Abstracts

Productivity and Real Wages: Implications from Microdata Analysis
Masayuki Morikawa (Japan Society for the Promotion of Machine Industry/Research Institute of Economy, Trade and Industry)
This paper presents microdata analyses on the relationship between productivity and wages in Japan and discusses the policy challenges to raising real wages. Although productivity growth and real wage growth have diverged at the macro-level, a robust positive relationship between productivity and real wages is observed at the firm-level. The macro-level divergence is driven by deteriorating terms of trade and changes in firm composition, while changes in the labor share have not adversely affected employee wages in Japan. The decline in unionization rates is unlikely to be a factor behind the divergence between productivity and real wages. Looking ahead, increasing use of automation technologies, including artificial intelligence and robotics, may potentially widen the gap between productivity and real wages. Investment in human capital remains the fundamental policy instrument for increasing both productivity and real wages. While work style reform has improved workers' economic welfare, it may restrain real wage growth through compensating wage mechanisms. The impact of minimum wage hikes on productivity remains inconclusive, highlighting the need for rigorous empirical analyses covering recent substantial hikes. Although tax incentives for wage increases have been used by many firms, causal evidence regarding their effects on wages has been scarce. Excessive policy support during economic crises may have adverse effects on productivity and wages in the medium- to long-term. When designing policies to raise real wages, it is therefore also essential to reduce or eliminate factors that suppress productivity.

Current Minimum Wage Regulations in Germany
Yoshiaki Sakakibara (Dokkyo University)
Since its founding in 1949, Federal Republic of Germany had no statutory minimum wage system for a long time. This is because Article 9, Paragraph 3 of the Basic Law guarantee Koalitionsfreiheit (freedom of coalition) as a basic human right, and because German collective agreements had possessed strong power to regulate working conditions. However, widespread low-wage labor finally led to the enactment of the Minimum Wage Act (MiLoG) in 2014. In Germany today, minimum wage is set every two years by the Minimum Wage Commission. In the first three decisions (2016, 2018, and 2020), the Commission emphasized the German tradition of Tarifautonomie (collective bargaining autonomy). However, after minimum wage was directly set at €12 by legislation in 2022, the fifth decision (2025) made no mention of "Tarifautonomie," instead emphasizing "minimum protection for workers." Certainly, some political intervention in setting minimum wage is necessary and legally permissible. However, considering Germany's experience before the end of World War II, it seems that wage policies heavily dependent on the state carry the risk of being changed very easily and in any way depending on the political climate.

The Goal of the 2025 Spring Living Struggle
Yoshihiko Okuyama (Japanese Association of Metal, Machinery, and Manufacturing Workers)
Following from 2024, the 2025 Spring Living Standards Struggle achieved a wage increase in the 5% range, including regular wage increases, driven by rising prices, labor shortages, and growing momentum for wage increases through exchanges of views between government, labor, and management, as well as local government-labor-management conferences. Furthermore, progress was observed in hourly wage increases for fixed-term workers that exceeded the overall increase rate. To compensate for growing disparities for small and medium-sized labor unions in negotiations over the past two years, the 2025 Spring Living Standards Struggle set a target wage increase rate of 6% or more, adding at least 1%. Fair trade practices and price pass-through are essential to securing funds for wage increases for small and medium-sized enterprises. Examples of support for this include the creation of checklists, dissemination of price negotiation guidelines, and the holding of

local government-labor-management conferences. To achieve sustainable wage increases and reduce wage disparities, it is essential to increase investment in human resources and raise funds for wage increases by establishing fair price pass-through and trade practices, including labor costs.

Wage Determination at Large Japanese Companies: Have Wage Systems and Increases Undergone Change?

Itaru Nishimura (Chuo University)

This study investigates wage system reforms and wage increases at large Japanese companies. Although recent debates have emphasized the introduction of "job-based personnel systems" and government-led spring wage negotiations, the actual mechanisms of wage determination and distribution remain unclear. Based on interviews conducted between 2018 and 2020, we analyze both institutional arrangements and wage increase practices. The findings reveal that most companies continue to rely on organization-based wage systems, though employee grading varies between systems that emphasize current job duties to those that place less weight on them. Wage tables also display considerable diversity—including cumulative (tsumi-age), single-rate, replacement (arai-gae), and zone-based schemes—with no dominant combination across companies. Reforms since the 2010s reflect not only employer concerns such as cost containment but also employee-oriented factors such as ensuring employee satisfaction, resulting in reversible institutional changes. Wage increases were often allocated to strengthen responsiveness to external labor markets and to enhance incentive structures for employees. Overall, wage systems at large Japanese companies remain grounded in internal organizational criteria but have increasingly diversified. Collective bargaining between labor and management plays a central role in reconciling internal alignment with external competitiveness. These findings suggest that discussions of ideal wage determination systems must incorporate the realities of corporate wage structures and allocation of wage increase.

A Study on the Merit System in the Workers' Accident Compensation Insurance System: The Appropriateness of the Calculation Basis for the Merit Ratio

Makiko Amaya (Meikai University)

There has long been debate over whether it is appropriate to maintain the current merit system within the workers' compensation insurance framework. This paper examines the validity of the calculation targets for the benefit-to-cost ratio. In response to the research group identifying two main points of contention regarding these calculation targets—namely, insurance benefits for the elderly, persons with disabilities, and foreign workers, and insurance benefits for brain/heart diseases and mental disorders—this paper introduces recent discussions on each point, then offers an analysis. The findings indicate that (1) insurance benefits for the elderly and persons with disabilities need not be excluded from the calculation of the benefit-cost ratio, but (2) insurance benefits related to brain/heart diseases and mental disorders should be excluded from the calculation because, under current certification standards, individual worker circumstances often significantly influence workers' compensation certification for these diseases, meaning that employers' efforts to prevent occupational accidents have inherent limitations, and such benefits do not necessarily contribute to the merit system's core objectives of ensuring fairness among employers or preventing accidents. This conclusion is based on the principle that the workers' accident compensation insurance system, operating on a mutual aid mechanism, is not bound by rigid adherence to individual employer responsibility or absolute fairness among employers.

An Analysis of Changes in Truck Operating Hours Before and After the 2024 Working Hours Regulations

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This study empirically examines the change in truck operating hours after the implementation of work hour regulations in April 2024. Unlike previous studies, we constructed data on daily hours of operation based on the detailed operational data recorded by a truck

movement management service. From the empirical analysis using the fixed effects model, we obtained the following three findings. First, businesses with a higher percentage of long-hour operations between January and March recorded a higher reduction of operating hours and the ratio of operations exceeding the regulated hours after the implementation of the regulations in April 2024. According to the new work hour regulations, businesses that operate long hours are more likely to face more severe penalties, and these results indicate that they are responding to this threat. Second, the decrease in the proportion of long-hour operations was greater after April 2023 than after April 2024, when the regulations were implemented. Furthermore, we confirmed that businesses that operated long-hour operations from January to March 2023 continued to reduce operating hours after April 2024. These results suggest that the reduction in operating hours in 2023 was a response to the anticipated implementation of the regulations starting in April 2024. Third, drivers who had a high proportion of long-hour operations from January to March reduced their hours after April as well.

Hybrid Work and Managerial Control: Insights from Video On/Off Behavior in Virtual Communication

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Tamie Matsuura (Hosei University)

As remote work becomes a permanent feature of modern employment, the frequency and forms of remote work are diversifying. Consequently, hybrid work (HW) —a combination of remote work and in-office attendance—has become increasingly common. Many employees prefer HW as a means to achieve a better work–life balance and greater flexibility, and organizations adopting HW seek to enhance productivity while retaining talent. Under these circumstances, the role of managers' subordinate management practices has become increasingly important. Based on interviews with managers supervising employees engaged in HW, several new managerial challenges were identified: (1) providing development and performance support tailored to subordinates' skills and behavioral characteristics; (2) selecting and utilizing online communication tools appropriate to subordinates' individual conditions; (3) consciously creating opportunities for face-to-face interaction; and (4) managing subordinates who keep their video cameras off during online meetings. To examine whether these challenges are widely shared among managers in HW environments, a questionnaire survey was conducted focusing on the effects of video on/off behavior in online communication. The analysis classified workplaces according to the frequency of subordinates' remote work and overall workplace productivity. For each category, the study identified specific managerial issues and the corresponding coping strategies.

An Analysis of Burnout for Workers in Nonprofit Organizations

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Tetsushi Fujimoto (Doshisha University)

In this study, we explore burnout for workers in Japanese non-profit organizations (NPOs), shedding light on how work hours and the match between purpose of NPO participation and the actual experiences affect their burnout. We also look at how these impacts differ depending on workers' participation status in NPOs and whether they took part in disaster relief during the Great East Japan Earthquake. Our findings are threefold. First, while regular and non-regular NPO workers tend to put in long hours, they are more likely to be in "high demand/high resource" environments, where the initial purpose behind their participation is fulfilled through their experience at the NPO. In contrast, NPO volunteers work shorter hours, but they tend be in "low demand/low resource" settings that limit their sense of achievement. Second, long work hours increase emotional exhaustion, but this also contributes to NPO workers' sense of personal accomplishment through the fulfillment of purpose. Third, the match between the purpose of participation and actual experience helps mitigate burnout among NPO workers, whereas prior disaster relief experience is likely to exacerbate burnout. We believe our findings present important implications for the improvement of work conditions for NPO workers and the creation of sustainable human resource management in NPOs, offering practical insights into the strategies for ameliorating mental health for those who are engaged in the work at NPOs.

The Effects of Self-Regulation on Job Performance among Employees under the Limit System for Managerial Personnel

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The purpose of this study is to clarify how post-managerial employees adjust after losing managerial positions and how multifaceted self-regulation influences job performance. The limit system for managerial personnel, introduced to reduce managerial positions and labor costs, often decreases employee motivation due to the loss of authority and income. To examine the system's effectiveness, it is essential to investigate not only its structural functions but also the micro-level behaviors and attitudes of post-managerial employees. This study conceptualized self-regulation as a four-dimensional construct—"attempts at new learning," "support for current and junior employees," "reduction of workplace relationships," and "self-discretion in work methods"—and analyzed its effects on job performance using full structural equation modeling (full SEM). A web-based survey was conducted with 213 post-managerial employees aged 55 to 59 working at organizations with over 300 employees. The results showed that "support for current and junior employees" positively affected both task and contextual performance, while "reduction of workplace relationships" negatively affected contextual performance. This study theoretically and empirically demonstrates that supportive self-regulation enhances organizational outcomes. Furthermore, it provides policy implications for shifting the limit system's purpose from mere employment security toward the utilization of older employees' knowledge and experience in sustainable employment policies for later-life workers.