

Abstracts

Japan's Human Resource Management: Past and Future

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The argument that Japan's employment system should be converted to job-based employment is widespread among Japanese firms and business magazines, and the Japan Business Federation (Keidanren) has now publicly announced that such a conversion is a challenge for Japanese firms. If this were true, Japan's human resource management would undergo a transformation that has never been experienced before. However, the notion of job-based employment may be based on a misunderstanding. Job-based employment itself, which had been established in Europe and the United States, is changing in the direction of "de-jobbing," because a strictly defined job system makes it difficult to deal with uncertain environments. In fact, Japanese human resource management recognized this in the mid-1960s and chose to institutionalize wages based on competence rather than on the job. Forgetting the past and bringing up a new system would probably fail. This has been experienced in other reforms of institutions, so it would not be surprising if the present attempt also failed. A true challenge for Japanese firms lies in making a high-level talent pool to deal with uncertainty. This does not come from a job-based employment system.

Some Observations on the Transition and Future Direction of the Employee Grade System in Japan.

Itaru Nishimura (The Japan Institute for Labour Policy and Training)

The aim of this article is to reveal the transition and future direction of the employee grade system in Japan, which is the foundation of the human resources system. To achieve this aim, I conducted a survey of previous studies and case studies. Although much research had been conducted by the early 2000s about the employee grade system in Japan, now little research is conducted. For this reason, the current situation of the employee grade system remains unclear, and this article attempts to unveil its current features. The findings are as follows. Companies that had introduced a job-based criteria grade system changed the grade system from job-based to human-based criteria. Companies that had introduced an ability-based grade system changed the grade system by relating the factor of the job title with its grade system. Also, companies that had introduced a role-based grade system also changed the grade system by weakening the relationship between the job and the grade system. From the above-mentioned findings, I conclude that although the names of employee grade systems in Japan changed with the introduction of a merit-based pay system, a commonality is found in their internal features, in that they maintain human-based criteria with a mild connection to the job responsibility of each employee. This trend has occurred partly because of re-stressing the importance of skill development to tackle problems faced by human resource management.

Reform of Production Systems and Employment Relations: Enlargement of Employee Placement and the Transformation of the "Job-based" Employment System in the US Auto Industry

Kenichi Shinohara (Kyoto Sangyo University)

The purpose of this paper is to examine the transformation of production systems and employment relations, using an analysis of employment security and reassignment rules at GM (General Motors Corporation) as a starting point. We will examine the structure of the expanded placement system, focusing on "Appendix A: Memorandum of Understanding Employee Placement," which was enhanced in a collective bargaining agreement between the United Auto Workers (UAW) and GM after GM's bankruptcy in 2009. It will be shown that the scope of worker reassignment (not only at GM plants across the US, but also at Delphi, a former spin-off of GM) has been expanded, and that job security has been strengthened. Specifically, it will be shown that the traditional "job-based" employment system in the US has been replaced by a "membership-based" system. In the US auto industry after the 1990s, production workers could be reassigned anywhere

in an entire plant's production workplace through job broadbanding. After the 2000s, when the competitive environment became even more severe, the disparity in performance between plants had become even more significant, and the imbalance between plants with insufficient workers and those with a surplus had widened. In response to this, both parties agreed to expand worker's placement to neighboring and distant plants, rather than limiting it to one plant, to limit new hiring, and protect employment by reassigning existing employees. The principle of seniority was thoroughly adhered to as the standard for this reassignment.

Revisiting Japanese Human Resource Management from the Viewpoint of Organizational and Personnel Economics

Hideshi Itoh (Waseda University)

Based on results from the World Management Survey (WMS), we revisit the question of the uniqueness of the organization of human resource management in stylized Japanese firms. We find two features that stand out: a relatively low score in terms of removing poor performers to make room for talent, and highly centralized hiring practices. We then discuss centralization and decentralization of personnel functions in Japanese firms based on both theoretical and empirical literature studying delegation of decision authority in the field of organizational economics.

Human Resource Architecture in Japan: From the Perspective of Work Allocation and Wage Management

Yumi Nishioka (Rissho University)

The study considers the human resources portfolio in Japan from the viewpoint of work allocation and wage management. First, it is necessary to consider employment categories among non-regular employees. Japanese companies are already employing three or more different employee types. In addition, although many companies have more subdivided employment categories among non-regular employees than regular employees, their job level does not necessarily increase as the number of non-regular types increases. Furthermore, as the number of employee categories increases, the degree of agreement of basic salary determinants increases, but company satisfaction with the retention rate decreases as the degree of agreement increases. Based on these results, Japanese companies need to clarify employment categories among non-regular employees and corresponding human resource management (HRM). Second, it is necessary to differentiate and integrate diverse forms of HRM. Different HRM for each employment category makes it possible to realize HRM that meets the needs of various human resources. On the other hand, if different HRM is applied within a company, it becomes challenging to ensure fairness. The optimal point for employment categories to be selected by individual companies is the intersection of HRM diversification and fairness between categories. This point varies depending on the situation, but it seems that current Japanese companies are overly diversified in HRM and are in the process of integrating HRM.

How are Teleworkers' Satisfaction with Performance Appraisal Formed? Evidence from Questionnaire Survey in Japan

Yoku Date (Business Research Lab, Inc.)

Masumi Noto (Business Research Lab, Inc.)

With the spread of the coronavirus disease of 2019 worldwide, the number of teleworkers in Japan has increased. In this study, we examine the process through which teleworkers' satisfaction with performance appraisal is formed. Based on previous studies, we identified telework environment, perceived uncertainty, and supervisor communication as key factors for performance appraisal and validate these through an online survey of Japanese workers. Our findings revealed the following insights. First, contrary to expectations, teleworkers had higher satisfaction with performance appraisal than non-teleworkers. Second, the quality of supervisor communication was positively related, whereas, perceived uncertainty was negatively related to appraisal satisfaction. Third, the level of supervisor communication and task-oriented communication with supervisors lowered

perceived uncertainty for non-teleworkers and teleworkers, respectively. Fourth, for non-teleworkers, supervisor communication was hindered by the increased importance of technology-based information exchange, whereas, the opposite was true for teleworkers. These findings suggest that the process of increasing satisfaction with performance appraisal differs between teleworkers and non-teleworkers. Ensuring task-oriented communication as well as improving the quality of supervisor communication are effective mechanisms to increase the teleworkers' performance appraisal satisfaction.

Age Diversity and Employees' Sense of Belonging in the Workplace

Daisuke Koizumi (Yokohama City University)

This paper investigates the effects of age diversity in the workplace on employees' sense of belonging. As the total population and working-age population in Japan decrease, the ratio of the elderly population and the employment rate of the elderly are increasing. The issue of distortion of the age structure in firms or workplaces is becoming apparent, due to the long trend of a decrease in regular employees and an increase in non-regular employees, and recruitment restraint in the early 2000s. The method of management for employees in various generation is being called into question, but there are few studies on age diversity in Japanese firms. Building on prior studies, we point out that surface-level age diversity has two aspects, namely knowledge and values, to suggest a framework. Using employee engagement survey data in a firm, the results demonstrate that age diversity in the workplace is positively correlated with employees' sense of belonging. This suggests that it is important to make the age distribution of employees in a workplace diverse to utilize the knowledge aspect of age diversity. This paper makes a valuable contribution of a new perspective to empirical research on age diversity in Japanese firms.