	6	18	
	Italy	0	0	
	the Netherlands	6	30	
	Belgium	0	0	
	Spain	1	1	
	Liechtenstein	1	7	97
	Asia	Korea	0	0
Hong Kong (China)		2	8	
China		3	16	
Taiwan		5	19	
India		3	13	
Singapore		2	6	
Philippines		1	2	
Thailand		1	2	
Pakistan		1	3	
Malaysia		1	3	
Indonesia		0	0	72
Oceania	New Zealand	1	3	3
Middle East	Israel	1	3	3
South America	Brazil	1	10	10
Total		104		332

Note) Since “foreign employees” includes those who were hired in Japan, companies which had no respondents are included.

**Attached Table 2: Summary of Valid Responses Received by Parent Company Locations**

<b>Region</b>	<b>Country/Area</b>	<b>Effective Reply</b>	<b>Total</b>
North America	U.S.	79	92
	Canada	13	
Europe	U.K.	40	173
	Germany	38	
	Denmark	14	
	France	24	
	Finland	8	
	Switzerland	24	
	Italy	6	
	Sweden	10	
	Norway	2	
	Netherlands	3	
	Belgium	3	
Ireland	1		
Asia	Korea	6	23
	Hong Kong (China)	4	
	China	2	
	India	8	
	Singapore	1	
	Pakistan	1	
	Philippines	1	
Oceania	Australia	8	12
	New Zealand	4	
No Answers		7	7
Total			307

