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### Renewal of guidelines for telework and measures for reconciling medical treatment with work

Also, measures for following (1)-(3) were incorporated under “Creating an environment to facilitate flexible work styles” in the Action Plan: (1) renewal of guidelines for employment-type telework and support for its introduction, (2) renewal of guidelines for non-employment-type telework and support for workers, and (3) establishing guidelines aimed at promoting side jobs and multiple jobs. Again, under “Creating an environment facilitating human resource development and other empowerment for women and young people,” efforts will be made to (1) enhance support for re-learning by individuals, such as recurrent education for women, (2) promote diverse empowerment of women (visualization of company information regarding empowerment of women), and (3) support empowerment of the “employment ice-age (early 1990s to early 2000s) generation” and young people, as well as creating an environment for them.

Apart from steps to achieve a reconciliation of medical treatment and work (establishing a new triangular support system for patients with disease, etc.), new initiatives will be launched to; create an educational environment in which anyone has a chance to learn (establishment of a new grant-type scholarship system); promote employment of elderly people (such as preparing an environment to extend

continuous employment); and accept foreign workers (positive acceptance of foreign human resources with high-level skills and knowledge). Regarding balance between childcare, nursing care and work, the Action Plan includes efforts to enhance support measures for balancing child-rearing, family care, and work. Also, it emphasizes a need to promote employment support to meet the requirements and potentials of disabled people. Finally, to support career changes or reemployment to industries with a large capacity to absorb employment, the measures cited are (1) formulation of guidelines to support companies accepting workers who change jobs and expansion of opportunities for mid-career employment, and (2) visualization of vocational ability and workplace information with a view to expanding career-change opportunities.

As a “Roadmap toward the future of 10 years ahead” this Action Plan presents specific response measures along a fixed timeline, in linkage with other government programs.

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## NEWS

# The 2017 *Shunto*, Wage Rise in SMEs and Non-Regular Employment

## Changes in Negotiations Led by Pacesetters

The 2017 *Shunto* (See **Box** on the next page) came to a climax when Japan’s major corporations all issued their responses to union demands on

March 15th. Most major corporations of the automobile, electronics and other metals industries that traditionally set the benchmark for wage hikes

offered lower increases than last year's agreed level.

Prime Minister Shinzo Abe, who had urged Japanese businesses to offer wage increases as large as last year's levels, responded to these developments. "To be honest, I had hoped for a slightly more robust rise in wages," he said.

In subsequent moves, however, some non-manufacturing industries have offered increases above those of the metalworking majors; in another emerging trend, small and medium enterprises (SMEs) are offering rises exceeding those of the large corporations in both amounts and percentages, partly to counter the impact of labor shortages. In this year's *Shunto*, the fourth year since base wages returned to positive growth, the conventional mechanism of the benchmark for setting and propagating wage rises also seems to be changing.

### Major automobile and electric companies settle on lower increases

Large automakers traditionally set the benchmark for wage rises, and Toyota, Japan's top automaker, is regarded in particular as a pacesetter in wage hike negotiations. This year, Toyota offered a pay-scale hike (excluding the age-based regular salary increase; the same applies below) of 1,300 yen (\$11.34), 200 yen below last year's agreed figure. Of the other industry leaders, Honda offered 1,600 yen, 500 yen more than last year, while Suzuki agreed on a 300-yen increase to 1,500 yen. Daihatsu and Yamaha Motor both maintained last year's rise of 1,500 yen; even Hino though slipping from last year's figure, settled on 1,400 yen. Never before have so many automakers exceeded Toyota's wage rise offer.

Wage negotiations by leading electronics makers settled on a rise of 1,000 yen, 500 yen below last year's figure, for core workers in development and design professions (age 30). This benchmark of 1,000 yen by electronics makers influenced leading companies in metals and machinery industries (Shimadzu, NSK, Kubota, Komatsu and others), where raised wage offers of less than 1,000 yen were conspicuous.



### *Shunto*

To give a brief overview of Japan's wage system, there are two methods of raising wages. They are the "annual pay increase" and the "base-up" (base pay increase) methods. Compared to other countries, the Japanese wage system is characterized by a strong emphasis on seniority. In Japanese companies, the concept of "job-related pay," whereby wages are determined by the content of the job performed, is less prevalent; wages are more often determined in line with abilities that are expected to improve as years of continuous service increase and various tasks are performed. This system of monthly wages increasing with years of continuous service is known as the "regular wage increase." In the "base-up" method, on the other hand, the actual level of the basic wage rises in line with price increase rate and other factors.

In Japanese companies, wage hike negotiations are traditionally held as a united campaign led by industrial confederation of unions (organized as loose federation of enterprise unions) in March and April every year. This system is called *Shunto*, or "spring offensive."

For more detail on Japan's wage system and *Shunto*, see "Labor Situation in Japan and Its Analysis: General Overview 2015/2016" ([www.jil.go.jp/english/lsj/](http://www.jil.go.jp/english/lsj/)).

This box gives explanations for Japanese expressions which might be unfamiliar to foreign readers. Ko-to-ba means language, word, or term in Japanese.

### SMEs start a trend for wage hikes above the overall average

After major metalworking companies gave those offers, SMEs and non-regular employment started a trend for rises above last year's figure, influenced by manpower shortages. According to aggregate results compiled by the Japanese Trade Union Confederation (JTUC-Rengo, 6.8 million members) as of April 11th, the weighted average wage hike for 3,039 unions (total membership 2.3 million), including the periodic salary increase, was a 5,940 yen for a rise of 2.02%. These were 137 yen and 0.04 percentage points lower than the equivalent last year. Of these, the wage rise for 1,576 unions where base wage increases and other wage rises were clear was 1,330 yen, with 0.45% as the overall average rate. In terms of corporate scale, however, the rise was 1,373 yen and 0.56% for firms with less than 300

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employees, exceeding the overall average in both amount and rate. Rengo Headquarters states that this is the first time SMEs have exceeded the average in both amounts and rates.

### **Trend toward higher increases in non-manufacturing and domestic retail**

While metals industries laid a marker for wage hikes of 1,000-1,500 yen, smaller than last year's increase, some non-manufacturing and domestic retail employers have bucked the trend with offers in excess of 2,000 yen. UA Zensen, the largest industrial union in Japan (1.61 million members), which covers retail and distribution sectors suffering pronounced manpower shortages, reports significantly high base wage increases of 3,000-4,000 yen in drugstores (Matsumoto Kiyoshi 4,000 yen) and supermarkets (Maruetsu 3,200 yen, Inageya 3,027 yen), among others. Food-Rengo (110,000 members), an industrial trade union organization representing food manufacturing and allied industries, reports offers

exceeding last year's rise. Ajinomoto, with 10,000 yen, is the most eye-catching. Others offering upwards of 2,000 yen include Nippon Flour Mills with 3,300 yen, JT with 2,500 yen, Lotte with 2,304 yen, Morinaga with 2,000 yen, Meiji Group with 2,000 yen, and Sapporo Beer with 2,000 yen.

### **Higher increases in non-regular employment for the second straight year**

Part-time workers represent the core of UA Zensen's membership, accounting for half of its member bodies. The increase in hourly wages agreed by the end of March for 190 part-time workers' unions (530,000 members) was 22.3 yen or 2.39% on average (including systematic pay rises and base wage increases). The increase offered for regular employees' equivalent in time was 2.18%, lower than the rate offered for part-time workers. In the final figures last year, part-time workers were awarded higher wage increases than regular employees for the first time, and that trend continues this year.

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## **NEWS**

# **One in Every Three Workers Experienced “Power Harassment”: MHLW is Taking Steps to Prevent It**

“Power harassment,” a Japanese combination of English words for harassing behavior by someone in position of authority toward his/her subordinates in the workplace, is on the rise. According to the Ministry of Health, Labour and Welfare (MHLW), of cases brought for consultation to General Labour Counseling Desks throughout Japan since 2012, those related to “bullying and harassment” have been the largest in number. In a fact-finding survey conducted by MHLW in 2016, about one in every three employees had experienced power harassment in the previous three years. “The Action Plan for the Realization of Work Style Reform” drawn up by the

government in March included provisions for setting up a review panel aimed at reinforcing measures against power harassment in the workplace. Based on this, the Ministry has set up a study group consisting of labor and management representatives, among others, and discussions are currently underway.

### **The growing problem of “power harassment” in the workplace**

Japan's labor administration has set up “General Labour Counseling Desks” in Prefectural Labour Bureaus (regional branches of the Ministry of Health, Labour and Welfare) and Labour Standards