

## Abstracts

### The Growth of the Travel Industry and its Impact on Employment and Labor in the Accommodation Industry

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The travel industry is divided into three categories: Japanese domestic, Japanese overseas (domestic share) , and inbound. Japanese travel consumption is approximately 20 trillion yen every year and continues to be a stable market. Meanwhile, the inbound tourism market is growing, with consumption by inbound tourists—whose number increased to 31.19 million in 2018—reaching 4.5 trillion yen. To respond to the needs of foreign travelers, the number of hotels and simple lodging facilities such as guesthouses has been on the rise in recent years, and diverse forms of accommodation such as the use of old Japanese-style houses have also emerged. However, the occupancy rates of hotel rooms in prefectures along the “Golden Route,” popular among foreign tourists, as well as those in Hokkaido, Fukuoka, Okinawa, and so on, remain high. On the other hand, in regional areas, there are margins in the occupancy rates of Japanese-style inns (ryokans) , but the labor force is decreasing due to the declining birthrate and aging population. In both urban and regional areas, the accommodation industry is facing a serious labor shortage. The demand for travel services is subject to fluctuations by season and day of the week due to vacation and holiday systems as well as customs, and thus hotel operators have no choice but to accept this as a given condition of business. For this reason, the number of full-time employees hired by hotel operators is adjusted according to the tourism demand during off-peak seasons, their salary levels are lower than the all-industry average, and some employees are required to work in special working patterns depending on their job role. Accordingly, securing labor has been difficult in the accommodation industry. However, to maintain and revitalize regions by increasing the number of visitors, it is important for accommodation facilities that excel in circulating tourism revenue within the local economy to be able to accept many tourists from home and abroad. To enable this, we must promote the utilization of women, elderly people, and foreign workers in the industry, place more effort on developing human resources, and provide accommodation services with high added value.

### The Productivity of Japan's Tourism Industry

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This paper compares the level of labor productivity in Japan's tourism industry with that of other developed countries and analyzes the sources of its growth using industry-level data such as the JIP database and establishment-level data from Japan's Economic Census. The main results are as follows. First, labor productivity in Japan's accommodation and eating and drinking places industry is lower than in other developed countries. Second, labor productivity in Japan's accommodation and eating and drinking places industry is also low compared to other non-manufacturing industries in Japan. One of the main reasons is the low capital-labor ratio in this industry. Third, looking at the trends in real labor productivity in individual sectors within the tourism industry over the period 1994–2015, productivity in the eating and drinking places sector has stagnated throughout the period, while in the accommodation and entertainment sectors growth has actually been higher than in other non-manufacturing industries since 2005 (and was especially high after 2013) . One of the main reasons for the higher growth rate of labor productivity in the accommodation and entertainment industries since 2005 is the higher growth rate of TFP. Fourth, on analyzing resource reallocation across establishments in the tourism industries, it emerges that the exit of highly productive branch establishments is responsible for sluggish labor productivity growth in these industries.

### The Role of University Education in Tourism Industry: Focusing on Tourism-related Universities

**Nobuko Takahashi** (Ryutsu Keizai University)

The tourism industry is considered to be a growth strategy by the Japanese government, which is planning for Japan to further develop as a tourism-oriented country. While the Japan Tourism Agency has expectations for tourism-related curricula at the university level to meet this need, at the same time it points out that there is much disparity between academia and the tourism industry regarding the development and recruitment of human resources. Therefore, the author discusses the role of university education. Although the tourism industry is popular with new graduates seeking employment, the tourism industry cares little about the academic background of job applicants, nor does it actively recruit staff from tourism-related universities. The author thus focused on collaboration between academia and the tourism industry for university curricula, and examined cases of seminar and hands-on training programs and medium- to long-term internships. Utilizing the resources and characteristics of the universities for these programs and internships made it easier for students to understand the tourism industry. However, tourism-related universities must not only prepare students for the tourism industry, they must also prepare students for other fields. Graduates who work in other fields but have a perspective on tourism will be able to develop new tourism services and products that will help to expand the base of tourism-related industries. Therefore, universities and companies involved with tourism should work closely together to create an environment in which effective strategies for developing human resources, such as medium- to long-term paid internships, can be provided.

### Human Resources Development as a Growth Strategy in the Hotel Industry: Present Situation and Challenges

**Masako Taylor** (Osaka Gakuin University)

Japan is experiencing rapid growth in the tourism industry, and with that comes the challenges of labor shortage. This is especially true for the hotel industry, which is at the core of the tourism industry. A shortage of labor presents a far more serious effect given the shrinking Japanese labor market. As such, hiring practices alone cannot be the solution. In order to satisfy the ever-rising customer expectations and the demand for quality service with a smaller number of staff available, staff need to be developed to their fullest potential to provide maximum productivity without compromising the quality of service. For this reason, human resources development is now attracting interest from the operators and owners of hospitality organizations. However, human resources development in the hotel industry has traditionally been plagued by a number of industry-specific practices that have made it ineffective. In this article, the author outlines the human resources development framework from a strategic perspective. Based on data collected from hotel workers, an overview of the challenges facing the industry and organizations is provided, followed by suggestions for future endeavors.

### Work Awareness of Employees in the Accommodation Industry: Features and Problems

**Hisako Tamura** (Bunri University of Hospitality)

Within the tourist industry, particularly hotels and inns maintain a high operating rate primarily in metropolitan areas. The competition for hotels and inns is becoming more and more intense as we approach the 2020 Olympic Games, thus facing the potential for a shortage of rooms. However, hotels and inns themselves also have a serious problem caused by a shortage of workers, and their high recorded job separation rate. Why do workers join hotels and inns despite bad labor conditions? How can they maintain their motivation within the workplace? The object of this study is to analyze such work awareness, and to present solutions for these issues. The methods and tools for the study are individual interviews and online surveys for hotel and inn workers. First, I distinguished that the features of the job are the welcoming atmosphere that hotels have, and the hospitality skills that most of the workers have. Second, I tried to discover factors that influence work awareness, such as labor conditions, job circumstances, teamwork, a shortage of posts, and so on. As an appropriate measure to prevent this

issue, the study revealed that organizing commitment is an important and effective tool.

The Working Environment at Small-scale Lodging Businesses: Japanese-style Inns

**Takao Ikado** (Takasaki City University of Economics)

The innkeeping business in Japan, consisting of Japanese-style inns (ryokans), has an extensive presence throughout the country's regions, and many inns are family-owned businesses. Despite the fact that they are part of the tourism industry, the issues they experience are different from those faced by larger hotels. In particular, the low productivity of small-scale lodging businesses is one of the major causes of the low labor productivity of lodging businesses overall. Japanese-style inns are currently improving their labor productivity by making full use of an on-demand workforce consisting of part-time workers; however, because of the capital constraints they face, there is a limit to what each inn can do in order to improve its situation. Solving this problem requires the provision of value-added services and an increase in the number of full-time employees; however, given the limitations of each inn, the best solution calls for the involvement of the entire community. The challenge the inns face is to simultaneously add value and increase their operating profit. Not all local Japanese-style inns serve dinner and breakfast as part of their overnight stay packages; instead, they are trying to promote overnight stays without meals. These inns need to change their thinking to take advantage of the demand for lodgings among foreign travelers in Japan, and the availability of workers sent on transfer to hold temporary positions. Furthermore, to increase the number of full-time employees, it is necessary for local communities to come together to develop ways of recruiting and training personnel, rather than leaving these roles to the inns. Modernization and improvement in the management of lodging businesses has occurred in only a small number of the approximately 40,000 inns in Japan, and the views of many small-scale business owners remain unheeded; thus, the problems they face have acquired the characteristics of a "black box." In the future, we would like to consider the state of small-scale lodging businesses, as well as a plan to reform these businesses, to increase the labor productivity of lodging businesses overall, improve the working environment, and help the industry make further advances.

Panel Data Analysis of the Generational Replacement Effect on Employment in Japanese Companies

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In the context of decreasing fertility rates and population ageing in Japan, several empirical studies have been performed since the 1990s on the existence of a "generational replacement effect," defined by a substitution relationship between the employment of younger and older workers. We contribute to the literature on this topic by evaluating the existence of such an effect by employing a rich company-level panel dataset on financial statements available for publicly traded firms as well as a survey on corporate social responsibility, both provided by Toyo Keizai. By controlling for several determinants of employment and company-level fixed effects, we observe that a higher share of employees in the 30 to 50 age range is associated with lower employment of new graduates. We evaluated the effect of causing factors mentioned in the literature, such as higher costs of human resources and the company's profitability, although we could not observe any significant effect. Furthermore, we could not observe a significant replacement effect between workers older than 60 and new graduates. Although our sample is limited to publicly traded companies, we were still able to confirm the existence of a generational replacement effect.