

## Abstracts

### The Diversification of Utilization of Non-standard Employees and the Equilibrium of Treatment between Standard and Non-standard Employees

**Tomoyuki Shimanuki** (Hitotsubashi University)

The Japanese firm traditionally used non-standard employees for peripheral (non-core) jobs, but in recent years most Japanese firms have used non-standard employees for core jobs as standard employees. The utilization of non-standard employees as standard employees has improved the quantitative flexibility of employment, but it has raised the issue about wage differentials between standard and non-standard employees. The author analyzed determinative factors regarding the wage gap between standard and non-standard employees who engaged in similar jobs. The results showed that the wage gap between standard and non-standard employees — part-time employees and contract employees — who engaged in similar jobs tended to shrink when the responsibility of the job and the length of working hours of them became similar, but the gap tended to enlarge when the Japanese firms maintained traditional human resource management policies of long-term employment and employment of new graduates. The author suggests that Japanese firms have to change their traditional human resource management policies in order to improve the equilibrium of wages between standard and non-standard employees who engage in similar jobs.

### The Extent and Effects of Firm-provided Training among Non-regular Employees in Japan

**Hiromi Hara** (The Japan Institute for Labour Policy and Training)

This paper examines the incidence and intensity of firm-provided training for non-regular employees and the effect of this participation on skills, productivity and wage growth, using a unique survey of Japanese workers. We find that among non-regular employees, those who work on a full-time basis will have a higher intensity for firm-provided training. In addition, past participation in training increases the probability of receiving current training. We also confirm that participation in firm-provided training improves job skills and productivity, however, an impact on wage growth is not found. On the other hand, training participation significantly explains the transition of employment status from non-regular workers to regular employment. In summary, firm-provided training has no effect on the wage growth of non-regular employees in Japan, but it does have effects on the transition to regular employment. The result suggests that the Japanese non-regular employees' labor market is imperfect, therefore wages are below the productivity of them and the amount of training is likely to fall short of the first-best level of human capital investment.

### Reflecting Atypical Worker's Voices: Case Studies on Unionizing

**Kayo Goto** (Labour Research Council)

In the face of an increasing number of atypical workers, unions encourage the approach of unionizing these workers and improving their working conditions. This article introduces case studies of the unionizing of atypical workers, based on an interview survey implemented for ten unions that have already addressed unionizing their atypical workers. The backgrounds to the unionizing differ according to the situation for each union. The case studies reveal that, facing the fact of decreasing numbers of regular workers with union membership, the unions had no choice but to respond to problems such as the survival of the union organization, lack of communication in the workplace and so on. Each union has its own methods of organizing, but common points can be seen amongst them. Each case shows the importance of a patient approach by both union members and nonunion atypical workers. Unions have made efforts to give union members a greater understanding regarding the necessity for unionizing, and to give atypical workers more understanding of the benefits of joining a union. Improving the working conditions of atypical workers is a difficult challenge. The first stage of the approach is by applying benefits programs to atypical workers prior to resolving pay gaps

with regular workers. The unions have required an additional approach for atypical workers. Building structures to reflect the voices of atypical workers in unions must be prioritized.

#### Labour Policy on Atypical Employment

**Kaoko Okuda** (Kinki University)

This article aims to examine the problems relating to atypical labour relations from a point of view of labour law, especially employment security and equal treatment. Japanese labour relations are based on the different treatment of regular employees and atypical employees, which is also supported by labour law system. But recent changes of atypical labour relations — quantitatively and qualitatively — require that this system should be reexamined in three ways: Firstly, clarification of the guidelines concerning reasonable grounds for dismissal; secondly, legal regulation of fixed-term labour contracts, especially regulation of repeated renewals; thirdly that of unreasonable different treatment for atypical employees. There is also a need to consider labour autonomy and balanced treatment as concrete measures.

#### Industrial Relations in Sweden: through the Analysis of Firm-level Wage Negotiations

**Itaru Nishimura** (The Kansai International Institute of Industrial Relation)

This article is a study of industrial relations in Sweden. My main purposes are as follows. One is to demonstrate how Swedish individual worker wages are determined through an analysis of firm-level wage negotiations. The other is to consider what the driving force of Swedish industrial relations is. In the past, while the Swedish wage negotiation system was a centralized one, the wage system of shop floors was piecework. Under the piecework system, shop floors faked their efficiency through negotiations with their boss about standard time, rest time, and so on. As a result of workplace bargaining on piecework, shop floors got higher wage increases than increases offered by central agreement (i. e. wage drift), which were unjustifiable wage rises for central social partners. In the present, the Swedish wage negotiation system is decentralized from national to industry level and the wage system has changed to a merit-based pay system. Under this system, company-level unions maintain strong bargaining power and raise member wages collectively by negotiating evaluation and distribution on merit-based pay. According to my above-mentioned findings, I assert that although the surface of Swedish industrial relations has changed from a centralized level to the industry, workplace unions retain bargaining power in their companies. Finally, I make the suggestion that the union's strong bargaining power in workplaces may be the driving force of the Swedish industrial relations system.

#### Changing Elements in German Employee Organizations with the Decentralization of Collective Bargaining: Focus on Trade Unions and Works Councils

**Chen Hao** (Ritsumeikan University)

German dual labor negotiations helped to create stable labor relations in Germany after the Second World War. However, Germany was suffering from depression from extended period, rigid collective bargaining agreements faced rising criticism for not giving appropriate consideration to the economic conditions of companies' economic condition. From 1980 the German employers started to insert opening clauses and working hours in industrial labor contracts. This pushed forward the decentralization of industrial labor contract at a factual level. This essay analyzes the decentralized process in detail, especially focusing on the role of works councils in labor negotiations, and how Germany's labor negotiations shifted their balance after negotiation in the works council (company level). Despite this, labor unions remain a great influence on industrial labor negotiations, so they also have an active participation of negotiations in the works councils. In Germany, corporative labor relations helped to minimize the lurch towards employment during the financial crisis in 2007. This essay also analyzes labor relations in Germany, especially the importance of maintenance of German dual labor negotiations, and points out labor unions have an elastic control while industrial labor contracts are retained.

### Work-Life Balance and Contingent Work in Germany

**Yoko Tanaka** (University of Tsukuba)

This report aims to focus on the ongoing work-life balance situation in German corporations in 2009/2010. Based upon interviews with the Minister of Family Affairs and with the diversity offices in big corporations like Daimler, Deutsche Bank, Deutsche Telekom, SAP, Fraport, Weleda, and Berlin Chemie, this study examines how far the work-life balance policy has changed the way of work in Germany, and its limitations.

Over these ten years the German government has dealt with this topic as one of its main themes. It has introduced parental (including fathers) leave with a parent allowance to 67% of their income for 14 months. Now the government is concentrating its efforts to increase the number of kindergartens, especially for infants under three, and all-day schools, in order to make infrastructures for working mothers.

In parallel with this, major German corporations have introduced many kinds of so-called time-policies, acting positively to allow flexibility for working hours. *Kontos* have been introduced in many working places as labor tariffs for long-term working hours, and the number of part-time workers has constantly increased. Together with the local government and NPOs they are now building many in-house kindergartens rapidly since 2007.

These policies have contributed to a more flexible way of work both for the company and for the workers. But at the same time, the problem remains where the flexibility has in fact turned out to be the immobilization of working life.

The statistic shows the flexible return-way from the part-time worker back to the full-time workers is limited, which means the immobilization of the contingent workers. On the other hand, the full-time workers who returned from part-time have less chance to be promoted in reality, even though the system is well organized.

### Are the Work-Life Balance (WLB) Policies “Rewards”? Mixtures of WLB Policies, Organizational Commitment and Perceived Performance

**Shizuka Takamura** (Cabinet Office, Government of Japan)

Expectations for Work-Life Balance (WLB) policies as human resources policies are increasing against the backdrop of the diversification of employee values and life styles and severe cost pressure. This study investigates whether certain mixtures of WLB policies effect some dependent variables (such as organizational commitment and perceived productivity) when put into strategic human resources models in comparison with the effects of job challenges (intrinsic rewards) and money (extrinsic rewards). In this data-based study, mixtures of WLB policies were set by conducting a cluster analysis using three factors (seven concrete practices). Three factors, the Base, the First Floor and the Second Floor are named after a two-story house (Sato (2008)). The Base represents organizational culture or climate. The First Floor represents the work place practices: how to manage a team and work efficiently. The Second Floor represents formal arrangements such as childcare leave. The mixture of WLB policies composed of all three factors shows similar effects to job challenges. On the other hand, WLB policies mixtures composed of two factors or only one factor are not effective. These results imply that an adequate mixture of WLB policies with internal consistency can work as an intrinsic reward.

### Significance and Possibility of Default Rules as a Regulation Technique for Labor Contracts: Suggestions from Interdisciplinary Research regarding “Default Rules”

**Takeo Sakai** (Doshisha University)

In recent years, findings of great interest regarding default rules have been obtained through a collaboration of legal, economic, and psychological studies. Thaler and Sunstein state that default rules preserve freedom of choice while recognizing their function in steering the individual in the direction of promoting welfare (hereafter, default rules containing this type of function are referred to as “steering default rules”). It is believed that this type of function is effective in paying sufficient consideration to the choices of the parties involved in the labor contract and executing standardized policies while di-

versifying the employment consciousness of employees and employer personnel management. Accordingly, the possibility contained in this manuscript for adopting steering default rules should be pursued. Observation is underway on the subjects of what under standards should the details of steering default rules be established, what type of constraints should departure from steering default rules be permitted, and in what type of situations will steering default rules be adopted. In addition, duty to endeavor provisions and steering default rules are compared with Japan's systems as well on the basis of the results of observations of these subjects. Further, by investigating the adoption of steering default rules in the utilization of non-regular employment and regulations on working hours, a few suggestions can be obtained.

Transfer of an Employment Relationship and Restructuring: An Analysis of the German System for Transfer of an Employment Relationship

**Fumiko Narita** (University of Tokyo)

Restructuring, in particular a transfer of undertaking or business and corporate divestiture, has great impact on the rights of employees and the contract of employment. Further, the diversity of legal techniques and forms used for restructuring causes many problems relating to labour law. This paper makes an analysis of the German system for transfer of employment relationships in the event of restructuring. In Germany, the employment relationship is automatically transferred in the event of a transfer of undertaking or business under the Civil Code (Bürgerliches Gesetzbuch) (paragraph 613a). In this case, there is no need for agreement among the transferor, transferee and the employees of the undertaking or business. The rules for transfer of employment relationships in the event of corporate divestiture are laid down in Umwandlungsgesetz (paragraph 324). It is important for Japanese systems to examine the legislative history, purpose, and legal effects of the German system.

Unfavorable Modifications of Working Conditions through Work Rules in Korea

**Hyosook Park** (University of Tokyo)

In Korea, as in Japan, unfavorable modifications of working conditions through work rules have been a major issue. However, in Korea, unlike Japan, a 1977 Supreme Court decision required the workers' collective consent for unfavorable modifications. Despite this decision, case law formed after the decision allowed unfavorable modifications, given sufficient reasonableness. Under these circumstances, the Labor Standards Act revision of 1989 accepted the original precedent of the 1977 Supreme Court decision, and clearly stipulated the need for the collective consent of the workers to unfavorable modifications of working conditions. Even after the revision of the Labor Standards Act in 1989, decisions have taken and developed the position that the workers' collective consent is not necessary if unfavorable modifications of working conditions are reasonable. In both Japan and Korea, work rules have an important function in the matter of unfavorable modifications of working conditions. Korea, while influenced by Japanese judicial precedents, has carried out its own judicial reforms and established its own precedents. This paper considers and analyzes the experiences of Japan and Korea regarding case law and legislation for unfavorable modifications of working conditions, and makes some suggestions from a comparative law perspective.

Consequences of Increasing Non-Regular Employment in Japan and Korea

**Machiko Osawa** (Japan Women's University) and **Myoung-Jung Kim** (NLI Research Institute)

This paper examines how the increasing proportion of non-regular workers in the labor force and changing family structure have influenced the average income and income distribution in Japan and Korea. Both countries have a social system based on the 'bread winner' model, assuming that the husband is the main earner of the household and wife is mainly taking care of children and elderly parents. Under this model, the wife works only as necessary to earn supplementary income. Moreover, it is assumed that employers guarantee the job security of the head of the household. Under this

system the safety-net has been outsourced to the family, which serves as the welfare option of first resort. Therefore, social expenditure in both countries is low compared to other advanced, industrialized countries. This distinctive welfare model worked when the population pyramid was shaped like a triangle, almost all the population marries, divorce is rare and companies are able to provide job security. In both countries all of these circumstances have changed, rendering this welfare model increasingly dysfunctional. This paper also examines the level of income by age group between 1997 and 2007. Among male workers aged 30 to 34, income distribution has shifted to the left, meaning that people in lower income groups have increased. On the contrary, women's income distribution has shifted to the right despite tax disincentives, suggesting that the real income of husbands has fallen and that of wives has risen to offset this decline.

#### The Determinants of Job Satisfaction and the Difference between Regular and Irregular Workers in Japan

**Xinxin Ma** (Keio Advanced Research Centers, Keio University)

Using micro-data of the Keio Household Panel Survey and Japanese Household Panel Survey for 2009 (KHPS2009 and JHPS2009), this paper presents an empirical analysis about the determinants of job satisfaction and proof about the difference between regular and irregular workers in Japan. The main conclusions are as follows. First, when the wages are constant, job satisfaction levels become higher with the decreasing of working hours. The influence of working hours is bigger for irregular workers than it is for regular workers. Second, holding the working hours constant, the influence of wages on the change of job satisfaction is insignificant for both regular workers and irregular workers. Third, the firm's systems affect job satisfaction. For example, job satisfaction levels are higher for both regular workers and irregular workers who are working in a firm that implements a system for short working hours. On the other hand, job satisfaction levels are lower for both regular workers and irregular workers who are working in a firm implementing a system with flexible working hours. Fourth, relations with bosses and colleagues affect job satisfaction. Job satisfaction is higher the better these relations are. The estimated results show that the influence of working hours on job satisfaction differs between regular and irregular workers, so policies for working hours should be discussed divided between regular workers and irregular workers.

#### Characteristics and Issues in Human Resources Management of Contract (Reemployed) Workers, Focusing on the 60-65 Age Group

**Miho Fujinami** (Japan Organization for Employment of the Elderly and Persons with Disabilities (JEED)) and **Eiichi Ohki** (Polytechnic University)

This paper shows the following points as garnered from a reanalysis by the authors of the results of the JEED's 2010 Study on the Current Status of and Changes in Human Resources Systems and Management Practices (Primary Report): Current Conditions and Issues in Human Resources Management of Workers Aged 60-65. Firstly, we found that there is inconsistency between human resources management (position assigned and working hours) in the utilization of non-regular employees aged 60-65 (termed as "elderly employees"), and the management of remuneration to maintain / improve the motivation to work of elderly employees. In terms of utilization such employees should in principle continue in their current position (with the exception of those in senior positions) and in terms of working hours should maintain full time hours, working in the same or nearly the same way as those below the age of 60 (ordinary employees). However, mechanisms for base pay making up the essential remuneration of these employees include provisions for "no raises in pay" or such similar conditions differing to ordinary employees. Accordingly, under current conditions human resources management is not structured to afford increased motivation for elderly employees. The second point found was that corporations incorporating human resources management conscious of continuity with ordinary employees are proactive in their employment of those up to 70 years old. However, it can be seen that human resources management maintaining continuity with ordinary employees for elderly employees in all areas may not

necessarily be rational for the utilization and treatment of elderly citizens who have differing ways of working and needs to ordinary employees. Accordingly, the issue remains of clarifying in which areas to maintain mechanisms similar to ordinary employees in order to improve the satisfaction of elderly employees and promote employment up to the age of 70.

#### Strategic Human Resource Management in a Technology Development Division

**Hideki Tanaka** (Doshisha University)

This paper aims to clarify the implementation of Strategic Human Resource Management (SHRM) and to suggest that analyses of the framework of Performance Management (PM, "Shigoto-Kanri" in this paper) are useful to elucidate the implementation of SHRM. Recently, SHRM has been much studied in research on Human Resource Management (HRM). SHRM's concept is that consistency between strategy and HRM brings about organizational effectiveness, but current research for SHRM involves mainly quantitative analyses. These quantitative analyses are important, but the implementations for SHRM are carried out in actual work places. Accordingly, this paper focuses on PM that is decided by corporate strategy, and analyzes a technology development division contributing to innovations in the Japanese industrial world. This paper clarifies the linkage strategies and HRM in the framework of PM through qualitative analyses and finds in conclusion that the PM framework is useful to clarify the implementation of SHRM.

#### Steady Career Development in Sales-support Staff: Case Study of Consulting Firm A

**Mie Osada** (Hosei University)

The purpose of this study is to show the factors in supporting continuous careers. We used a questionnaire and interview survey to collect information about career awareness and work experience in sales-support staff who work in Consulting Firm A. Firstly, we examined their career needs. It was found that about 40% of sales-support staff wanted to enrich their jobs. But no-one wanted to be in professional positions such as consultant or sales person in this firm. Secondly, it was found that while the president had hoped sales-managers to manage their work and as a result enhance the work of sales-support staff, the managers had too much work on their hands to take concern over the careers of the sales-support staff. Third, it was found that some staff who had experience of successful job enrichment tend to handle their new jobs, such as writing reports and project planning, by using special skills learned in the past. It should be noted that these new jobs were important for the sales persons as professional positions. In concluding, we wished conclude that it is possible for sales-support staff to handle new job assignments and make larger contributions to sales workplaces. It is not enough to consider the intentions and skills of sales-support staff, so we also consider another skill formation process in other jobs.