

Abstracts

HR Practices Affecting Workers' Choice of Residence and Their Impact on HRM Systems

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As the number of workers with restrictions on where they work due to personal circumstances increases, HR practices that affect workers' choice of residence have become an issue. This paper examines how these practices have evolved and how they have affected HRM systems, with a focus on transfer (*tenkin*) policies that require workers to change their place of residence. Although transfer policies have consistently focused on measures to adjust the supply and demand of human resources and develop human resources within companies, there has been a shift toward taking the wishes and personal circumstances of workers into consideration when deciding who is to be transferred. This has changed the HRM system for *sogoshoku* (career-track employees), or specifically, the human resource portfolio that determines who is assigned to which job. As a result, the HRM system has undergone a gradual shift from the traditional system that requires *sogoshoku* to be transferable workers with no restrictions on their choice of residence to new systems that do not require workers to be transferable. Since these new systems include a variety of forms, this paper identifies the forms that companies are likely to take and looks ahead to how HRM systems will change.

A Study on Actual Conditions and Issues concerning Employee Relocation Practice: Who Decides Where to Work?

Emiko Takeishi (Hosei University)

Increased flexibility at workplaces following the expansion of remote work has triggered a reconsideration of the need for employee relocation. In addition to its function of supplying personnel to multiple business locations, relocation has traditionally been viewed as a way to develop human resources. In order to efficiently manifest the human resource development function, many Japanese companies have implemented relocation programs in which the company orders employees to relocate, to which employees basically comply. In other words, these relocations are company-initiated. However, only a small percentage of relocated employees positively evaluated their relocation as furthering their career goals or being in line with their wishes. Employees who follow relocation orders given by their company are often not satisfied with the process. Because of this, relocated employees are less likely to assess the relocation as having been effective in terms of skill development, which has a negative impact on their willingness to accept future relocations. Thus, the rationale for companies to require employees to relocate in order to develop human resources is disappearing. When considering the future of relocations, understanding current circumstances and assessing the actual situation at each company is needed to determine the extent to which the function of human resource development is expected and/or possible. It is necessary to implement measures to ensure that employees being transferred understand why it is necessary when relocation is essential. Specifically, it is important to take measures that reflect the circumstances and desires of the employee when making decisions about relocation. This includes the question of who has authority over personnel affairs, a question of human resource policies themselves.

Legal Issues in Work Transfers

Nobutaka Shinohara (Komazawa University)

Judicial precedents regarding the validity of work transfer orders have been established. These precedents assume the existence of provisions on work transfers within work rules and examine whether an agreement was made between labor and management to limit the scope of the transfer and whether the employer abused its rights. These legal precedents allow employers broad discretion in ordering transfers, which, along with case law establishing the doctrine of abuse of the right of dismissal, have provided legal support for Japanese-style employment practices. However, there has been increasing push to review these judicial precedents in recent years. A reason behind this is the

diversification of working styles, such as the spread of remote work, an increasing number of dual-income households, and changes to Japanese employment practices. In this paper, we examine the current status and issues in these judicial precedents, then examine their future course. Work transfer orders must be limited within a reasonable scope, but the nature of labor contracts makes it difficult for both the employer and the employee to clearly define the scope of work transfers at the time it is entered into. This sometimes forces the employer to make unilateral decisions on changes to employee work locations. However, work transfer orders that come as a surprise to the employee require restrictive interpretation on the scope of discretion. This element of surprise can be further reduced through labor contract design. Creating a system of regional employees, or regular employees that can be transferred within a certain area (diverse definition of regular employee) may help with this. We attempt to incorporate the presence or absence of a regional employee system into interpretations of the right to order work transfers.

Relocating Husbands and Their Wives' Choices on Cohabitation and Employment

Kozue Sekijima (Nippon Institute for Research Advancement)

Mayuko Abe (Osaka University)

This paper studies the cohabitation and employment choices of wives when their husbands are relocated for work. We used the Japanese Panel Survey of Consumers from 1994 to 2019, which is an individual data set that contains information on whether husbands have been relocated within the past year, as well as their wives' cohabitation and employment status before and after the relocation. First, we analyze the wives' cohabitation and labor status when their husbands were relocated, then compare the 2000s and 2010s for any changes. Next, by estimating the simultaneous decision of wives to accompany their husbands and to work, we examine correlations between the two choices and analyze characteristics of the wives. In this paper, the presence of children is of interest, since it is thought to influence the couples' choice. We found that, from the 2000s to the 2010s, the number of wives who accompanied their husbands and chose not to work decreased, while the number of dual-earner couples in which the husbands relocated alone increased. We also show that there is a negative correlation between the wife's choice to accompany her husband and her choice to work. Furthermore, women with only preschool children have a higher probability of accompanying their husbands and leaving the job market.

The Effects of Urbanization on Workers: Agglomeration Economies and Diseconomies in Labor Markets

Yudai Higashi (Okayama University)

This paper discusses the effects of urbanization on urban workers, giving an overview of the situation in Japan based on public data and reviewing relevant literature on Japan and other countries. We focus on agglomeration economies and diseconomies, external economies and diseconomies caused by urbanization. Their effects on workers can be summarized as follows. First, the data indicate that the larger the city in terms of population, the higher the wages workers receive. One of the factors behind this tendency is that agglomeration economies generate an urban wage premium by raising the productivity of workers. Urbanization fosters accumulation of human capital and improves the quality of matching between workers and firms. Second, urbanization causes agglomeration diseconomies, such as longer commuting time. The data show that workers are likely to face longer commuting times if they live in suburban areas to avoid higher rent. According to the literature, longer commuting times reduce labor force participation of married women with children. Furthermore, a higher disutility of commuting time for women than men can cause a gender wage gap. These gender gaps in the effects of commuting times may stem from division of labor within the household, as married women tend to perform housework and childcare.

Legal Issues in Commuting and Commuting Allowances

Shinsuke Amano (Tokyo Metropolitan University)

Many employees have long commutes to work, which can often be stressful. During the Covid-19 pandemic, many companies shifted to telework and electronic commuting to avoid the “Three Cs” (closed spaces, crowded places, and close-contact settings) but after the quasi-state of emergency ended, the number of employees commuting to work has gradually returned to pre-Covid-19 numbers, meaning that commuting is still a critical issue for employers to solve. This paper discusses legal issues in commuting and commuting allowances. More specifically, this paper explains the Worker’s Compensation Insurance Act, which covers commuting injuries and the obligation on the part of the employer to provide security to employees, and finds that the legal protections have increasingly expanded to commutes. This paper also gives an analysis of court precedents involving commuting allowance under the principle of equal pay for equal work as well as the validity of disciplinary action against commuting allowance fraud.

Wage Premiums Based on College Major and Characteristics Specific to Japan

Yoshifumi Oto (AMBL Inc.)

Yoichi Arai (Waseda University)

This paper analyzes wage premiums based on various aspects unique to Japan. Using the 2009 dataset, we estimated wage premiums and college major premiums due to personal experience during college or employment and found significant premiums (penalties) for the majors of Psychology and Sociology, Law and Political Science, Pharmacy, Agriculture, Health and Welfare, Engineering, and Home Economics. Most are explained by industry type and company size. Our findings on major premiums are consistent with the existing results in Urasaka et al. (2011) and Yasui (2019), although our dataset covers a broader area and has a larger sample size. We also found wage premiums for males who have engaged in club activities or studied abroad during college, as well as for individuals who have developed professional skills in their employment, regardless of the industry. Despite potential selection bias, we demonstrate a significant correlation between income and skills acquired during college (such as communication or cooperativity) and employment (such as expertise).