

Japan Labor Issues

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November-December 2020

Volume 4 Number 27

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Japan Labor Issues

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Column

The Employment Adjustment Subsidy and New Assistance for Temporary Leave

HAMAGUCHI Keiichiro

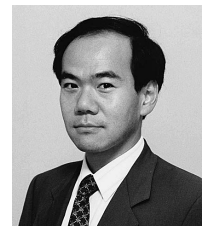
The year 2020 was supposed to be the start of new labor policies targeting such matters as “equal work for equal pay” and “power harassment” (workplace bullying) here in Japan. Since the beginning of the year, however, a series of emergency measures has come out to deal with the novel coronavirus infectious disease COVID-19, which rapidly spread globally and became a pandemic. Several developments arose here that deserve attention from the viewpoint of labor policy. Attracting renewed attention along with the new era topics of “teleworking” and “freelancing” are the Employment Adjustment Subsidy (EAS), which in recent years has tended to be viewed negatively under the catchphrase of “shifting from excessive employment stability to support for labor mobility,” as well as direct payments to employed persons not at work. In this column, I will review the “prehistory” of the EAS program’s existence and summarize its turbulent history up to the present day. I will also take a look at policy responses to the COVID-19 pandemic in perspective of comparative law and consider legal problems pertaining to a new temporary leave assistance.

I. Prehistory: Temporary layoffs and responses to disasters

When viewed in terms of labor policy history, the direct payments being made now have aspects of a throwback to disaster responses made during the days of unemployment insurance, prior to the EAS’s establishment. Let us take a look at this history by examining an episode that is not widely known.

When the Allied occupation (1945–52) of Japan

came to an end, there was a time when layoffs were being made in association with reduced operations in the cotton spinning industry, based on a Ministry of International Trade and Industry-



issued recommendation to curtail operations by 40%. In a notification titled “Concerning the Administration of Unemployment Insurance Benefits to Workers Experiencing Temporarily Unemployment Associated with Curtailed Operations in the Cotton Spinning Industry” (4/23/1952 *Shokuhatsu* No. 281), the Ministry of Labour applied the term “temporary job separation” to layoffs that were issued on the condition of reemployment after a certain period and approved unemployment insurance payments in such cases.

Later, from the end of 1953, there was a series of industrial readjustments that came from monetary tightening in many industries. This led the Ministry of Labour to issue “Concerning the Handling of Unemployment Insurance Relating to the Temporary Layoff System” (7/15/1954 *Shokuhatsu* No. 409), which normalized the handling described and established procedures in detail. The main targets were the coal and shipbuilding industries. Accompanying this notification was a “Plan Concerning the Temporary Layoffs System Associated with Curtailed Operations” (dated July 5).¹ This was a prototype that subsequently developed into the employment adjustment subsidy and can be seen as an attempt to somehow realize such benefits within the framework of unemployment

benefits. Theoretically speaking, this is a remarkably acrobatic approach, as it attempts to include people who have been promised employment—in other words, who have obtained a tentative hiring decision—in unemployment insurance eligibility as unemployed people in order to deal with them within the framework of the unemployment system.

On the other hand, the “Special Act on Application of the Unemployment Insurance Act on Workers Employed at Business Establishments in Areas Damaged by Major Floods of June and July 1953,” which was enacted as House members-initiated legislation in 1953, pertains to business establishments covered by unemployment insurance that were damaged by major flooding in western Japan and therefore forced to suspend business. When, as a result, insured persons who were employed by those establishments were put on leave, did not receive temporary leave allowances or other benefits, and could not obtain other employment, the act worked to pay unemployment insurance by considering them as having separated from employment or otherwise unemployed. Moreover, a very similar measure was taken in 1959, six years later, when the “Special Unemployment Insurance Act concerning Flood Damage of July and August 1959 and Storm and Flood Damage of August and September of the Same Year” was enacted as a government-submitted bill for storm and flood damage caused by the Isewan Typhoon and other events of 1959.

These were special laws that were limited to a specific region and time. However, their aims became stipulated as a permanent special measure in Article 25 of the Act on Special Financial Support to Deal with Extremely Severe Disasters (“Extremely Severe Disasters Act,” enacted in 1962). Article 25 was added to this act according to a supplementary provision of the Unemployment Insurance Act revised in 1963, the following year. The provisions were developed so that special provisions of the Unemployment Insurance Act and, later, the Employment Insurance Act became applicable whenever extremely severe damage becomes specified in a government ordinance that is based

on the Extremely Severe Disasters Act, without having to prepare new legislation in each occasion. This is the so-called “assumed unemployment scheme.” Specifically, the provisions stipulate that “when workers are in a state whereby they have no choice but to take leave due to the suspension or ending of business operations and cannot work and receive wages despite having the intent and ability to work” because businesses covered by insurance in regions affected by extremely severe disasters that have been designated by government ordinance received damage, “[regarding application of the stipulations of this Act] payment of unemployment insurance can be made by considering said state to be unemployment.”

“Assumed unemployment scheme” was applied at the time of the Great East Japan Earthquake of 2011. A notification called “Concerning Special Provisions for Employment Insurance Associated with the Designation of an Extremely Severe Disaster” (3/13/2011 *Shokuhatsu* 0313-1) directs that, when the above-mentioned condition is met, “special measures permitting the recognition of unemployment status without actual job separation and the payment of unemployment allowances of employment insurance shall be implemented.” The scheme has been repeatedly applied in cases of natural disasters, including the Kumamoto Earthquakes of 2016, the Hokkaido Eastern Iburi Earthquake of 2018, and Typhoon 19 (Hagibis) of 2019.

II. The development of Employment Adjustment Subsidy

Japan’s employment policy during the nation’s years of rapid economic growth aimed to “create a modern labor market based on occupational types and vocational skills.” The subsidy provided in the Employment Measures Act of 1966 was a labor mobility support-aimed “job-change benefit.” Then the Employment Insurance Act, which was enacted in the midst of the 1974 oil crisis, established an employment stability-aimed “employment adjustment subsidy” and steered toward an internal labor market-oriented employment policy. The

provision's wording at that time was "[provide] necessary subsidy and assistance for business operators to prevent unemployment in the case where the business operator has been compelled to curtail business activities due to changes in the economy, sudden changes in the international economic situation, or other economic reasons." There was no mention of "changes in industrial structure" or "employment stability." The subsidy's basis was a short-time work allowance in West Germany, which was a temporary employment stability measure for dealing with sudden contractions in labor demand caused by external situations such as economic environment. So in this sense, it cannot necessarily be described as a peculiar policy to Japan.

However, in a revision made three years later, in 1977, a subsidy for business operators who provide education and training and leave when "the business operator has been compelled to switch businesses or curtail business activities due to changes in the industrial structure or other economic reasons" was added. With this revision, the provision became more than a measure for employment adjustments associated with short-term economic cycles, as it also applied to medium- and long-term changes in the industrial structure. While the former is an approach that is also seen in European countries, the latter represented a major step in a uniquely Japanese policy direction, one in which an attempt was made to take what was traditionally thought to be a role of the government's economic policy—to provide education and training in response to changes in the industrial structure—and make it part of employment stability measures within companies. Behind this policy idea is Japan's unique concept of the "employment contract," which, it goes without saying, defines job duties and content poorly and which views it to be natural for workers to engage in various duties as ordered by their employers. It is thus a policy that the United States and Europe, which have "job description based" employment systems, would have difficulty implementing even if they wanted to. However, in terms of causal relationship, the policy of maintaining employment through in-company education and training based

on this employment policy idea may have played a role in reinforcing the thinking of employment contract without job description throughout society as a whole.

In the 1990s, "promoting labor mobility without unemployment" became a policy goal, and demands were made for a shift "from employment stability to support for labor mobility" when the Employment Measures Act was amended in 2001. A labor mobility support subsidy came into the spotlight as a result. Meanwhile, the EAS survived as a subsidy for temporary employment adjustments when individual business establishments were suddenly forced to curtail their business activities, and the subsidy's importance had clearly diminished.

However, when Japan's economy fell into recession as a result of the 2008 global financial crisis and the nation's employment situation suddenly deteriorated, the people eligible for EAS payments and the amounts paid increased sharply. Indeed, the government promoted this by relaxing EAS requirements considerably. A JILPT Research Material series no.99 paper released in 2012 titled *Koyo Chosei Joseikin ni yoru Koyo Iji Kino no Ryoteki Koka ni kan-suru Ichikosatsu* (Study on the quantitative effect of the employment maintenance function of employment adjustment subsidies) empirically estimated the degree to which the EAS was effective in preventing unemployment. The paper estimated that the EAS's quantitative employment stability/retention effect was between 900,000 and 1.2 million people in manufacturing industry and around 1.5 million in all industries (excluding agriculture, forestry, and fisheries). This clearly pointed to a revival of the age of "employment stability." One could say that the 2008 global financial crisis brought a shift toward an employment stability-based policy somewhat reminiscent—a small "déjà vu" so to speak—of the time when Japan's employment policy made a large course change toward an employment stability stance during the 1970s oil crises.

When the second Abe Cabinet came to power at the end of 2012, the phrase policy change from "excessive employment stability to labor mobility"

(realizing labor movement without unemployment) reappeared in the “Japan Revitalization Strategy” of the following year, and the aim became to expand the labor mobility support subsidy and thereby make its budget larger than that of the EAS. The maxim “history repeats itself” comes to mind. And it is here that the third external shock arrives: the current COVID-19 pandemic.

III. The Employment Adjustment Subsidy during the COVID-19 pandemic

Germany and most of the other continental European countries have systems resembling the Japanese EAS. With the arrival of the COVID-19 pandemic, even the United Kingdom (which previously did not have such a system) has joined its neighbors by establishing one. Today, this kind of “non-excessive” employment stability-based policy—i.e., one of maintaining employment with public financial assistance in response to a temporary economic crisis while waiting for labor demand to return—has been established as a generally common policy in developed countries, at least with the exception of the United States. As of early May, the number of those covered by such policies reached 11.3 million in France, 10.1 million in Germany, 8.3 million in Italy, and 6.3 million in the UK, whose policy is newly established.

In Japan, on the other hand, the scope of covered employers was expanded and requirements about production indices, employment indices, and period of insured worker status were relaxed in a first round of measures implemented at the end of February 2020. Further relaxation measures and as well as raising of the grant rate ($1/2 \rightarrow 2/3$ [and $3/4$ when no dismissals are made] for large corporations; and $2/3 \rightarrow 4/5$ [and $9/10$ when no dismissals are made] for SMEs) were implemented in a second round in April. A point that attracts particular attention here is the “inclusion of absence from work by workers who are not covered by employment insurance in EAS coverage” with the abolishment of the requirement of being covered by employment insurance. This requirement was previously thought to be a natural limitation given that the EAS is funded by the

employment insurance scheme. The abolishment in the first round of the condition requiring workers to be insured for at least six months was on the same track.

However, with some 5,000 applications and roughly 500 approved payments made in early May, Japan’s EAS took a considerable amount of time to get moving. In the mass media and elsewhere appeared criticisms of the enormous number and difficulty of application form items and attached documents, and of the excessive time and cost needed for the application process. One factor here is that the small, medium, and micro enterprises (such as eating and drinking establishments and interpersonal services) that were easily affected by the COVID-19 pandemic have difficulty relying on labor and social security attorneys. Consequently, their managers had to complete subsidy procedures that were completely new to them on their own. This is in contrast to what happened in the oil crises and global financial crisis of 2008–09, when those affected tended to be large foreign demand-oriented manufacturers and associated industries having personnel departments with the ability to deal with subsidy operations. It can also be pointed out that claims of improper receipt were not infrequent following the EAS’s application during the global financial crisis of 2008–09, and, as a result, procedures were made more complex to ensure the system’s strict operation.

The Ministry of Health, Labour and Welfare (MHLW) urgently endeavored to simplify procedures. It reduced by half the number of items appearing on application forms. Also, it cut the amount of attached documentation required, and made it possible to apply with existing documents. This led to a gradual increase in both the number of applications and approved payments, with figures rising from approximately 120,000 and 60,000, respectively, in early June to approximately 1,310,000 and 1,191,000, respectively, in late September.

IV. The new temporary leave assistance and related legal problems

As of early May, there have arisen demands

(coinciding with criticisms of application process and delays in payment) for a system that issues public absence-from-work-related benefits directly to workers who are not working, rather through their companies, and thereby makes payments more quickly than the EAS. For instance, on May 7, the Japan Federation of Bar Associations called for the implementation of benefits similar to the special provision in Article 25 of the aforementioned Extremely Severe Disasters Act for suspensions of business associated with the recent state of emergency declaration. The federation also demanded the implementation of measures permitting workers to receive unemployment benefits even if they have not actually separated from employment until infections subside, and the maintenance of employment by business operators who aim to resume business. Additionally, Unite for the Right to Life against Covid-19 issued “31 Emergency Recommendations to Guaranty the Right to Life” on April 24. One of the proposals is “workers who have not separated from/left their jobs but who cannot receive wages nor compensation for absence from work due to their employers’ suspension or scaling back of business operations should be aided with unemployment benefits from employment insurance by applying the ‘unemployment in essence’ concept for times of disaster that was utilized following the Great East Japan Earthquake.” Prime Minister Shinzo Abe indicated a positive attitude toward realizing these steps on May 11, as did Katsunobu Kato, Minister of Health, Labour and Welfare on May 12.

However, if we ask whether Article 25 of the Extremely Severe Disasters Act can be applied to absence from work caused by the current COVID-19 pandemic, we must conclude that it cannot. This is because the Act is solely a law for coping with “extremely severe disasters,” such as earthquakes and typhoons. It does not cover infectious diseases such as new types of influenza and SARS. Accordingly, any desire to apply a similar legal framework to leave attributable to the current COVID-19 situation will require the enforcement legislative measures in one form or another. It seems likely that measures similar to Article 25 were being studied within the

government around May 11 and 12. However, given the characteristic that, unlike earthquakes, typhoons, and other natural disasters, the difficulty of doing business comes from requests for voluntary restraint from the national and prefectural governments, it is probable that a view advocating that a different kind of approach is required. According to a news report on May 14, the government intends to establish a new scheme that will pay about 80% of monthly wages directly to employed persons not at work, with focus on employees of SMEs that have not applied for the EAS, as an employment insurance special provision scheme based on the spread of novel coronavirus infections. It reports that a related bill will be submitted to the current Diet and the payment of benefits will begin as soon as it is enacted.

MHLW held a consultation with the Labour Policy Council concerning the outline of the bill on May 26, received the council’s response that the outline is valid, and submitted the bill to the Diet on June 8. The bill was adopted and enacted on June 12 and put into effect immediately. However, the preparation of specific application documents was completed on July 7 and the receipt of documents began on July 10.

This “Act on Temporary Special Provisions, etc., for the Employment Insurance Act in Response to the Effects of the Novel Coronavirus Infectious Disease, etc.” is comprised of “temporary leave assistance in response to COVID-19” paid to “persons who have been put on leave by a business operator due to the effects of the novel coronavirus infectious disease, etc., and who cannot receive their wages, either in whole or in part, during the time they are put on leave” and a “special benefit” paid within budgetary limitations to workers who are not insured persons. A significant labor law problem exists here.

The problem with the stipulation that “[persons] who have been put on leave by a business operator due to the effects of the novel coronavirus infectious disease, etc., and who could not receive payment of their wages, either in whole or in part, during the time they are put on leave.” Article 26 of the Labor Standards Act states that “In the event of an absence from work for reasons attributable to the employer,

the employer must pay the worker an allowance equal to at least 60 percent of their average wage during that period of absence from work.” Opinions are divided on what is included within “reasons attributable to the employer.” However, there is no doubt that “absence from work” in the special provisions act includes both cases when an employer must pay allowance for absence from work equivalent to 60% of average wage and cases when the employer need not make such a payment. Specifically, the act’s assistance design assumes that the employer is in a state of legal violation, so to speak, in that the worker “could not receive payment of wages” because the employer does not pay an allowance for absence from work despite the fact that the employer has the obligation to do so based on the Labor Standards Act.

Just because a worker receives temporary leave assistance because the employer (who has the obligation to pay an allowance for absence from work) does not pay the allowance for absence from work, this does not mean that the employer’s obligation to pay an allowance for absence from work based on the Labor Standards Act extinguishes as the employer continues to bear the obligation to pay the allowance to the worker. However, if, for example, a labor standards inspector conducts an on-the-spot inspection of such a company and discovers that the obligation to pay allowances for absence from work was not performed, and if a worker at the company promptly applies for temporary leave assistance because he or she will not receive an allowance for absence from work, and then, receives the payment, a puzzling situation would arise in terms of whether or not a recommendation to rectify the violation in Article 26 of the Act should be issued.

Obviously, if viewed strictly in terms of the legal relationship of rights and obligations, the employer has not yet performed its obligation to pay the allowance for absence from work based on the Labor Standards Act and therefore must still pay the allowance to the worker who received the temporary leave assistance. But if that were to happen, the worker would receive double compensation for absence from work from two sources: the employer

and the state. This is an extremely uncomfortable conclusion.

Additionally, it appears that employment security administration, if not others, officially recognizes that the allowance for absence from work will not be paid. Specifically, for a question in the recipient qualification checklist, “Have you not paid an allowance for absence from work, either in whole or in part, or are you planning not to pay said allowance?” the employer responds by checking a box indicating “No, I have not paid it (I do not plan to pay it).” In fact, if the employer has a worker who receive temporary leave assistance and also pays an allowance for absence from work to the worker, the temporary leave assistance is considered to be illegally received. This could result in a court order to pay three times the amount received as punishment. This becomes the ultimate “double bind” whereby the employer *must not pay* something that it *must pay*.

MHLW’s website indicates that the obligation to pay allowances for absence from work is not lifted by the payment of the temporary leave assistance. However, it also *asks* audience to first consider using the EAS. It hardly claim that this does much to resolve the fundamental problem.

1. Plan Concerning the Temporary Layoff System Associated with Curtailed Operations (July 5, 1954, Ministry of Labour)

1) Policy

To stabilize employment and contribute to unemployment measures by employing a temporary layoff system and including it within the coverage of unemployment insurance, with the aim of avoiding the temporary generation of industrial readjustment-caused mass unemployment and labor-management conflicts that are predicted in the near future as a result of spreading monetary tightening since October of last year.

2) Requirements for including the temporary layoff system in unemployment insurance

- (1) The business cannot avoid industrial readjustment due to financial trouble, curtailment of operations, etc.
- (2) The generation of temporary mass unemployment and social unrest are anticipated as a result of the aforementioned industrial readjustment.
- (3) The business can be expected with certainty to have smooth operations secured by implementing the temporary layoff system and be capable of reabsorbing temporarily laid-off workers.
- (4) The business, which intends to implement the temporary layoff system, enters into a labor agreement concerning

temporary layoffs.

- (5) Business operators are unable to pay allowances and other wages during the period that temporarily laid-off workers are eligible to receive unemployment insurance benefits.

- (6) Unemployment insurance premiums are paid in full.

3) Program outline

- (1) Workers who will be temporarily laid off are treated as being subjected to temporary unemployment with a promise of being reemployed and made eligible for unemployment insurance.
- (2) The layoff period shall, in general, be three months, and reemployment shall be for at least six months after the end of the layoff.
- (3) The handling of unemployment insurance for temporarily

laid-off workers shall be in accordance with the following:

- a) The reason for job separation shall be dismissal, with a promise for reemployment, due to circumstances attributable to the business operator.
 - b) Recognition of unemployment for insurance benefits shall be conducted once every two weeks; other matters concerning insurance benefits shall be handled in the same manner as for general unemployment insurance.
- (4) A business operator who intends to implement the temporary layoff system shall submit a temporary layoff implementation plan (attached with a labor agreement that establishes the scope of temporary layoffs) to the Minister of Labour or prefectural governor and receive approval for said plan.

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Diminished Non-regular Employment, Solid Regular Employment: What Impacts Did the “First Wave” of the COVID-19 Pandemic Have in Japan?

TAKAHASHI Koji

In this column, I will present my personal views of the impacts that the “first wave” of novel coronavirus COVID-19 pandemic had on regular and non-regular employment in Japan based on the *Labour Force Survey* of January to June 2020 and the results of a questionnaire survey¹ conducted by JILPT (The Japan Institute for Labour Policy and Training) in June. It covers three main points. First, non-regular employment, which was the first to be affected by the pandemic, has not fully recovered as of the end of June. For that reason, the volume of employment comprised of both regular and non-regular employment has not returned to its pre-pandemic level. Second, regular employment meanwhile remains solid. The volume of regular employment continues at its pre-pandemic level as of the end of June. And third, despite non-regular employment’s past role as an “employment buffer,” the likelihood that companies will intentionally revise their employment portfolios (=move toward non-regular employment) is low so far as can be seen at the present time (as of early August), perhaps because of expectations of labor shortages.

Since March 2020, economic activity in Japan has been hurt in various ways by the COVID-19 pandemic, and this has had an effect on employment. Looking at how infections spread, the number of new cases began growing in March and grew to 720 new cases per day on April 11² In response, the government declared a state of emergency for the entire nation between April 16 and May 14 that, in effect, restricted economic activity. Specifically, this declaration served as a basis allowing prefectural governors to ask eating and drinking establishments,

entertainment facilities, and others to suspend business and request residents to refrain from going outdoors.

According to the *Labour Force Survey* of April, which was conducted during the state of emergency declaration, the unemployment rate at the end of April (seasonally adjusted data) stood at 2.6%, which was 0.1% higher than the previous month.³ This was not a high level by any means. However, the number of employed persons not at work rose precipitously.⁴ As a real number, this figure reached 5.97 million, which was an increase of 4.2 million compared to the same month of the previous year.⁵ Although it is unknown whether or not this was due to the Employment Adjustment Subsidy, which makes up for workers’ allowances for absence from work,⁶ it is evident that employment was not subjected to a major shock.

Leaving aside the question of whether the pandemic’s impact on employment was a “major shock” or not, did its impact extend to all workers equally? Within Japanese companies exist the classifications “regular employment” and “non-regular employment.” In my previous column in June,⁷ I pointed out that non-regular employees were more likely to separate from their jobs in April and May than regular employees, and that non-regular employees had larger decreases in their working hours than regular employees.⁸ This time, I shed light on the impacts that were felt in regular employment and non-regular employment when Japan was confronted with the COVID-19 pandemic’s first wave.



To begin, let us look at the values for “number of employed persons,” “number of employed persons not at work,” and “number of employed persons at work” by status in employment and type of employment. In the *Labour Force Survey*, “employed persons” consist of “employed persons not at work” and “employed persons at work.” Table 1 presents their real numbers, and Table 2 presents their differences in comparison with the same month of the previous year. What can be observed from these is that the total of employed persons increased in comparison with the same month of the previous year, until the March Survey. This was driven particularly by expansion in regular employment. There was a continuing strong labor demand in Japan prior to the COVID-19 pandemic.

The first effect of the pandemic to be understood under these circumstances was the above-mentioned increase in the number of employed persons not at work. Non-regular employees were the main component of this group. The number of non-regular employees not at work (real number) soared upward in the March Survey and reached 3 million in the April Survey. Moreover, in the April Survey, the number of employed persons in non-regular employment decreased by 970,000 in comparison with the same month of the previous year (hereinafter, “year on year”). Many non-regular employees separated from their jobs at this time. Later, in the May Survey, the number of non-regular employees not at work decreased while the numbers of employees at work and employed persons increased based on real numbers, and thus there were signs of a recovery in non-regular employment. However, looking at the June Survey, although the trend whereby employed persons not at work decreased and employed persons at work increased continued, employed persons fell by 10,000. In the end, the number of employed persons in non-regular employment decreased by 1.04 million year on year. If viewed from before the COVID-19 pandemic, the size of non-regular employment decreased.

On the other hand, the number of employed persons in regular employment was increasing year on year until the April Survey, but then fell by 10,000

in the same comparison in the May Survey. There were therefore concerns that the pandemic’s effects were beginning to appear, albeit somewhat delayed. However, in the June Survey, their number increased by 300,000 in the same comparison, and, even in real numbers, increased by 270,000 in comparison with May. In parallel with this, the unemployment rate (seasonally adjusted data) also rose to 2.6% in the April Survey and to 2.9% in the May Survey but fell to 2.8% in the June Survey. In other words, if we look at non-regular employment, this category was the first to bear the role of an employment buffer in response to widespread requests for business closures and voluntary business suspensions, and became subject to adjustments of working hours and personnel numbers. Its volume of employment had not returned to its original level at the time of the June Survey. Consequently, the volume of employment comprised of both regular and non-regular employment has not returned to its pre-pandemic level. On the other hand, if we look at regular employment, which began to show the pandemic’s effects in May, this category is demonstrating stability, at least insofar as can be seen from its volume of employment at the time of the June Survey.

Incidentally, companies and regular employees benefitted from non-regular employees, who served as an employment buffer in the sense that they delayed the timing of employment adjustment and lessened the degree to which it was implemented. In light of this, how are companies looking at their employment portfolios for the coming years? Figure 1 shows the relationship between companies’ expectations for recovery in their own performance and their future orientation vis-à-vis the use of human resources that was taken from “Survey on the Impacts that COVID-19 Has on Company Management,” a survey JILPT conducted in early June (only a portion of response options was extracted).⁹

Looking at the “total” on the far left, “will raise the percentage of regular employees” (16.0%) is higher than “will raise the percentage of part-time workers, temporary workers, and contract employees” (5.1%) and “will raise the percentage

Table 1. Number of employed persons, number of employed persons not at work, and number of employed persons at work by status in employment and type of employment (real numbers, 10,000 people)

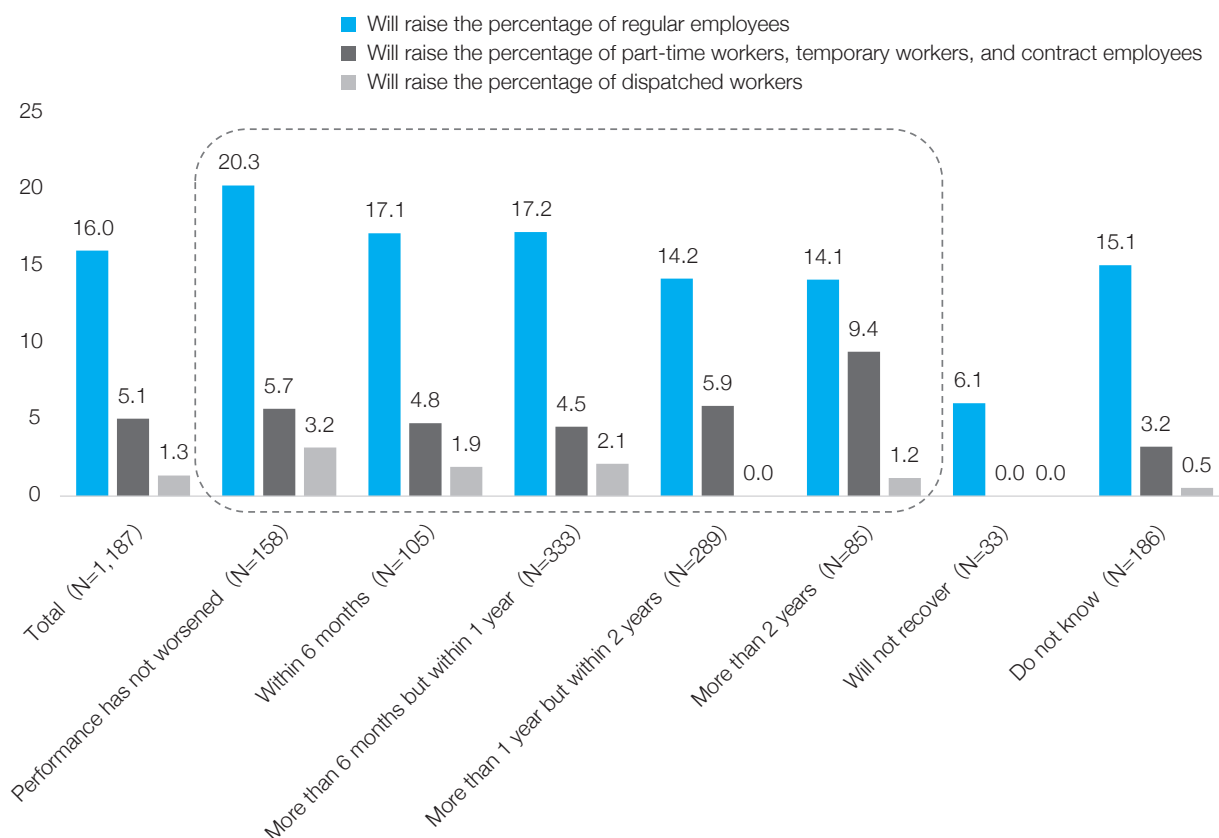
	Total employed persons	Employed persons not at work (among employed person)				Employed persons at work (among employed persons)									
		Self-employed	Executive	Regular employee	Non-regular employee	Total	Self-employed	Executive	Regular employee	Non-regular employee					
January 2020	6,687	628	352	3,516	2,149	194	31	8	82	67	6,493	597	344	3,434	2,083
February	6,691	626	337	3,530	2,159	196	27	7	86	70	6,494	600	330	3,444	2,088
March	6,700	650	352	3,506	2,150	249	27	7	89	118	6,451	622	346	3,418	2,032
April	6,628	662	341	3,563	2,019	597	70	23	193	300	6,032	592	318	3,370	1,719
May	6,656	695	340	3,534	2,045	423	57	19	126	209	6,232	638	320	3,408	1,836
June	6,670	694	323	3,561	2,044	236	34	10	83	99	6,434	660	313	3,478	1,945

Source: From Ministry of Internal Affairs and Communications, *Labour Force Survey* (Basic Tabulations). The same applies to Table 2.

Note: Because there were respondents whose "status in employment is unknown" among each of "employed persons," "employed persons not at work (among employed persons)" and "employed persons at work (among employed persons)," the totals of the four classifications of "self-employed," "executive," "regular employee," and "non-regular employee" do not match the "total." The same applies to Table 2.

Table 2. Number of employed persons, number of employed persons not at work, and number of employed persons at work by status in employment and type of employment (year on year, 10,000 people)

	Total employed persons	Employed persons not at work (among employed person)					Employed persons at work (among employed persons)								
		Self-employed	Executive	Regular employee	Non-regular employee	Total	Self-employed	Executive	Regular employee	Non-regular employee	Total				
January 2020	59	3	27	42	▲ 5	8	4	1	5	▲ 2	52	▲ 2	25	37	▲ 3
February	35	▲ 25	18	44	2	19	5	0	8	8	16	▲ 29	19	36	▲ 7
March	13	▲ 40	19	67	▲ 26	31	4	0	▲ 2	27	▲ 18	▲ 45	20	69	▲ 53
April	▲ 80	▲ 32	▲ 2	63	▲ 97	420	48	16	113	240	▲ 498	▲ 81	▲ 18	▲ 51	▲ 337
May	▲ 76	▲ 2	▲ 11	▲ 1	▲ 61	274	40	12	57	161	▲ 351	▲ 42	▲ 24	▲ 58	▲ 222
June	▲ 77	9	▲ 21	30	▲ 104	90	18	4	14	48	▲ 167	▲ 9	▲ 25	16	▲ 152



Source: Prepared by the author from JILPT, "Survey on the Impacts that COVID-19 Has on Company Management" (conducted in June 2020).
 Note: Excluded from aggregation were 106 companies that responded "Do not know" with regard to their continuation of future business and some other responses.

Figure 1. Companies' orientation vis-à-vis the use of human resources when viewed in terms of their expectations for recovery in business performance (Multiple responses allowed [only a portion of response options extracted], %)

of dispatched workers" (1.3%). As labor shortages are considered to continue for the long term, few companies are considering weathering the pandemic by intentionally switching the personnel structure to higher percentages of non-regular employees.

Here, attention should be given to the following fact. As can be seen by the area enclosed by the dotted line, the percentages of companies responding "will raise the percentage of regular employees" decreases and the percentages of those responding they will raise the percentage of non-regular employment (e.g., part-time workers, temporary workers, and contract employees) rises the longer that companies think that performance recovery will take. Additionally, while omitted from the

figure, companies that responded "will promote outsourcing" accounted for 7.8% of the "total" and 11.8% of "more than two years." That this option exceeds the likelihood of switching to non-regular employment through part-time workers, temporary workers, contract employees, dispatched workers, and the like also demands attention. It is unclear here what specifically is meant by "outsourcing." Depending on the forms that outsourcing takes (and if intermediate ways of working that are positioned between employment and self-employment are well borne in mind), it may have an impact on real employment portfolios.

Needless to say, feeling optimism or despair from the results of monthly surveys or one questionnaire

survey is to be avoided at all costs. Moreover, the views I have presented here are based on data that were available at the time of writing.¹⁰ The number of COVID-19 cases began skyrocketing again from the beginning of July, and thus predicting where the economy will go has become even more difficult. Given these trends, it is possible that constraining pressure will intensify for not only non-regular employment but also regular employment, and that more companies will consider revising their employment portfolios.

1. “Survey on the Impacts that COVID-19 Has on Company Management,” conducted in June 2020 by JILPT. The survey targeted 3,000 companies that are registered with an online survey company. Valid responses were received from 1,293 companies (valid response rate of 43.1%). See a press release for the survey’s implementation and preliminary results at <https://www.jil.go.jp/english/special/covid-19/index.html> (summary in English) and <https://www.jil.go.jp/press/documents/20200716.pdf> (in Japanese).
2. Because the rising number of new cases of April decreased significantly in the latter half of May, the time between April and May when new cases increased is generally called the COVID-19 pandemic’s “first wave” in Japan. The number of new cases subsequently remained low in June but then suddenly rose in July, recording 1,580 on a day at the end of July. This increase that began in July is called the “second wave.” Data on the number of new cases are from NHK’s “Tokusetsu Saito: Shingata Koronairusu” (Special website: The novel coronavirus), <https://www3.nhk.or.jp/news/special/coronavirus/> (in Japanese).
3. The survey asks about the situation in the final week of each month. Therefore, a reference to a particular month’s survey in this column (e.g., the “April Survey”) indicates the situation in the final week of that month.
4. In the *Labour Force Survey*, “employed person not at work” refers to, “among the persons with jobs but not at work during the reference week, (1) employee who did not work during the

reference week but who received or expected to receive wage or salary, or (2) self-employed worker who did not work during the reference week and whose absence from work has not exceeded 30 days.” It should be noted that “employed person at work,” which is the counterpart to “employed person not at work,” refers to “[a person] who worked for pay or profit, or worked as unpaid family workers for at least 1 hour during the reference week.”

5. See “Statistical Indicators” in *Japan Labor Issues* vol. 4, no. 27 (November-December 2020, this issue) for changes in the unemployment rate and number of employed persons not at work.
6. The government significantly relaxed requirements for payment of the Employment Adjustment Subsidy in response to the COVID-19 pandemic. However, there are some who believe that this did not help protect workers, particularly those at SMEs, due to the complexity of subsidy application procedures. See Keiichiro Hamaguchi, “The Employment Adjustment Subsidy and New Assistance for Temporary Leave,” *Japan Labor Issues* vol. 4, no. 27 (November-December 2020, this issue).
7. For more details, see Koji Takahashi, “Decreased Working Hours and Impact on Wages: A Look Back at the Novel Coronavirus’s ‘First Wave’ in Japan,” *Japan Labor Issues* vol. 4, no. 26 (October 2020): 2–9, <https://www.jil.go.jp/english/jli/documents/2020/026-01.pdf>.
8. Here, “regular employee” refers to a worker class called “regular employee” or something approximating that in companies, while “non-regular employee” refers to worker classes called “part-time worker,” “temporary worker,” “contract employee,” “*shokutaku* (entrusted worker),” “dispatched worker” and the like. In general, regular employees are beneficiaries of long-term stable employment, human resources development, and wage systems that support them, while non-regular employees tend not to receive such benefits.
9. The question concerning expectations for performance recovery was “We would like to know your views concerning your prospects for the future (i.e., after the state of emergency declaration is lifted). When do you anticipate that your business performance will recover and return to its previous level? Or do you think it will not recover?”
10. This column was submitted on August 7, 2020. Accordingly, available statistical data were limited to those obtainable from surveys conducted until the end of June, 2020.

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Report

What Impacts is the COVID-19 Crisis Having on Work and Daily Life?

—From the Results of “Survey on the Impact that Spreading Novel Coronavirus Infection has on Work and Daily Life” (May 2020 Survey)

I. Introduction

COVID-19 continues to rage on. The government issued a “declaration of state of emergency” for 7 prefectures on April 7, 2020, and then expanded it to cover all prefectures on April 17. “Emergency Economic Measures to Cope with COVID-19” were approved through a Cabinet decision on April 7 (and subsequently amended on April 20). They included further expansion of the Employment Adjustment Subsidy’s special measure¹ and financial measures, payment of “sustainability benefits” for SMEs, and cash handouts of 100,000 yen to all citizens. Later, requests were made to refrain from nonessential and non-urgent outings and to suspend business as well as to reduce 70% of employees going to work until the declaration was later completely rescinded on May 25. These requests had a major impact on the public’s daily living. JILPT (The Japan Institute for Labour Policy and Training) conducted a questionnaire survey “Survey on the Impact that Spreading Novel Coronavirus Infection has on Work and Daily Life” (hereinafter referred to as the “May Survey”) via online screens that targeted “employees of private enterprises” and “freelance workers” to ascertain the degree to which the COVID-19 pandemic and measures to control it are affecting work and daily life based on the circumstances of the virus’s spread during this time and the progress of government-implemented countermeasures (see the box below). The survey is conducted as a joint research project

with RENGO-RIALS (Rengo Research Institute for Advancement of Living Standards). This report summarizes its main findings.²

The COVID-19 pandemic in Japan and main measures taken by the government

- Mid-January: Confirmation of the first COVID-19 cases in Japan.
- January 30: Establishment of the government’s Novel Coronavirus Response Headquarters
- February 13: Compilation of the government’s “emergency measures concerning the novel coronavirus infectious disease” (followed by a second round of emergency measures on March 10) and implementation of special measures for the Employment Adjustment Subsidy (EAS), etc.
- February 25: Formulation of the government’s “basic policy for countermeasures against the novel coronavirus pandemic” (later revised into Basic Policies for Novel Coronavirus Disease Control on April 7)
- February 27: Request for temporary closure of all elementary schools, junior high schools and senior high schools as well as special needs education beginning on March 2
- Mid-March: Number of cases in Japan reaches

	1,000.
March 13:	Passage and enactment of a reform bill for the Amendment of the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response (enforcement from the following day)
End of March:	Number of cases in Japan surpasses 2,000.
April 6:	Number of cases in Japan jumps above 4,000.
April 7:	Issuance of a “declaration of state of emergency” for 7 prefectures based on Article 32 (1) of the aforementioned act, and expansion of the declaration to all prefectures on April 17
April 7:	Approval of “Emergency Economic Measures to Cope with COVID-19” by a Cabinet decision (with subsequent amendment approved on April 20), which includes expanded financial measures and payment of “sustainability benefits” for SMEs as well as cash handouts of 100,000 yen to all citizens, etc.
May 14:	Lifting of the declaration of the state of emergency for 39 prefectures
May 21:	Lifting of the declaration of the state of emergency for 3 prefectures in the Kansai area
May 25:	Complete lifting of the declaration of state of emergency

II. Outline of the survey

The survey targeted “employees of private enterprises” and “freelance workers” (self-employed workers who are not shop owners and who do not have employees [excluding those in agriculture, forestry, or fishery]) among those registered as monitors with an internet survey company who are aged at least 20 years old but no more than 64 years old residing in Japan as of April 1, 2020. Note that it

included those who became unemployed on or after April 1, 2020, and up to the time of the survey if they satisfied the above requirement.

As for employees of private enterprises, this survey forms a follow-up survey based on the same respondents as a COVID-19-related survey³ that was conducted as part of RENGO-RIALS’ 39th Short-Term Survey of Workers in Japan (hereinafter the April Survey) by distributing questionnaires with priority given to the respondents of the April Survey.

For employees of private enterprises, stratified random allocation was conducted for sex×age group×residential region block ×regular/non-regular employee¹ status (by 180 cells). For freelance workers, stratified random allocation was conducted by sex×age group×residential region block (by 90 cells) based on the distribution of “self-employed workers (without employees)” of the *Employment Status Survey*.

The main survey period was between May 18 and 27, 2020. The number of valid responses totaled 4,307 for employees of private enterprises (3,600 respondents to both the April Survey and May Survey and 707 new respondents to the May Survey only) and 580 for freelance workers (8 fewer than the target number).

III. Impacts on “employees of private enterprises”

1. Were there COVID-19-associated impacts on employment and/or income?

(1) 45.0% of employees responded “there was an impact.”

When employees of private enterprises (N=4,307) among all valid respondents were asked whether there was a COVID-19-associated impact on their employment and/or income, 16.3% responded “there was a major impact” and 28.7% responded “there was some degree of impact.” In total, 45.0% of respondents indicated that “there was an impact” (Table 1). Looking at specific “impacts” (multiple responses allowed), about one in four employees of private enterprises experienced “decreased workdays and working hours” (26.6%) and/or “decreased income” (24.4%), followed by

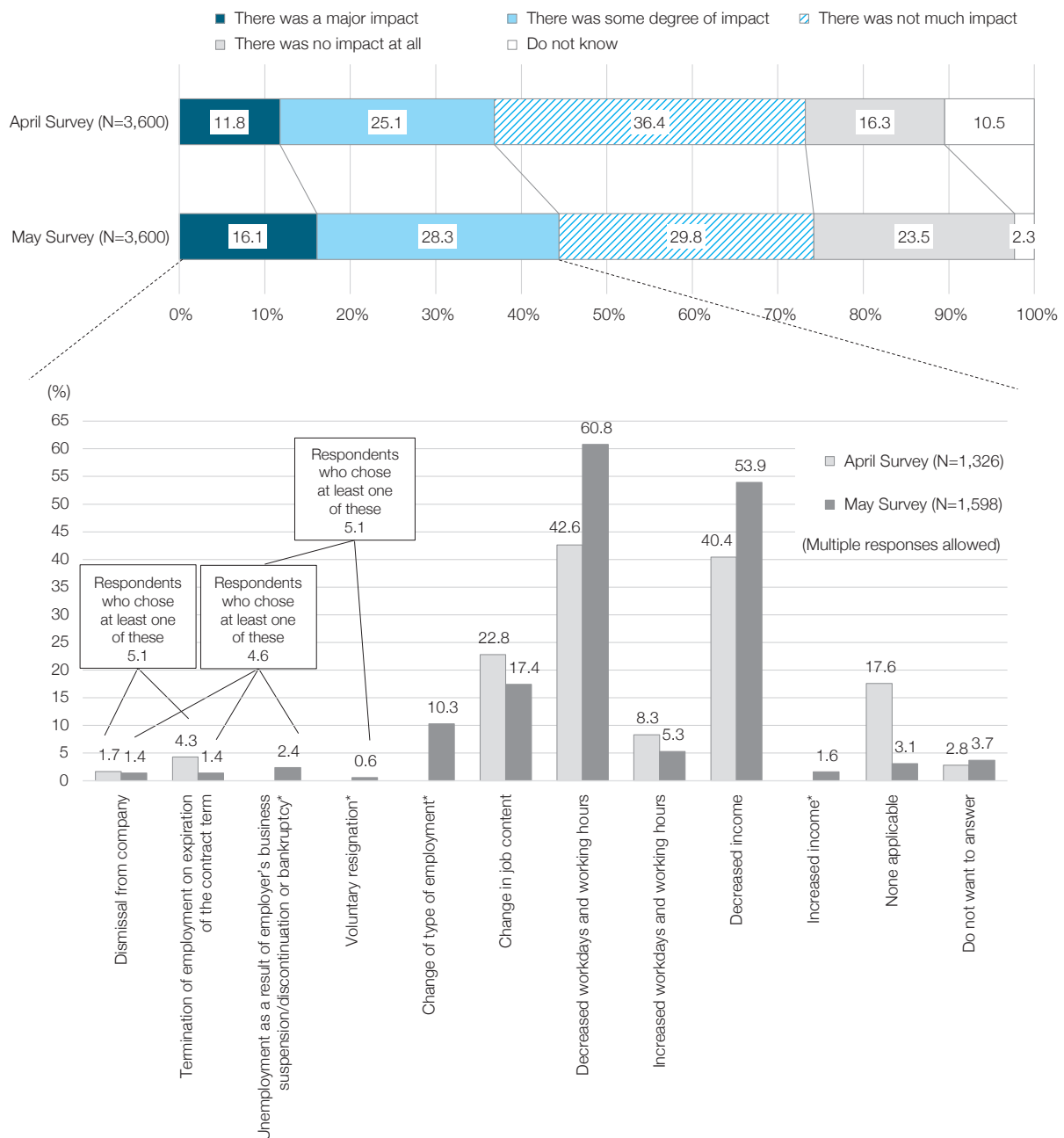
Table 1. COVID-19-associated impacts on employment and/or income

(%)

		N	Total of "there was an impact"	(Multiple responses allowed)												None applicable Do not want to answer	
				Dismissal from company	Termination of employment on expiration of the contract term	Unemployment as a result of employer's business suspension/discontinuation or bankruptcy	Change of employment type	Change in job content	Decreased workdays and working hours	Increased workdays and working hours	Decreased income	Increased income	Voluntary resignation				
		4,307	44.9	0.8	0.6	1.0	4.5	8.1	26.6	2.4	24.4	0.8	0.3	1.4	1.8		
Main type of business	Construction	232	34.5	0.4	0.9	—	4.3	6.9	15.5	1.3	16.4	1.3	0.4	0.4	2.6		
	Manufacturing	946	47.0	1.0	0.5	0.4	5.2	6.0	28.4	2.2	28.0	0.4	0.3	1.7	2.0		
	Electricity, gas, heat supply and water	69	29.0	—	1.4	2.9	5.8	4.3	10.1	2.9	7.2	1.4	—	—	2.9		
	Information and communications	233	30.5	—	0.4	0.4	5.2	6.9	13.3	0.9	11.6	—	0.4	3.0	0.9		
	Transport	243	49.4	0.4	1.2	1.2	4.1	8.6	31.7	4.9	33.3	0.4	0.4	—	0.8		
	Wholesale and retail trade	553	41.6	0.4	0.5	0.2	3.3	5.4	28.4	2.5	22.6	1.6	0.2	0.7	1.3		
	Finance and insurance	228	33.3	0.4	—	—	3.9	8.8	20.2	1.3	11.8	0.9	0.4	1.3	1.8		
	Real estate	98	37.8	1.0	1.0	1.0	3.1	10.2	22.4	—	18.4	—	—	1.0	2.0		
	Accommodations, eating and drinking services	161	75.8	3.1	—	6.8	7.5	14.3	60.2	2.5	57.8	0.6	0.6	0.6	0.6		
	Medical, health care and welfare	607	37.1	1.0	0.2	0.5	2.3	10.4	14.5	3.0	15.2	1.0	0.3	2.1	2.6		
	Education, learning support	134	56.0	—	—	1.5	10.4	9.0	41.0	3.7	32.8	—	—	2.2	1.5		
	Postal services, cooperative associations	38	44.7	—	—	—	—	2.6	15.8	2.6	18.4	2.6	—	2.6	7.9		
	Services	586	57.3	1.2	1.0	2.6	5.6	9.9	37.4	1.7	31.4	0.3	0.5	1.5	1.2		
	Others	158	44.9	1.3	1.9	1.3	4.4	11.4	21.5	3.8	24.1	1.9	—	1.9	1.9		
	Do not know	21	47.6	—	—	—	—	14.3	4.8	14.3	28.6	—	—	—	—		
	Region of residence	Tokyo metropolitan area	1,325	47.0	0.9	0.9	1.7	5.1	8.8	29.0	2.6	26.8	0.7	0.5	1.3	1.4	
Chubu or Kansai area		1,475	46.2	0.7	0.7	1.1	4.5	8.0	26.2	2.3	24.1	0.7	0.3	1.7	2.0		
Others		1,507	41.9	0.8	0.3	0.4	4.0	7.8	24.9	2.4	22.6	0.9	0.2	1.3	1.9		
Type of employment	Regular employees	2,848	42.2	0.8	0.3	0.6	4.8	8.9	22.8	2.6	21.3	0.6	0.2	1.5	1.9		
	Non-regular employees (total)	1,459	50.2	0.8	1.2	2.0	4.0	6.6	34.1	2.1	30.3	1.0	0.5	1.3	1.4		
Breakdown of non-regular employees	Part-time workers and <i>arbeit</i> (temporary workers)	1,042	54.3	1.0	0.6	2.3	3.7	7.1	37.4	2.8	33.9	1.2	0.7	1.2	1.6		
	Contract workers and <i>shokutaku</i> (entrusted workers)	277	35.4	0.4	1.8	0.7	4.0	6.5	20.2	0.4	17.7	0.7	—	1.4	1.1		
	Dispatched workers	140	48.6	0.7	4.3	2.1	5.7	3.6	36.4	—	28.6	0.7	—	1.4	0.7		
Income of household for the past 1 year	Less than 3 million yen	635	53.5	0.2	0.8	1.9	5.7	10.6	32.3	2.2	32.4	0.5	0.3	0.8	1.7		
	3 million yen to less than 5 million yen	931	46.5	1.1	0.5	0.9	4.7	8.8	27.6	2.3	26.5	0.9	0.5	1.3	1.2		
	5 million to less than 7 million yen	857	43.8	0.7	0.2	1.2	4.8	7.2	27.3	3.2	22.5	0.6	0.1	0.9	1.2		
	7 million to less than 9 million yen	515	39.4	0.6	0.8	0.4	4.3	6.4	20.2	1.7	20.8	1.2	0.2	1.9	1.2		
	9 million yen or more	620	40.6	0.6	0.8	0.6	4.5	7.6	23.7	2.7	20.5	1.1	0.2	2.1	1.6		
	Do not know	749	44.3	1.5	0.7	1.2	3.2	8.0	26.4	2.1	22.7	0.5	0.5	1.9	3.7		

Notes: 1. Total of "there was an impact" is the total of "there was a major impact" and "there was some degree of impact."

2. The questionnaire form was designed so that it first asked "was there an impact?" and, when the respondent answered "there was a major impact" or "there was some degree of impact," it then asked sub-questions concerning the specifics of that response. However, to make the percentages of responses making up all "employees of private enterprises" easier to read, they are presented based on the total number of samples.



Note: *Because a certain number of "none applicable" responses were seen in the April Survey, several response options were added to the May Survey.

Figure 1. COVID-19-associated impacts on employment and/or income: Comparison of the April Survey and May Survey

"change in job content" (8.1%) and "change in type of employment" (4.5%). There were responses indicating "increased workdays and working hours" (2.4%) and "increased income" (0.8%). At least at the time of the survey, responses pertaining to employment in itself stayed within a certain level

with "dismissal from company" standing at 0.8%, "termination on the expiration of contract term" at 0.6%, "unemployment as a result of employer's business suspension/discontinuation or bankruptcy" at 1.0%, and "voluntary resignation" at 0.3%.

Figure 1 shows these results in terms of the

total for respondents to both the April Survey and May Survey (N=3,600). The percentage of those who responded “there was an impact” relating to COVID-19 on their own employment and/or income rose from 36.8% in the April Survey to 44.4% in the May Survey. Looking at specific “impacts” (multiple responses allowed), there are marked rises in “decreased workdays and working hours” (42.6% in the April Survey and 60.8% in the May Survey) and “decreased income” (likewise, 40.4% and 53.9%). Looking at responses that pertain to employment in itself, the percentage of either “dismissal from company” or “termination on the expiration of contract term” was 5.1% in the April Survey. Responses that pertain to employment in the May Survey stood at 4.2% including responses of a newly added choice “unemployment as a result of employer’s business suspension/discontinuation or bankruptcy,” and remained low at 5.1% even if adding responses of “voluntary resignation.”

In contrast to what occurred during the 2008 global financial crisis such as cancellations of labor contract for non-regular employees, responses about specific “impacts” in this survey conducted in the COVID-19 crisis were centered on “decreased workdays and working hours” including temporary leave and the like (at least at the time of the survey).⁴ These responses may have something to do with the fact that there was a labor shortage just prior to the COVID-19 crisis, as well as the fact that, unlike the situation during the 2008 financial crisis, the Employment Adjustment Subsidy program has been largely relaxed and include non-regular employees whose weekly scheduled hours were fewer than 20 hours (and who were therefore not covered by employment insurance).⁵ However, it is possible that the situation will transit from one based on the taking of emergency measures in the face of the pandemic toward an economic recession accompanied by a worsening employment situation. Trends will continue to be watched.

(2) Approximately 60% of respondents in “accommodations, eating and drinking services” responded that they encountered decrease

in workdays and working hours, and income.

Looking at COVID-19-associated impacts on employment and/or income by the main industries of work places, responses indicating “there was an impact” reached approximately three in four respondents in “accommodations, eating and drinking places.” The impacts were particularly large in this industry (Table 1). This was followed by “services” (57.3%), “education, learning support” (56.0%), “transport” (49.4%), and “manufacturing” (47.0%). Looking at specific “impacts” (multiple responses allowed), approximately 60% of respondents in “accommodations, eating and drinking services” indicated “decreased workdays and working hours” (60.2%) and “decreased income” (57.8%). In the case of the 2008 financial crisis, electrical machinery, automobiles, and other areas of “manufacturing” had particularly large impacts. However, a characteristic of the COVID-19 crisis is that impacts are being experienced in not only manufacturing but a broad range of domestic demand-oriented industries, particularly in those involving interpersonal services such as “accommodations, eating and drinking services.”

(3) Larger impacts are felt among non-regular employees.

Looking at COVID-19-associated effects on employment and/or income by type of employment, it can be seen that the percentages of respondents indicating “there was an impact” on their own employment and/or income are higher for non-regular employees (50.2%) and, among them, part-time workers (54.3%), than for regular employees (42.2%). Looking at specific “impacts” (multiple responses allowed), more than one in three part-time workers indicated “decreased workdays and working hours” (37.4%) and “decreased income” (33.9%). Among dispatched workers, more than one-third (36.4%) indicated “decreased workdays and working hours.” Additionally, they had a higher percentage of “termination on the expiration of contract term” (4.3%) than the other type of employment. As in past economic crises and recessions, this may indicate

that the impacts of the COVID-19 crisis are being shifted more heavily onto non-regular employees.

In the study over the tendency by type of employment, it is known that certain connections exist between type of employment and industry. For example, there is a high percentage of non-regular employees in the industries such as “accommodations, eating and drinking services” and “services.” Let us look at the percentages of respondents indicating “decreased workdays and working hours” by type of employment with industry under control. No significant differences are seen between regular employees and non-regular employees in “transport” (32.3% among regular employees and 29.2% among non-regular employees) and “wholesale and retail trade” (likewise, 27.7% and 29.2%). However, the percentages of non-regular employees are conspicuously higher than those of regular employees in “accommodations, eating and drinking services” (55.6% among regular employees and 62.1% among non-regular employees), “services” (likewise, 31.1% and 45.2%), and “education,

learning support” (32.5% and 44.7%). In another aspect, in those industries, the percentages of “change in job content” chosen as a specific “impact” were slightly higher for regular employees (specifically, 28.9% in “accommodations, eating and drinking services,” 10.0% in “services,” and 12.4% in “education, learning support”).

2. How were workdays and working hours adjusted in companies?

(1) Actual hours worked per week: The percentages rose for “under 40 hours” among regular employees and for “less than 15 hours” (including “did not work”) among non-regular employees.

Then, how were workdays and working hours adjusted in response to the COVID-19 crisis? Figure 2 shows the results when employees of private enterprises at any point in time on March 1, April 1, and at the time of the survey in May (hereinafter referred collectively as “the survey times”) (N=4,203) were asked how their actual

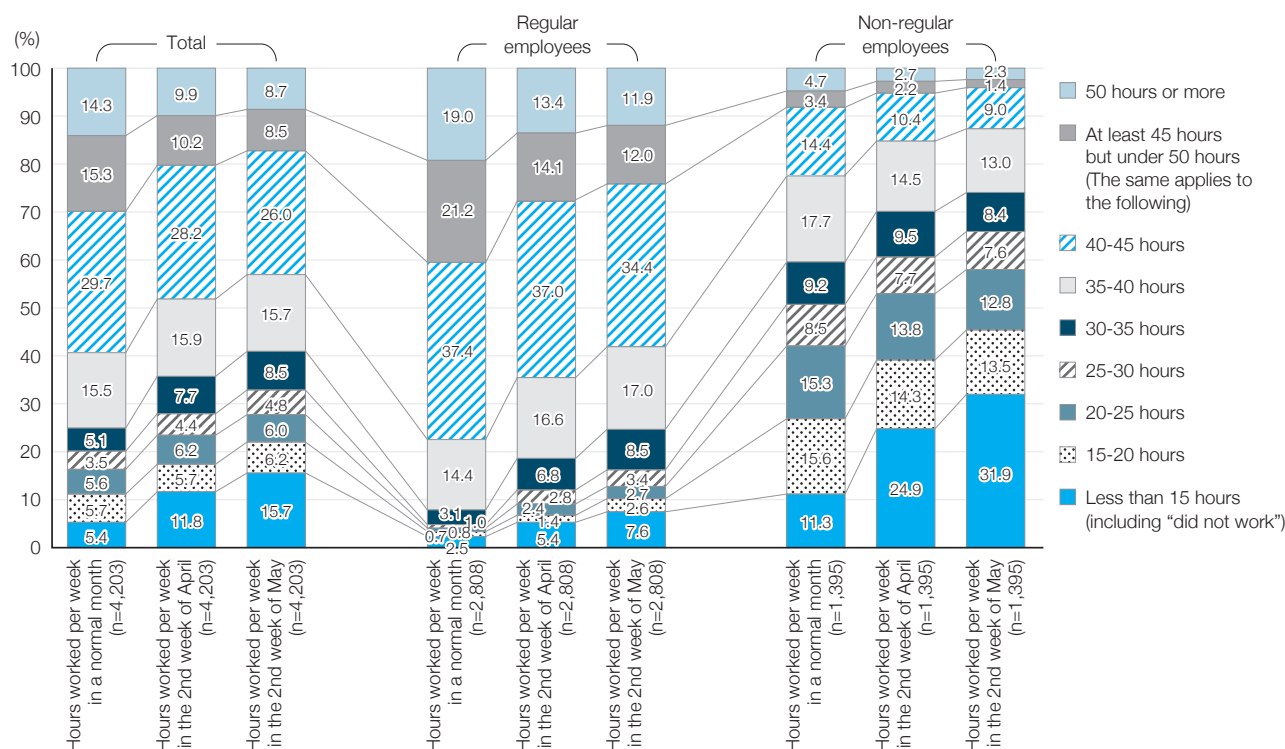


Figure 2. Changes in actual hours worked in the 2nd week of April (April 6-12, before the implementation of national emergency measures) and the 2nd week of May (May 7-13, after the implementation of national emergency measures) in comparison of a normal month prior to the COVID-19 crisis

working hours (including overtime work) per week changed in comparison with a normal month prior to the emergence of the COVID-19 crisis. Overall, the percentages of those who indicated that their actual working hours per week were “over 40 hours” gradually decreased in the second week of April (April 6 to 12) and second week of May (May 7 to 13), while the percentages of those of “under 40 hours” increased proportionally. In the second week of May, the percentage of “less than 15 hours” (including “did not work”) roughly tripled compared to the normal month.

A breakdown of these findings by type of employment shows that it was mainly regular employees that showed decreases in the percentage of “over 40 hours” and increases in the percentage of “under 40 hours.” Among regular employees the percentage of “less than 15 hours” (including “did not work”) did not rise above 7.6% even in the second week of May, and even the total of “under 40 hours” did not reach double that of the normal month. It can be seen that changes among regular employees centered on decreased overtime and the like.⁶ On the other hand, among non-regular employees, the percentages of “over 15 hours” decreased while the percentage of “less than 15 hours” (including “did not work”) correspondingly exceeded 30% in the second week of May. This clearly shows that large-scale adjustment has been implemented for non-regular employees.

(2) 41.6% of non-regular employees responded that their most recent monthly income decreased.

How far did “decreased income” extend at the point of the survey? When employees of private enterprises were asked about how the amount of their most recent monthly income changed in comparison with the normal month, 64.9% of the total indicated that “it was roughly the same (change of less than 10%).” Among those who indicated that “it decreased” (32.4%), more than half indicated that the decrease was “about 10% to 20%,” but some indicated a decrease of “90% or more.” (Table 2).

Looking at the results by type of employment,

70.0% of regular employees indicated their most recent monthly income were “roughly the same (change of less than 10%)” in comparison with the normal month, while 41.6% of non-regular employees indicated that their monthly income “decreased.” Looking closely at respondents who indicated “decreased,” more than 60% of regular employees indicated that the decrease was “about 10 to 20%,” while more than 60% of non-regular employees indicated that their monthly income decreased more than 30%.⁷ When looking at the change in income by household income for the past 1 year, the percentage of monthly income “decreased” is high in the category of yearly household income decreased “less than 3 million yen.” A tendency is seen whereby the percentage of “roughly the same (change of less than 10%)” monthly income rises with categories of higher yearly household income toward “9 million yen or more.”

Household income relates to various factors such as type of employment, occupation, size of enterprise (number of employee), household membership, number of employed people in household, and age. With that in mind, overall situation revealed that households with lower yearly income are likely to face severe circumstances.

3. Areas where anxiety was particularly felt in terms of work besides infection of the COVID-19
(1) 40.7% of employees feel income anxiety and more than 20% feel employment anxiety.

Anxiety about income (hereinafter “income anxiety”) and anxiety about employment (hereinafter “employment anxiety”) are rising against this backdrop. When asked whether they felt particular anxiety in terms of their work besides their “own infection,” from the time that COVID-19 crises began to the survey time (up to 3 responses allowed), more than 40% of employees of private enterprises indicated “decreased income” (40.7%). This was followed by “infection prevention, response when infected persons emerge, and other aspects of company’s hygiene management” (26.2%), “worsening business condition or corporate bankruptcy/office closure” (24.0%), “adjustment

Table 2. Most recent monthly income in comparison with the normal month (prior to the emergence of the COVID-19 crises)

(%)

		N	<div>← →</div> <div>Decreased 90% or more Decreased by about 70% to 80% Decreased by about 50% to 60% Decreased by about 30% to 40% Decreased by about 10% to 20% Roughly the same (change of less than 10%) Increased by about 10% to 20% Increased by about 30% to 40% Increased 50% or more</div>										Total of "it was decreased"	Total of "it was increased"
		4,307	2.5	2.6	3.4	7.0	16.9	64.9	2.0	0.4	0.2	32.4	2.6	
Main type of business	Construction	232	1.7	1.7	1.3	5.2	12.9	74.1	1.7	1.3	—	22.8	3.0	
	Manufacturing	946	0.8	1.8	2.7	7.3	21.9	63.4	1.1	0.6	0.3	34.6	2.0	
	Electricity, gas, heat supply and water	69	—	1.4	2.9	4.3	8.7	76.8	5.8	—	—	17.4	5.8	
	Information and communications	233	1.7	0.9	1.3	3.9	15.5	74.2	2.6	—	—	23.2	2.6	
	Transport	243	0.8	3.7	1.6	5.8	26.7	57.6	3.3	0.4	—	38.7	3.7	
	Wholesale and retail trade	553	1.4	2.0	4.2	6.5	16.8	66.5	2.5	—	—	30.9	2.5	
	Finance and insurance	228	0.9	0.9	2.6	4.4	12.7	76.3	1.8	0.4	—	21.5	2.2	
	Real estate	98	1.0	1.0	1.0	5.1	14.3	76.5	1.0	—	—	22.4	1.0	
	Accommodations, eating and drinking services	161	9.9	9.9	10.6	19.9	15.5	32.9	1.2	—	—	65.8	1.2	
	Medical, health care and welfare	607	1.6	1.6	1.6	4.1	12.0	76.4	2.1	—	0.3	21.1	2.5	
	Education, learning support	134	9.0	3.7	5.2	6.7	20.1	50.7	3.0	—	1.5	44.8	4.5	
	Postal services, cooperative associations	38	—	—	2.6	5.3	15.8	71.1	2.6	—	2.6	23.7	5.3	
	Services	586	5.8	4.4	6.5	10.8	14.7	54.8	2.2	0.7	0.2	42.2	3.1	
	Others	158	3.2	4.4	4.4	6.3	17.7	60.8	1.9	0.6	0.6	36.1	3.2	
	Do not know	21	4.8	9.5	—	4.8	14.3	61.9	4.8	—	—	33.3	4.8	
Region of residence	Tokyo metropolitan area	1,325	3.2	3.0	4.5	7.8	16.9	61.7	2.0	0.4	0.3	35.5	2.7	
	Chubu or Kansai area	1,475	2.2	2.5	2.9	6.5	18.6	64.3	2.0	0.7	0.3	32.7	3.0	
	Others	1,507	2.1	2.4	3.0	6.6	15.3	68.4	2.1	0.1	0.1	29.3	2.3	
Type of employment	Regular employees	2,848	0.8	1.6	2.4	5.3	17.6	70.0	1.8	0.3	0.2	27.7	2.2	
	Non-regular employees (total)	1,459	5.8	4.6	5.5	10.1	15.6	55.0	2.6	0.5	0.3	41.6	3.4	
Breakdown of non-regular employees	Part-time workers and arbeit (temporary workers)	1,042	7.1	5.0	6.5	10.5	16.4	51.2	2.5	0.4	0.4	45.5	3.3	
	Contract workers and shokutaku (entrusted workers)	277	2.2	2.2	1.4	8.3	13.7	69.0	2.9	—	0.4	27.8	3.2	
	Dispatched workers	140	2.9	6.4	5.7	11.4	13.6	55.0	2.9	2.1	—	40.0	5.0	
Income of household for the past 1 year	Less than 3 million yen	635	3.3	2.8	6.8	10.7	19.8	54.3	1.6	0.2	0.5	43.5	2.2	
	3 million yen to less than 5 million yen	931	2.1	3.0	3.8	7.1	16.8	64.3	2.1	0.5	0.2	32.8	2.9	
	5 million to less than 7 million yen	857	1.8	2.8	2.6	6.3	18.7	65.3	2.1	0.4	0.1	32.1	2.6	
	7 million to less than 9 million yen	515	2.1	2.1	1.4	5.2	16.7	69.9	1.7	0.6	0.2	27.6	2.5	
	9 million yen or more	620	1.9	1.8	2.9	4.4	16.8	69.0	2.4	0.5	0.3	27.7	3.2	
	Do not know	749	3.7	2.8	3.1	7.7	12.8	67.4	2.1	0.1	0.1	30.2	2.4	

of own work” (19.4%), “dismissal/termination (employment anxiety),” and “availability of environment for work from home or telecommuting” (both 12.9%) (Table 3).

Looking at main industries of the respondents’ workplaces, the percentage of those who “felt anxiety” is high particularly for “accommodations, eating and drinking services” and “education, learning support” at more than 80%. This percentage exceeds three-fourths for “information and telecommunications,” “wholesale and retail trade,” “manufacturing,” “services,” and “transport.” Looking at specific “anxieties” (multiple responses allowed), the percentage of “decreased income” was high for “accommodations, eating and drinking services,” “transport,” “services,” “education, learning support,” and “manufacturing.” Moreover, the percentage of “worsening business condition or corporate bankruptcy/office closure” was high, exceeding one-fourth, for “accommodations, eating and drinking services,” “wholesale and retail trade,” “manufacturing,” “services,” and “transport.” Additionally, the percentage of “dismissal/termination (employment anxiety)” for “accommodations, eating and drinking services” was high, exceeding 20%. It deserves noting that the percentage of “infection prevention, response when infected persons emerge, and other aspects of company’s hygiene management” was high particularly for “medical, health care and welfare” at over 40%.

(2) Different anxieties among regular employees and non-regular employees

The percentages of regular employees and non-regular employees who felt anxiety were roughly the same. However, regular employees and non-regular employees have different anxieties. The percentages for “worsening business condition or corporate bankruptcy/office closure” (25.8%) as well as “adjustment of own work,” and “availability of environment for work from home or telecommuting” were high in the case of regular employees. In the case of non-regular employees the percentages of “decreased income” (44.1%) followed by “infection prevention, response when infected persons emerge, and other aspects of

company’s hygiene management” and “dismissal/termination (employment anxiety)” were higher. Especially for “decreased income,” percentages were high for part-time workers/arbeits (temporary workers) and dispatched workers among non-regular employees. Additionally, the percentage for “dismissal/termination (employment anxiety)” was high particularly for dispatched workers, surpassing one-third.

4. Percentages implementing work from home/telecommuting

Could it be that the tendency for adjustments of workdays and working hours to occur among non-regular employees is due to the increasing use of work from home/telecommuting by regular employees during the COVID-19 crisis?⁸ When asked what kind of employment-related initiatives their employers (e.g., office, factory, or shop) took based on either a request from the national/local government or voluntarily (multiple responses allowed), nearly 30% of employees of private enterprises responded “implementing work from home/telecommuting” (29.9%). This was followed by “canceling/restricting business trips” (24.4%) and “using teleconferencing” (21.6%) (Table 4).

As for response options that are common to those of the April Survey, an over-time comparison of those who responded to both the April Survey and May Survey (N=3,600) shows that the percentage indicating “implementing work from home/telecommuting” rose from 18.7% in the April Survey to 32.4% in the May Survey, which is an increase of more than 10 percentage points. This suggests that the introduction of work from home/telecommuting made steady progress in the interim. At the same time, “use of teleconferencing” (18.4% in the April Survey, 22.5% in the May Survey) and “staggering work hours” (likewise, 18.3%, 20.8%) also grew slightly.

An aggregation of the number of days per week that work from home/telecommuting took place as a measure to control COVID-19 infection shows that experience with “work from home/telecommuting” grew rapidly as a result of the COVID-19 crisis. This is the result in the case of respondents who selected “implementing work from home/telecommuting”

Table 3. Areas where anxiety was particularly felt in terms of work from the time that COVID-19 crises began until the present time (as of the survey time in May)

(%)

		N	Total of "felt anxiety"	(Up to 3 responses allowed)										Did not feel any particular anxiety Do not want to answer	
				Worsening business condition or corporate bankruptcy/office closure	Dismissal/termination (anxiety about employment)	Decreased income	Infection prevention, response when infected persons emerge, and other aspects of company's hygiene management	Company management for leave and work arrangement associated with "school closures"	Availability of environment for work from home/telecommuting	Adjustment of own work	Change in interpersonal relationships at workplace	Others			
		4,307	73.9	24.0	12.9	40.7	26.2	7.8	12.9	19.4	6.2	1.4	22.1	4.0	
Main type of business	Construction	232	58.2	19.4	11.6	30.6	20.3	5.2	15.9	15.5	6.5	1.3	37.1	4.7	
	Manufacturing	946	75.6	29.6	13.4	44.0	19.9	8.7	17.2	16.7	6.4	0.5	20.6	3.8	
	Electricity, gas, heat supply and water	69	63.8	10.1	7.2	11.6	23.2	8.7	20.3	21.7	11.6	1.4	30.4	5.8	
	Information and communications	233	76.8	18.9	11.6	36.5	20.6	12.0	32.2	26.2	7.7	0.4	20.2	3.0	
	Transport	243	75.3	27.2	13.6	49.4	23.0	5.3	8.2	21.8	7.8	0.8	20.6	4.1	
	Wholesale and retail trade	553	75.8	30.6	16.1	41.6	27.7	6.5	8.9	18.4	5.1	2.2	21.9	2.4	
	Finance and insurance	228	72.4	15.4	8.8	28.9	25.4	7.0	23.7	26.3	7.0	2.2	23.2	4.4	
	Real estate	98	69.4	12.2	6.1	30.6	26.5	7.1	18.4	27.6	6.1	1.0	28.6	2.0	
	Accommodations, eating and drinking services	161	85.1	37.9	23.6	66.5	22.4	3.1	2.5	18.6	4.3	0.6	12.4	2.5	
	Medical, health care and welfare	607	73.1	17.8	6.9	31.6	42.7	8.6	2.0	18.1	6.4	3.0	22.4	4.4	
	Education, learning support	134	82.8	14.2	14.9	46.3	28.4	19.4	16.4	26.9	3.7	2.2	13.4	3.7	
	Postal services, cooperative associations	38	50.0	7.9	7.9	28.9	15.8	10.5	7.9	13.2	7.9	–	42.1	7.9	
	Services	586	75.6	28.2	16.2	48.6	26.1	5.6	9.7	19.1	4.4	1.0	19.8	4.6	
	Others	158	71.5	13.3	15.8	39.9	29.1	8.9	16.5	19.0	7.6	0.6	24.1	4.4	
	Do not know	21	38.1	–	–	28.6	–	4.8	14.3	–	9.5	–	28.6	33.3	
Region of residence	Tokyo metropolitan area	1,325	74.3	23.7	↑14.9	↑43.2	24.2	7.4	↑16.5	19.8	6.3	1.2	21.7	4.0	
	Chubu or Kansai area	1,475	75.1	23.6	12.1	40.3	26.4	7.7	↑13.5	21.3	6.3	1.2	20.7	4.2	
	Others	1,507	72.5	24.8	12.0	38.9	↓27.8	8.2	↑9.3	17.1	5.8	1.7	23.7	3.8	
Type of employment	Regular employees	2,848	74.3	25.8	9.7	38.9	25.4	8.7	16.7	20.9	6.8	1.1	21.7	4.0	
	Non-regular employees (total)	1,459	73.1	20.6	19.3	44.1	28.0	6.0	5.6	16.4	4.9	1.9	22.9	4.0	
Breakdown of non-regular employees	Part-time workers and arbeit (temporary workers)	1,042	73.1	21.3	16.3	45.9	29.3	7.0	2.4	15.0	4.8	1.9	22.8	4.0	
	Contract workers and shokutaku (entrusted workers)	277	72.2	20.2	20.9	35.7	27.4	4.0	16.2	19.9	4.7	1.8	23.8	4.0	
	Dispatched workers	140	75.0	16.4	38.6	47.9	19.3	2.1	8.6	20.7	5.7	2.1	21.4	3.6	
Income of household for the past 1 year	Less than 3 million yen	635	74.0	26.1	↑17.8	↑46.5	26.1	↓3.1	↓7.2	15.4	6.9	1.4	21.6	4.4	
	3 million yen to less than 5 million yen	931	75.9	26.1	↑15.1	↑44.1	24.7	↓7.3	↓10.5	18.2	6.1	1.1	21.8	2.3	
	5 million to less than 7 million yen	857	78.3	↑26.7	↑10.7	↑40.6	26.7	↓10.3	↓16.3	23.6	6.2	1.3	19.6	2.1	
	7 million to less than 9 million yen	515	77.3	23.3	↑11.8	↑35.9	28.3	↓11.7	↓18.4	23.5	5.4	0.8	21.6	1.2	
	9 million yen or more	620	73.2	↑22.3	↑9.8	↑36.9	26.5	↓9.5	↓20.3	22.7	7.3	1.6	24.8	1.9	
	Do not know	749	64.5	18.6	11.9	37.9	26.0	5.3	6.9	13.9	5.1	2.0	23.8	11.7	

Editor's note: The option "worsening business condition or corporate bankruptcy/office closure" in the above is the same option translated as "worsening business condition of employer or company bankruptcy/shutdown" in the first aggregation. The editor has made a correction in the translation.

Table 4. Employment-related initiatives being taken by companies

(%)

		N	Total of "some kind of response was being made"	(Multiple responses allowed)												Not taking any of the initiatives mentioned
				Suspending business (e.g., shutdown, closure, etc.) or increasing non-business days	Shortening business hours	Temporary layoff	Reducing number of workdays (ex.: two-day work weeks on alternating shifts, etc.)	Encouragement of taking paid leaves	Implementing work from home/telecommuting	Change of work location (e.g., to a satellite office, etc.)	Change of commuting method (e.g., limitation on use of public transport, etc.)	Staggering working hours	Reduction of work	Using teleconferencing	Canceling/restricting business trips	
		4,307	71.2	17.3	19.1	3.6	21.4	14.9	29.9	2.6	7.0	19.5	9.6	21.6	24.4	28.8
Main type of business	Construction	232	65.9	9.1	7.8	1.3	11.6	18.5	32.3	3.0	6.0	25.0	5.6	21.6	23.7	34.1
	Manufacturing	946	77.7	17.5	9.1	5.7	20.6	19.7	39.4	3.7	12.1	26.2	11.7	32.3	38.2	22.3
	Electricity, gas, heat supply and water	69	68.1	4.3	17.4	1.4	24.6	11.6	31.9	10.1	11.6	11.6	8.7	26.1	29.0	31.9
	Information and communications	233	94.0	9.0	9.4	1.7	18.5	18.0	78.1	4.7	8.2	38.2	8.2	47.6	37.8	6.0
	Transport	243	63.4	10.7	15.2	8.6	23.9	14.0	22.2	1.6	7.8	17.3	11.5	17.7	26.3	36.6
	Wholesale and retail trade	553	73.1	18.6	40.7	1.3	18.8	14.3	20.8	1.3	6.0	16.6	6.9	16.1	21.7	26.9
	Finance and insurance	228	86.8	10.5	30.7	1.8	36.8	14.0	51.8	5.3	11.0	29.8	11.4	29.8	33.3	13.2
	Real estate	98	76.5	22.4	35.7	4.1	32.7	15.3	39.8	2.0	8.2	27.6	8.2	23.5	23.5	23.5
	Accommodations, eating and drinking services	161	82.0	50.9	54.0	5.0	36.6	13.0	5.0	0.6	3.1	8.1	18.6	3.7	6.2	18.0
	Medical, health care and welfare	607	43.8	6.3	7.4	1.5	10.9	8.4	5.3	0.7	2.3	5.3	7.1	7.1	13.0	56.2
	Education, learning support	134	85.8	39.6	16.4	4.5	29.9	12.7	44.8	1.5	7.5	19.4	8.2	22.4	17.9	14.2
	Postal services, cooperative associations	38	57.9	5.3	28.9	2.6	13.2	7.9	7.9	—	2.6	7.9	2.6	18.4	18.4	42.1
	Services	586	72.7	26.5	21.7	4.1	26.3	15.7	26.5	2.9	4.4	16.9	10.8	17.4	16.9	27.3
	Others	158	70.3	15.8	15.8	3.8	21.5	12.0	30.4	3.2	3.8	22.2	9.5	20.9	16.5	29.7
	Do not know	21	38.1	9.5	9.5	4.8	9.5	4.8	19.0	—	—	9.5	—	4.8	4.8	61.9
Size of enterprise (number of employees)	29 or fewer employees	894	56.8	16.6	19.9	1.9	18.1	8.4	12.8	0.3	3.1	10.6	8.4	6.7	10.2	43.2
	30 to 299 employees	1,314	70.8	16.7	17.6	3.3	22.0	15.6	25.3	1.9	6.5	18.8	9.5	17.7	21.5	29.2
	300 to 999 employees	550	76.9	17.8	14.5	4.7	22.7	18.5	38.9	3.8	9.1	24.4	10.0	30.0	32.7	23.1
	1,000 or more employees	1,102	86.3	16.8	21.4	5.3	23.5	20.0	51.2	5.7	11.5	30.0	11.4	40.0	41.0	13.7
	Do not know	447	56.6	20.8	22.1	1.8	19.0	9.2	14.3	0.4	2.7	7.8	6.9	6.9	10.7	43.4
Region of residence	Tokyo metropolitan area	1,325	78.0	20.0	22.0	3.7	26.8	16.5	40.2	3.4	7.8	26.9	9.9	24.8	24.2	22.0
	Chubu or Kansai area	1,475	70.8	16.5	18.0	3.4	19.5	15.1	29.6	2.5	8.3	18.6	9.0	20.3	23.5	29.2
	Others	1,507	65.6	15.5	17.7	3.6	18.4	13.4	21.2	2.1	5.1	14.1	9.8	20.0	25.7	34.4
Type of employment	Regular employees	2,848	74.6	15.1	16.7	3.8	20.1	17.2	37.3	3.5	8.8	24.2	9.6	27.4	30.6	25.4
	Non-regular employees (total)	1,459	64.5	21.4	23.9	3.0	23.8	10.5	15.4	0.9	3.6	10.6	9.6	10.2	12.5	35.5
Breakdown of non-regular employees	Part-time workers and arbeit (temporary workers)	1,042	60.8	23.6	26.5	2.4	21.7	9.9	7.0	0.6	2.0	4.9	9.8	5.8	7.2	39.2
	Contract workers and shokutaku (entrusted workers)	277	73.6	13.4	17.3	4.7	26.7	13.7	37.2	1.8	7.9	25.3	9.7	23.5	29.6	26.4
	Dispatched workers	140	73.6	20.7	17.9	4.3	33.6	8.6	35.0	1.4	6.4	23.6	7.9	17.1	17.9	26.4

Table 5. Determinants relating to “implementing work at home/telecommuting”

Explanatory variables:	Explained variable: “Implementing work at home/telecommuting”=1							
	Model 1		Model 2		Model 3		Model 4	
	B	S.E.	B	S.E.	B	S.E.	B	S.E.
Type of employment dummy variables (Regular employees)								
Non-regular employees	−1.140	.092***	−.794	.100***	−.813	.111***	−.722	.138***
Main industrial category of employer dummy variables (Others)								
Construction	−.310	.231	−.466	.244	−.286	.266	−.267	.332
Manufacturing	.051	.193	.351	.210	.085	.230	.075	.295
Electricity, gas, heat supply and water	−.196	.320	−.329	.333	−.658	.369	−.561	.445
Information and communications	1.780	.242***	1.452	.252***	1.363	.274***	1.359	.343***
Transport	−.797	.239**	−.001	.272	−.380	.294	−.219	.358
Wholesale and retail trade	−.601	.209**	−.721	.225**	−.666	.245**	−.603	.311
Finance and insurance	.640	.226**	.409	.237	−.147	.262	−.055	.326
Real estate	.118	.278	−.114	.291	.011	.317	−.072	.380
Accommodations, eating and drinking services	−1.973	.407***	−1.622	.426***	−1.582	.449***	−2.087	.622**
Medical, health care and welfare	−2.345	.257***	−2.614	.267***	−2.748	.294***	−2.418	.385***
Education, learning support	.872	.255**	.630	.266*	.542	.300	.273	.373
Postal services, cooperative associations	−1.645	.634*	−1.600	.649*	−2.387	.787**	−1.776	.840*
Services	−.305	.203	−.152	.219	−.045	.239	−.032	.306
Occupational classification dummy variables (Others)								
Administrative and managerial workers (section manager level or higher)			1.509	.289***	1.257	.307***	.750	.348*
Professional and engineering workers			1.096	.277***	.855	.295**	.706	.336*
Clerical workers			.857	.269**	.755	.287**	.586	.326
Sales workers			.643	.283*	.449	.301	.254	.341
Service workers			−.259	.310	−.405	.331	−.397	.376
Security workers			−.974	.791	−1.637	.811*	−1.626	.838
Production/skilled workers			−.892	.307**	−1.030	.326**	−1.149	.375**
Transport and machine operation workers			−1.290	.477**	−1.278	.494**	−1.350	.542*
Construction and mining workers			−.402	.533	−.097	.554	−.294	.671
Carrying, cleaning, and packaging workers			−2.474	.644***	−2.790	.773***	−2.552	.794**
Size of enterprise dummy variables (30 to 299 employees)								
29 or fewer employees					−.833	.133***	−.718	.154***
300 to 999 employees					.665	.127***	.634	.149***
1,000 or more employees					1.059	.105***	.966	.123***
Final level of school education dummy variables (Specialized training college/junior college graduate)								
Junior high school/high school graduate							−.234	.150
University/graduate school graduate							.442	.133**
Household income for the past 1 year dummy variables (5 million to less than 7 million yen)								
Less than 3 million yen							−.541	.186**
3 million yen to less than 5 million yen							−.167	.137
7 million to less than 9 million yen							.183	.151
9 million yen or more							.416	.145**
Constant	−.287	.183	−.982	.316**	−.981	.346**	−.945	.431*
N	4286		4229		3825		2772	
−LL2	4384.122		3985.392		3475.624		2566.921	
χ^2	849.153***		1196.960***		1313.878***		1041.690***	
Cox-Snell R2	0.180		0.247		0.291		0.313	
Nagelkerke R2	0.255		0.349		0.407		0.430	

Note: Parentheses indicate reference groups. ***: p<0.001, **: p<0.01, *: p<0.05

in the May Survey and who were employees of private enterprises at all of the survey times (N=1,270). Approximately 70% (68.9%) responded

“not engaging in” work from home/telecommuting for the normal month. This percentage decreased conspicuously in the second week of April (25.1%)

and second week of May (6.3%). Correspondingly, the percentages of “1 or 2 days” per week (14.6% for the normal month, 30.1% for the second week of April, and 38.0% for the second week of May), “5 days (or more)” (likewise, 11.7%, 25.8%, and 0.9%), and “3 or 4 days” (4.8%, 19.0%, and 24.8%) all rose.

Furthermore, let us look at the situation how much employment-related initiatives were taken by companies by respondents’ occupation. “Administrative and managerial workers (section manager level or higher)” (60.3%), “professional and engineering workers” (38.6%), and “clerical workers” (37.3%) had higher percentages, while “carrying, cleaning, and packaging workers” (1.8%), “security workers” (8.3%), “transport and machine operation workers” (8.7%), and “service workers” (10.1%) had lower percentages. A tendency is seen whereby the percentage of “not making any responses” increased in line with smaller enterprise sizes, while, conversely, the percentage of enterprises implementing most initiatives rose in line with larger enterprise sizes. Especially at responses of “implementing work from home/telecommuting,” the percentage was more than half (51.2%) for employees of enterprises with “1,000 employees or more,” while those with “29 or fewer employees” only reached about 10% (12.8%). In other words, industries, occupations, and sizes of enterprise (number of employees) that could accommodate work from home/telecommuting were seen. Work from home/telecommuting had difficulty gaining ground among non-regular employees. It is possible there was an aspect of this that easily led to “decreased workdays and working hours (and, as a result, “decreased income”).”⁹ Regarding this point, a binomial logistic regression analysis that sets “implementing work at home/telecommuting”¹⁰ as the explained variable shows that the applicability of industrial categories and occupational classifications is extremely good, and even when they are controlled, the negative effect of “non-regular employees” has significance at the 0.1% level (Table 5).

IV. Impacts on “freelance workers”

1. 64.6% of freelance workers indicated “there was an impact.”

The total of 580 freelance workers responded to this survey. When asked whether there was a COVID-19-associated impact on work (business activity) and income, approximately one-third of freelance workers responded “there was a major impact” (33.6%). When combined with “there was some degree of impact” (31.0%), the percentage responding “there was an impact” exceeded 60%, surpassing the percentage of non-regular employees among employees of private enterprises. Looking at the specific “impacts” (multiple responses allowed), over half of them responded “impact on business performance (decrease or increase in net sales/income)” (52.8%). This was followed by “reduction or loss of new orders or customers” (25.3%), “cancellation or postponement of ordered jobs (including events and tours)” (21.9%), “suppression or suspension of business activity (production, sales, service)” (17.1%), “suspension/scaling back of business or bankruptcy of client” (14.1%), and “deteriorating cash flow” (10.9%).

2. “Less than 15 hours” (including “did not work”) increased for freelance workers in a manner similar to non-regular employees.

Among freelance workers who answered that they were “self-employed (including piecework)” at all of the survey times (N=498), the percentage responding that the hours worked per week (including overtime) were “less than 15 hours” (including “did not work”) rose conspicuously in the second week of April (26.3%) and second week of May (30.7%), compared to the normal month (12.0%). Thus, the percentage rose to exceed 30%, which is similar to the percentage seen for non-regular employees.

It should be noted that when the survey asked freelance workers (N=580) whether they were taking any actions in their jobs based on either a request from the national or local government or voluntarily (multiple responses allowed), more than two-thirds indicated they were taking some kind of action. Their responses included “use/provision of masks and alcohol-based disinfectants” (38.3%), “reduction of work” (22.2%), “cancellation/self-restraint in holding events, gatherings, meetings, get-togethers,

Table 6. Areas where particular anxiety was felt in terms of daily life from the time that COVID-19 crises began until the present time (as of the survey time in May)

(%)

		N	Total of “felt anxiety”	(Up to 3 responses allowed)															Did not feel any particular anxiety Do not want to answer	
				Inability to see when infections will abate	Inability to get accurate information	Shortages of supplies to prevent infection (masks and alcohol-based disinfectants)	Shortages of daily necessities	Person/facility to watch child during school closure	Effect on child's education due to absence from school	Visiting hospital/hospitalization due to own or family member's chronic disease, etc.	Participating in or organizing trips, events, important ceremonial occasions, etc.	Government's response in controlling infections	Prolonged/worsening economic recession	Difficulty in daily life associated with decreased income	Others					
		4,887	88.7	58.7	14.2	30.6	7.2	2.9	12.7	8.3	13.3	15.6	37.1	22.3	1.2	8.2	3.0			
Sex	Male	2,722	84.7	55.7	14.7	27.4	6.8	2.6	11.6	6.1	12.1	14.3	36.6	21.2	0.9	11.6	3.7			
	Female	2,165	93.8	62.4	13.7	34.6	7.8	3.3	14.0	11.2	14.7	17.3	37.7	23.6	1.5	4.1	2.2			
Age group	20-29 years old	830	85.1	58.9	16.9	28.6	8.1	1.7	1.9	5.3	18.9	13.6	29.8	25.1	0.7	9.0	5.9			
	30-39 years old	1,078	88.1	56.1	14.9	28.0	8.0	6.5	15.0	7.3	11.7	12.9	33.2	23.2	1.1	8.9	3.0			
	40-49 years old	1,398	88.6	57.6	12.9	29.5	7.1	3.4	22.6	6.9	9.7	14.8	37.5	22.2	0.9	8.8	2.6			
	50-59 years old	1,130	91.6	60.7	13.2	35.0	6.7	0.9	10.4	11.5	13.3	18.9	43.2	20.8	1.9	6.2	2.2			
	60-69 years old	451	90.0	63.0	14.2	33.3	5.5	—	1.8	13.1	18.0	20.0	43.7	19.1	1.3	8.6	1.3			
Region of residence	Tokyo metropolitan area	1,505	89.1	59.8	15.1	27.6	8.4	2.3	11.2	7.8	13.0	16.1	38.0	25.2	1.1	7.8	3.1			
	Chubu or Kansai area	1,668	88.2	56.5	14.1	29.4	7.3	3.2	14.1	8.6	14.0	16.0	36.6	20.8	0.9	8.2	3.5			
	Others	1,714	88.9	59.9	13.5	34.4	6.1	3.1	12.5	8.6	12.8	14.8	36.8	21.2	1.5	8.7	2.5			
Type of employment	Regular employees	2,848	87.6	59.1	14.9	29.5	7.7	3.6	13.0	7.1	14.1	15.1	35.7	17.3	0.9	9.2	3.2			
	Non-regular employees (total)	1,459	91.2	60.5	13.2	36.0	6.9	2.3	14.3	10.3	12.3	16.4	35.8	26.1	1.7	6.4	2.3			
	Freelance workers	580	88.1	52.2	13.3	22.8	5.5	0.9	7.1	9.8	11.7	16.0	47.2	37.4	1.2	7.9	4.0			
Breakdown of non-regular employees	Part-time workers and <i>arbeit</i> (temporary workers)	1,042	91.9	59.6	13.5	36.7	7.3	3.0	17.2	10.2	11.6	16.3	33.4	28.2	1.6	5.8	2.3			
	Contract workers and <i>shokutaku</i> (entrusted workers)	277	89.5	63.2	12.6	36.1	6.5	0.4	6.9	12.6	16.6	19.1	41.2	17.3	2.2	7.6	2.9			
	Dispatched worker	140	89.3	61.4	12.1	30.7	5.0	1.4	7.9	6.4	8.6	11.4	43.6	27.9	1.4	9.3	1.4			
Income of household for the past 1 year	Less than 3 million yen	765	88.2	57.4	14.1	30.6	6.9	1.6	6.8	9.9	11.5	14.1	35.0	28.9	1.4	8.9	2.9			
	3 million yen to less than 5 million yen	1,060	89.5	58.4	14.8	30.0	8.0	2.6	11.1	9.1	13.2	14.6	37.2	24.9	1.3	8.7	1.8			
	5 million to less than 7 million yen	940	90.7	58.8	14.9	29.9	8.4	3.4	17.6	8.8	14.3	15.1	38.8	21.3	1.2	7.7	1.6			
	7 million to less than 9 million yen	558	92.1	60.0	15.1	31.9	5.4	4.8	19.0	8.4	13.6	16.1	39.8	18.6	1.1	7.2	0.7			
	9 million yen or more	691	90.2	60.5	12.9	30.5	5.8	3.9	16.2	6.8	16.4	18.4	41.2	14.2	0.6	8.5	1.3			
	Do not know	873	82.7	57.8	13.4	31.4	7.6	1.7	7.6	6.8	11.2	16.2	32.1	23.3	1.3	8.2	9.0			

etc.” (21.2%), and “suspension of business (e.g., shutdown, closure, etc.) or increase of non-business days” (18.3%). On the other hand, the percentage of respondents who indicated “implementing work from home/telecommuting” reached only 17.9%.¹¹

The survey asked freelance workers who answered that they were “self-employed (including piecework)” at all of the survey times (N=498) about what happened to their net sales from work (business activity) as a result of the effects of COVID-19 (including the postponement of the Tokyo Olympic and Paralympic Games).¹² With a normal month prior to the emergence of the COVID-19 crisis considered to be 100%, the percentage responding “over 75-100% or less” vis-à-vis net sales for March to projected net sales for May fell (March: 62.4%, April: 49.2%, and May: 32.9%), while the percentage responding “25% or less” (likewise, 12.0%, 19.3%, and 24.5%) and “over 25-50% or less” (12.0%, 16.5%, and 16.8%) rose correspondingly.¹³

V. Findings from the results of the survey of all valid respondents

Anxiety about decreased income rose among freelance workers, non-regular employees, and those with lower household incomes.

When the survey asked all valid respondents (the total of employees of private enterprises+freelance workers: N=4,887) whether they felt particular anxiety in terms of their daily lives, besides their “own or family member’s infection,” from the time that COVID-19 infections began until the present time (up to 3 responses accepted), more than half responded “inability to see when infections will abate” (58.7%) and more than one-third responded “prolonged/worsening economic recession” (37.1%) (Table 6). These were followed by “shortages of supplies to prevent infection (masks and alcohol-based disinfectants)” (30.6%) and “difficulty in daily life associated with decreased income” (22.3%). As a whole, more than 80% of respondents indicated that they felt anxiety.

Looking at this by attributes, the percentage of respondents indicating they felt anxiety was higher for females than males. Additionally, the

percentage rose with older age groups, with those of “prolonged/worsening economic recession,” “government’s response in controlling infections” and “visiting hospital/hospitalization due to own or family member’s condition” being high, while that of “difficulty in daily life associated with decreased income” rose with younger age groups. A tendency is seen whereby the percentage of respondents who responded “difficulty in daily life associated with decreased income” is higher for non-regular employees and even higher for freelance workers, than regular employees, and whereby this same percentage rises with lower levels of income of household for the past 1 year.¹⁴

VI. Conclusion

A number of measures were established with the enactment of the Act on Temporary Special Provision concerning Employment Insurance on June 12. They include enabling a program for payment of “the support fund and for the leave forced to be taken under the COVID-19 outbreak” to insured people who were unable to receive an allowance for temporary leave; raising the per-person daily subsidy amount to 15,000 yen (from 8,330 yen); raising the subsidy rate for SMEs who endeavored to maintain employment without dismissals, etc., to a uniform 10/10; and extending the emergency response period until September 30.

Although life is slowly returning to normal as a result of the state of emergency’s total lifting, COVID-19’s effects on employment must continue to be watched. The “new lifestyles” recommended by the Novel Coronavirus Expert Meeting are beginning to spread. JILPT intends to continue ascertaining how the COVID-19 crisis is changing our jobs, daily lives, and society.

1. The first round of special measures for the Employment Adjustment Subsidy was implemented on February 13, followed by a second round implemented on March 10. Since then, the program has undergone a series of large-scale upgrades that include the relaxation of requirements for employer and indices of production/employment, expansion of employment insurance coverage to include people who are not covered, raising of subsidy rates, and simplification of application procedures.

2. All percentages (%) indicated in this report have been

rounded off to the first decimal place. Additionally, because total percentages are calculated from the total “N” number, the total of breakdown items may not necessarily amount to 100%, and total percentage may not necessarily match the total of breakdown item percentages.

3. RENGO-RIALS, “Immediate Report concerning COVID-19, 39th Short-Term Survey of Workers in Japan” (issued on April 14, in Japanese) (<https://www.rengo-soken.or.jp/work/>).

4. The Ministry of Internal Affairs and Communications’ *Labour Force Survey* also shows that the number of unemployed persons as of April 2020 grew by 130,000 compared to the same month of the previous year to reach just 1.89 million, but the number of “employed persons not at work” among all employed persons grew by 4.2 million compared to the same month of the previous year to 5.97 million. This is the highest such number ever recorded and roughly 4 times that seen during the 2008 financial crisis. For more detail, see Masayuki Nakai, “The novel coronavirus’s impact on the labor market: the number of unemployed has risen slightly, but the number of employed persons not at work has risen substantially and the amount of utilized labor has fallen by 10 percent” (issued on May 29, available only in Japanese) (<https://www.jil.go.jp/tokusyu/covid-19/column/012.html>).

5. See Masayuki Nakai, “Employment Trends and Employment/Labor Measures of Japan Affected by Spread of COVID-19,” *Japan Labor Issues*, vol.4, no.24, July 2020, <https://www.jil.go.jp/english/jli/documents/2020/024-03.pdf>.

6. Looking at how the weekly hours worked changed from the normal month up to the second week of May (changes within the response options [counted in five-hour blocks] are not taken into account), when all responses for regular employees and non-regular employees are considered to be 100%, the percentages of responses indicating that working hours was the same as the normal month were 57.5% and 54.9%, respectively, and the percentages indicating that it had decreased were 38.3% and 41.4%, respectively. Thus, no significant difference is observed between the two groups. However, in the case of regular employees the changes of (1) 45-50 hours→40-45 hours (5.6%), (2) 40-45 hours→35-40 hours (4.0%), and (3) 40-45 hours→30-35 hours (2.7%) were large, while in the case of non-regular employees, the changes of (1) 15-20 hours→less than 15 hours (including “did not work”) (7.3%), (2) 20-25 hours→less than 15 hours (3.9%), (3) 35-40 hours→less than 15 hours (2.6%), and (4) 20-25 hours→15-20 hours (2.5%) were large.

7. Moreover, according to Koji Takahashi, “Decreased Working Hours and Impact on Wages: A Look Back at the Novel Coronavirus’s ‘First Wave’ in Japan,” *Japan Labor Issues*, vol.4, no.26, October 2020 at <https://www.jil.go.jp/english/jli/documents/2020/026-01.pdf> (originally released in Japanese and on June 18, 2020 at https://www.jil.go.jp/researcheye/bn/037_200618.html), it is clear that it was females (rather than non-regular employees) who lost working hours and that decreased working hours tended to link more directly to decreased income for part-time workers and dispatched workers.

8. According to Yanfei Zhou, “The Coronavirus’s Lopsided Effects on Women: Converting Predicament into Opportunity with Work-Style Reform,” forthcoming in *Japan Labor Issues* (originally released in Japanese on June 26 at https://www.jil.go.jp/researcheye/bn/038_200626.html), it is clear that employees

who are engaged in telecommuting have a conspicuously low percentage of employed persons not at work, and that the percentage of employed persons not at work decreases for males and females without a minor child as a result of telecommuting.

9. Shinnosuke, Kikuchi Sagiri, Kitao, and Minamo, Mikoshiba, “Heterogeneous Vulnerability to the COVID-19 Crisis and Implications for Inequality in Japan” (RIETI Discussion Paper Series 20-E-039, April 2020) points out that “in industries such as services that involve face-to-face interactions, the impact on workers engaged in occupations that present difficulties in terms of work from home is thought to be large.” Moreover, looking at industry and occupation, non-flexible and social industries/occupations, which are the most vulnerable types in a crisis, account for about one-fourth of all employees. Such employees are concentrated in relatively low income levels; namely, females in terms of gender, non-university graduates in terms of education level, and non-regular employees in terms of employment type.

10. The question refers to action taken by the respondent’s employer and therefore whether or not the action is being applied to the respondent personally does not matter. However, the question is used in this paper for analysis because it is thought that, for example, there is little advantage in terms of management to be gained by also telling non-regular employees about “work from home/telecommuting” when it will only be applied to regular employees.

11. Measures such as “support the development of remote-work environments for freelance workers are incorporated into the “second interim report (draft)” of the “Planning Meeting on a Social System Oriented to All Generations” (June 25).

12. For projected May net sales, aggregation was based on N=376 after exclusion of “do not know” (24.5%).

13. In connection with the COVID-19 crisis, “allowances in response to primary school closures, etc.” will also be paid to freelance workers who are unable to do the work required by outsourcing agreements due to having to care for a child. Keiichiro Hamaguchi, “Spread of the Novel Coronavirus and the Future of Japanese Labor Policy,” *Japan Labor Issues*, Vol. 4, No. 24, July 2020, makes several important points here, including that “the ‘financial support’ package that suddenly emerged as a COVID-19 countermeasure may be unexpectedly preceding in part of the policy governing ‘employment-like workingstyles’” (<https://www.jil.go.jp/english/jli/documents/2020/024-01.pdf>).

14. OECD Economic Outlook, “Issue Note 4: Distributional risks associated with non-standard work: Stylised facts and policy considerations” (June 2020) also notes that the widespread stagnation of economic activity associated with efforts to contain COVID-19 poses a direct risk to so-called non-standard workers (i.e., part-time workers, fixed-term contract workers, and the self-employed) who work short hours or irregularly for low wages and who do not satisfy the requirements for accessing social protection.

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Research on Job Search Interventions: Examination of the Feasibility of a Cyclical Self-Regulatory Model of Job Search Process Quality

KAYANO Jun

I. Introduction

Since the 1970s, psychologists have been focusing on the psychological mechanisms of job seekers to clarify how job seekers can find jobs that lead to stable employment, and based on their results, they have been examining what kinds of support should be provided to increase the possibility of finding employment through on-the-job research.¹ The former focus of the study is referred to as “job search,” and that of the latter “job search interventions.” When applied to services provided for job seekers through “Hello Work” (public employment security offices), examples of job search interventions include personalized services such as career counseling duties and group services such as orientation meetings and job search support seminars for unemployment insurance recipients.

Starting in the 2000s, major researchers in the job search field cooperated, incorporating the latest research results and taking into account the results of previous research in the same field, in proposing a cyclical self-regulatory model of job search process quality (see Figure 1) that provides overall guidelines for job search.² This model emphasizes self-regulation, which entails job seekers “thinking for themselves and finding jobs.” This does not mean that job seekers carry out job searches all by themselves. Self-regulatory job search also consists of seeking help from others, such as staff of “Hello Work” and friends and acquaintances, if necessary.

The JILPT (2020) Research on Job Search Interventions, JILPT Research Report No. 203 (referred to below as “the report”) examined the

feasibility of a cyclical self-regulatory model of job search process quality at Hello Work, with the cooperation of Hello Work staff who participated in the workshops held at the Labour College.³ Having reviewed the research on job search, we report the results of the study here.

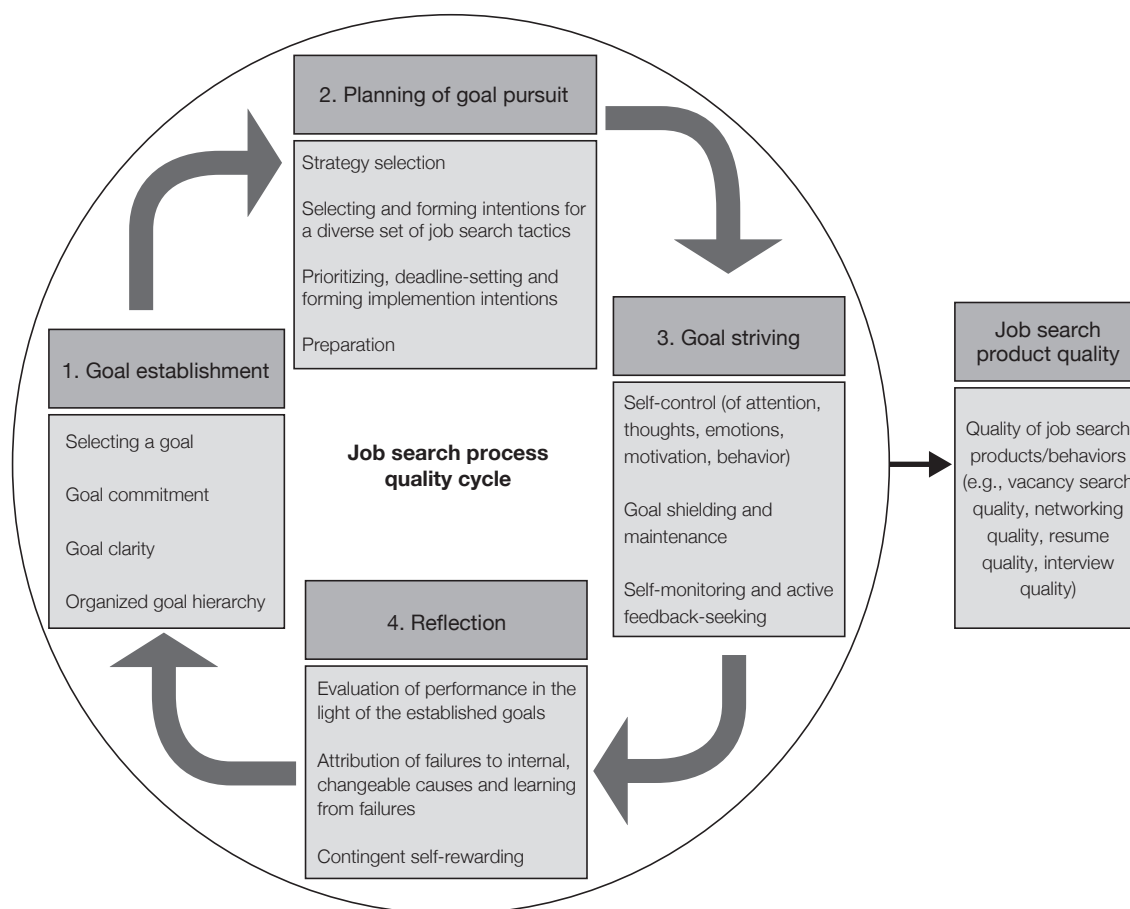


II. Research on psychological mechanism during job search

A cyclical self-regulatory model of job search process quality systematically shows the development of self-regulation, and specific cognitive skills, such as how individuals utilize psychological mechanisms that enable them to think for themselves and find jobs (see Figure 1).

Here “cognitive” refers to individuals perceiving objects in their environment through sensory organs such as the eyes and ears and using that information for psychological mechanism such as inference, i.e., assessing their current situation or predict what will happen next. In terms of job search, this applies to a sequence of psychological mechanism in which unemployed people perceive their unemployment and selectively assess how to deal with it.

“Cognitive skills” are abilities related to the psychological mechanism that can be acquired through experience and training, and are effective in securing employment. For example, psychology has revealed that the more specific a goal is, the more likely it is to be achieved.⁴ When these findings are applied to job search interventions, the result is a



Source: Van Hooft, Wanberg & van Hoye (2013: 10–30)

Figure 1. Cyclical self-regulatory model of job search process quality

support policy that aims to clarify what kind of job a job seeker wants to do. For example, cognitive skills constitute the concrete know-how that clarifies an image of the desired job.

III. Evolution of approaches to job search interventions

Currently, in research on job search interventions, there is consensus that the basic approach is to support job seekers so that they can acquire self-regulation, thinking for themselves, and finding jobs autonomously, as seen in the cyclical self-regulatory model of job search process quality. The historical background leading to this conception is as follows.

1. The roots of research on job search interventions: Unemployment research during the Great Depression

The roots of research on job search interventions extend back to unemployment research during the Great Depression of the 1930s. Research at this time was widely carried out by field researchers who visited areas suffering from high rates of unemployment, observed the lives of the unemployed while living among them as members of the community, and interviewed them.

At this time, there were already two basic approaches to job search interventions, namely environment-centered and people-centered. Jahoda et al. conducted a field study immediately after the simultaneous closures of a large-scale factory in the Austrian industrial village of Marienthal and

related factories in industrial areas of Austria and investigated the impact on the physical and mental state of unemployed workers and their families.⁵ Their conclusion was that unemployment had a negative impact on the psychology of individuals, and it was difficult for unemployed individuals to change their situation unless aspects of their environment, such as their employment situation, improved. This approach later evolved into models in which support for job seekers was centered on their environment (such as “deprivation theory” and the “vitamin model.” Details are given in Chapter 2 of the Report).

Around the same time, Bakke conducted a field survey of working-class families living in the community of Greenwich in south-east London, UK.⁶ He found that among unemployed people, skilled workers were happy to find and carry out jobs related to their skills even if they were not paid accordingly, whereas unskilled workers were not willing to work at all without what they considered appropriate payment.

These findings seem to indicate that the psychological effects of unemployment differ depending on how unemployment is perceived, and differences in perception depend on work experience up to that point. This idea later evolved into person-centered approaches to supporting job seekers (“agency theory” and applied research from general psychology, etc. Details are in Chapter 2 of the Report). After World War II and the postwar reconstruction period, the economy improved, and the unemployment rate declined, and unemployment research fell by the wayside.

2. Applied research based on general psychology theory: Toward behavior, cognition, and metacognition

In the 1970s and 1980s, as unemployment rates worsened due to economic stagnation in the United States and other developed countries, unemployment research once again became the focus of attention. During this era, however, due to the enhancement of the social security system, including unemployment insurance and other elements, the social environment

was improved to the extent that absolute poverty (“malnutrition to the extent that physical strength cannot be maintained, lack of clothing and housing to the point of freezing to death”⁷) could be avoided, and more psychological factors as reflected by the people-centered approaches took on relatively more significant importance. In this process, the general psychology theories were applied, and job search and research on support for it became the focus of attention.

The core of job search intervention theory followed general psychology theory and evolved from the 1970s learning model to the 1980s cognitive model to a socio-cognitive model in the 2000s. To explain each of these: the learning model was popularized in the 1970s, and it remains the basic approach to job search interventions. The idea is that people can change through learning, and it is also known as behaviorism. At the other end of the spectrum of the theory is nativism, which holds that “human beings are strongly influenced by their predispositions and genetics, and do not change.”

In the learning model, unemployed people have difficulty finding new jobs simply because they have not learned effective behaviors for job search, and if they can master such behaviors, they are more likely to find employment. For this reason, job search interventions include programs that teach job search practices advantageous for employment, such as writing a resume that conveys your strengths to employers who are hiring, and facial expressions, gestures, and ways of speaking that lead to positive evaluations at interviews (for example, the “job club” (Azrin et al., 1975. For details, see Chapter 3 of the Report).

In the 1980s, the scope of the study was deepened from job-seeking behavior advantageous for employment to the cognition that produces the job-seeking behavior: “If you change your mind, your behavior will change as well.” Job search interventions based on this theory focus on programs that work on the psychological mechanism of job seekers (such as the “JOBS-program” or “self-efficacy workshop.” For details, see Chapter 3 of the Report).

For example, job seekers who have lost confidence due to experiencing unemployment or lack of job search success may change their cognition, such as noting points that have improved compared to previous job searches, gain more confidence, and as a result, decide to take a proactive approach to job search, which will increase their chances of finding employment.⁸

In the 2000s, the socio-cognitive model came to be dominant (note that this is different from Bandura's social cognitive theory. For details, see Chapter 3 of the Report). This model focuses on individual cognition in social situations, and cognition is conceived as a form of information processing. Specifically, it is a series of processes in which an individual inputs information from their environment, goes through multiple processing steps (attention, perception, judgment, information retrieval, and so on), and the result is output in the form of action on the environment.

In the socio-cognitive model, psychological adjustment mechanisms for environmental adaptation are emphasized through the active incorporation of environmental factors surrounding job seekers in their search for employment. Differences between the cognitive model and job search interventions can easily be understood when their objectives are compared. In the cognitive model, the goal is learning cognitive skills that increase one's chances of finding a job. On the other hand, in the socio-cognitive model, the goal is the acquisition of the ability to select appropriate cognitive skills according to changes in the employment environment. This is known as metacognition.

Metacognition is "cognition of cognition."⁹ It is the process of objectively reconsidering one's own judgments and choices in the manner of a third party. For example, if you are a job seeker who feels unable to actively search for jobs due to experiences with unemployment or poor job search performance, your psychological processes operating at a deep level may make the judgment that "even if I apply for a job, I'm sure to be rejected." When you realize that this judgment has a negative effect on employment potential, which is metacognition at work, a higher

dimension of cognition is required, and the cyclical self-regulatory model of job search process quality is in line with this way of thinking.

IV. Feasibility considerations for the cyclical self-regulatory model of job search process quality

1. The cyclical self-regulatory model

As shown in Figure 1, in the cyclical self-regulatory model of job search process quality, the job search process is divided into four stages: "Goal establishment," i.e., expression in the specific language of "what kind of job I want to do" and "how I want to work;" "Planning of goal pursuit" to achieve this goal; "Goal striving" in which the plan is put into action; and "Reflection," entailing looking back on one's job search after learning results such as whether one passed or failed screening of job application forms and whether or not one received notice of hiring. By cyclically repeating these four processes, job seekers are able to improve the quality of their job searches.

The quality of job searches forms a basis for employers' judgments as to whether or not to hire a person, with employers likely to select individuals whose search quality has reached a sufficient level. For example, from an employer's perspective, the questions are, "Is this the right person for the job?" "Does this resume make me want to hire the person?" "During the interview, is the person able to answer questions in a manner that makes me think I would like to work with them?" For each of these four stages, points for improving the quality of job search are offered (for details, see Chapter 5 of the Report).

The following four significant merits of the cyclical self-regulatory model of job search process quality can be cited.

The first is its incorporation of the labor market as a social context. Psychologists focus on human psychological mechanisms, and a resulting drawback is the field's blurring of the social context in which a person is placed. In particular, psychologists involved in labor have continually been faulted for their neglect of attention to social contexts such as

the employment system and the labor market.

The cyclical self-regulatory model of job search process quality presents one solution to this problem. The idea is to incorporate the perspectives of the potential employer into the psychological mechanism of the job seeker. The macro-level of the employment system and labor market does not directly affect the psychological mechanisms of job seekers, but job seekers do regulate their job-seeking behavior by being aware of potential employers' viewpoints, and this cognitive process appears to be influenced by the employment system and labor market. From the standpoint of supporters who encourage adaptation to the environment, the point is that how to make job seekers aware of employers' perspectives.

Second, the model explains the motivational mechanisms of job search. The most significant success factor in the job search that leads to employment is persistence, i.e., continuing to seek a job until one is secured.¹⁰ From the supporters' perspective, it is vital that job seekers do not lose their willingness to search for a job until one is found.

Crucial to the cyclical self-regulatory model of job search process quality is job seekers' dealing head-on with the job search process, clarifying their desires and needs concerning what kind of job they want to do and how they want to work at the "Goal establishment" stage and considering their job-seeking behavior from the perspectives of potential employers during the "Goal striving" stage. When job seekers are aware of the gap between their wishes or needs and reality, to put it simply, it becomes a driving force of job search as they become cognizant that "if I do not take action, I cannot fulfill my wishes or needs."

Third, the cyclical self-regulatory model of job search process quality is designed as a management cycle and is easy for both job seekers and their supporters to adopt. The "PDCA cycle" (plan-do-check-act) is well known as a management cycle, and the idea is that goals can be achieved by repeating this cycle. When we are aware of this cycle, we have a mechanism that allows us to

recognize what needs to be done next. The cyclical self-regulatory model of job search process quality can be called a management cycle that circulates in a similar way, which could be summarized as "set goal-plan-act-reflect."

However, the most significant difference is the inclusion within this management cycle of the setting of goals that express individual desires. Generally speaking, organized workers' goals are stipulated to some extent before they are set, depending on the medium- to long-term goals of the organization to which they belong and the annual targets of their workplaces. This is not the case for unemployed people who are not part of an organization. If they do not take the initiative in setting goals, they cannot efficiently approach the search for a job.

Recently there has been a focus on career self-regulation in career development within organizations.¹¹ Career self-regulation is defined as a "(personal) life-long commitment to developing one's career and continuing to learn new things in a rapidly changing environment." (Hanada et al. 2003).¹² In order to achieve career self-regulation, it is important for individuals to be aware of their desires and needs, such as what they want to do and be. A stage similar to the "Goal establishment" of the cyclical self-regulatory model of job search process quality is critical even among organized workers.

Fourth is the clarification of the cognitive skills necessary for job search from the perspective of metacognition. At the self-regulatory model stage of "Goal establishment," it is essential for job seekers to have a subjective awareness of their desires and needs, such as what kind of job they want to do and how they want to work. During the stage of pursuing goals, it is necessary to have skills at the level of metacognition to examine one's job-seeking behavior from potential employers' point of view. From the standpoint of supporters, a key goal of support is for the job seeker to shift from their subjective perspective to an objective perspective that is conscious of those who are doing the hiring, which is from cognition to metacognition.

2. Feasibility considerations

To examine the feasibility of the cyclical self-regulatory model of job search process quality at Hello Work offices, Evening Session workshops, which are voluntary extracurricular training sessions for Hello Work staff held at the Labour College, were utilized to conduct two types of training programs that outline the approach and know-how of the model, “Employment Support for Welfare Recipients” and “Frontiers in Job Search Intervention Research,” and questionnaires were administered to determine whether the model is effective in promoting career counseling work by participants, i.e., staff at Hello Work offices.

With regard to both training programs, most participants responded that they understood the concept of the cyclical self-regulatory model of job search process quality and obtained information and know-how that were useful for their career counseling duties (See Figure 2 and 3).

In addition, to examine the feasibility of the cyclical self-regulatory model of job search process quality, career counseling TIPs* were created so as

to apply the desirable job search criteria specified by that model to the know-how used for career counseling duties, and participants were asked to assess the TIPs.

*Career counseling TIPs are defined as “small techniques for choosing expressions and little devices for phrasing words.”¹³

The findings were that almost all TIPs were assessed as being useful on the job (see Figure 4). Regarding on-the-job utilization, a majority of participants responded that it was not difficult to utilize six out of the eight TIPs in their duties. In comparison, the other two TIPs were evaluated by a majority of participants as raising job seekers’ awareness of their impatience or anxiety and the problems they were facing and it is difficult to apply effects on the job (see Figure 5).

V. Key future task

From the findings of this research, we were able to gain a picture of the on-the-job feasibility of the cyclical self-regulatory model of job search process quality. Although this is a model developed by

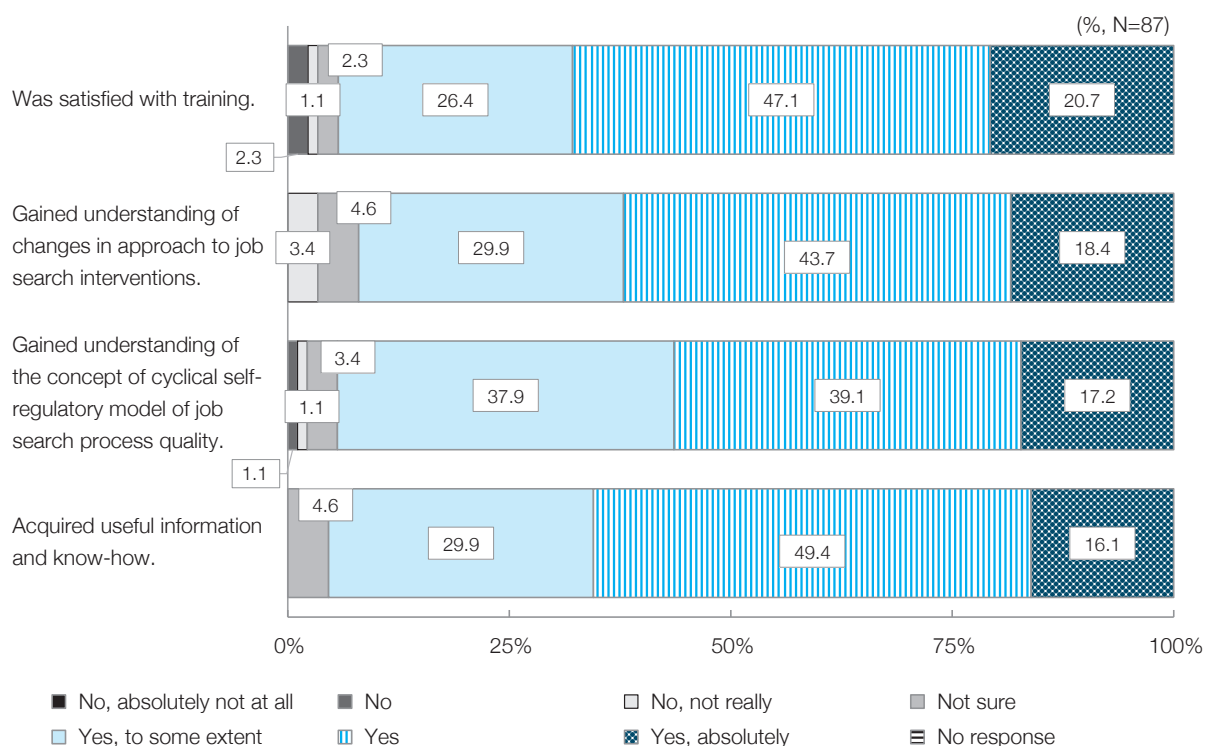


Figure 2. Assessment of Evening Session workshop “Employment Support for Welfare Recipients”

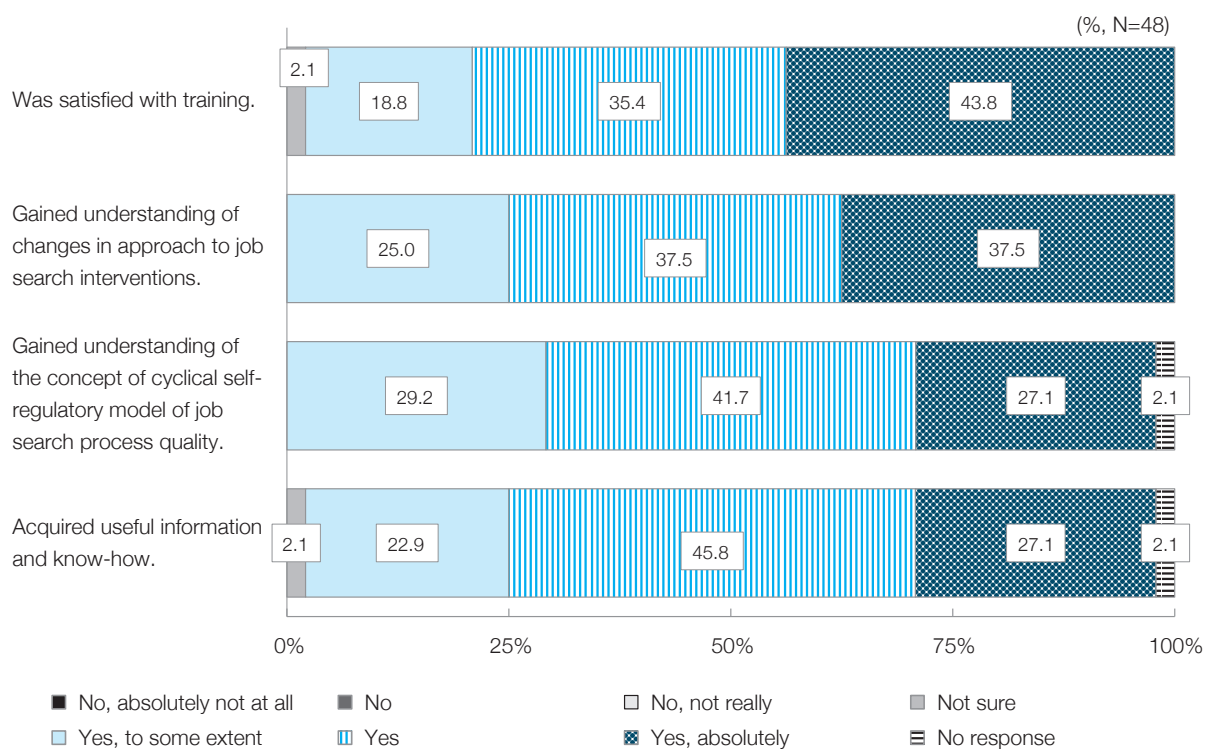


Figure 3. Assessment of Evening Session workshop “Frontiers in Job Search Intervention Research”

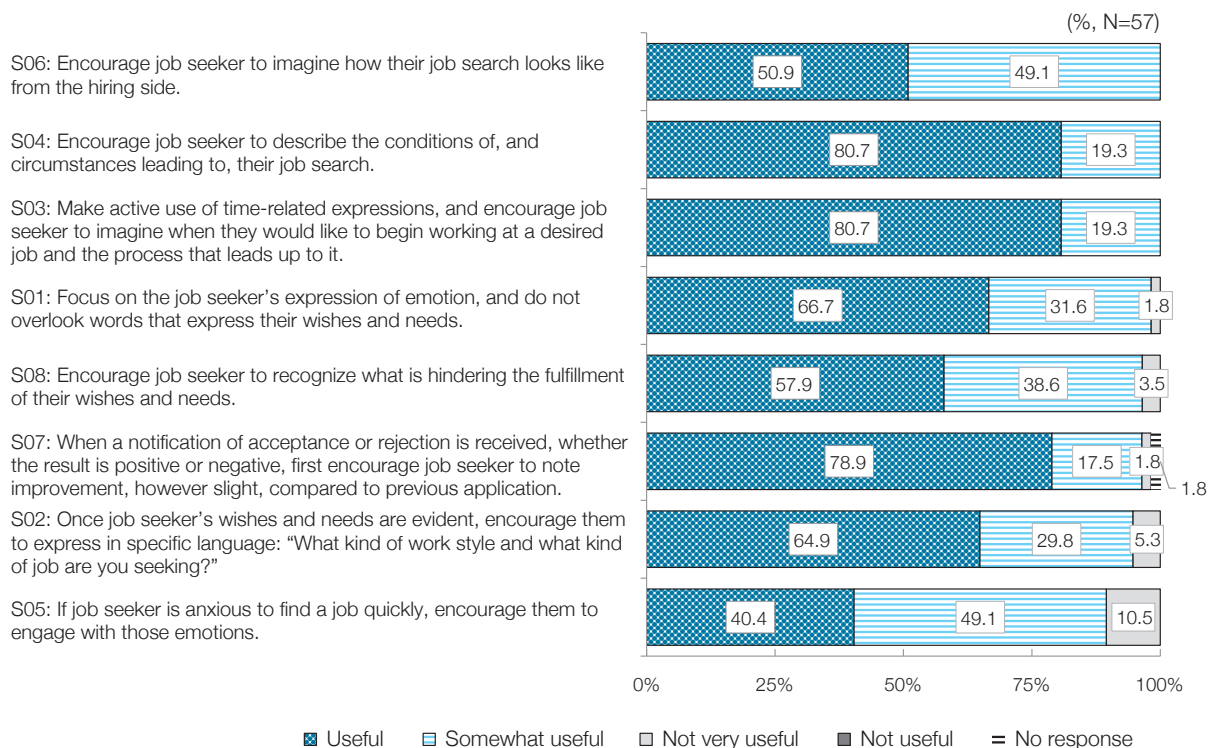


Figure 4. Usefulness of career counseling TIPs on the job

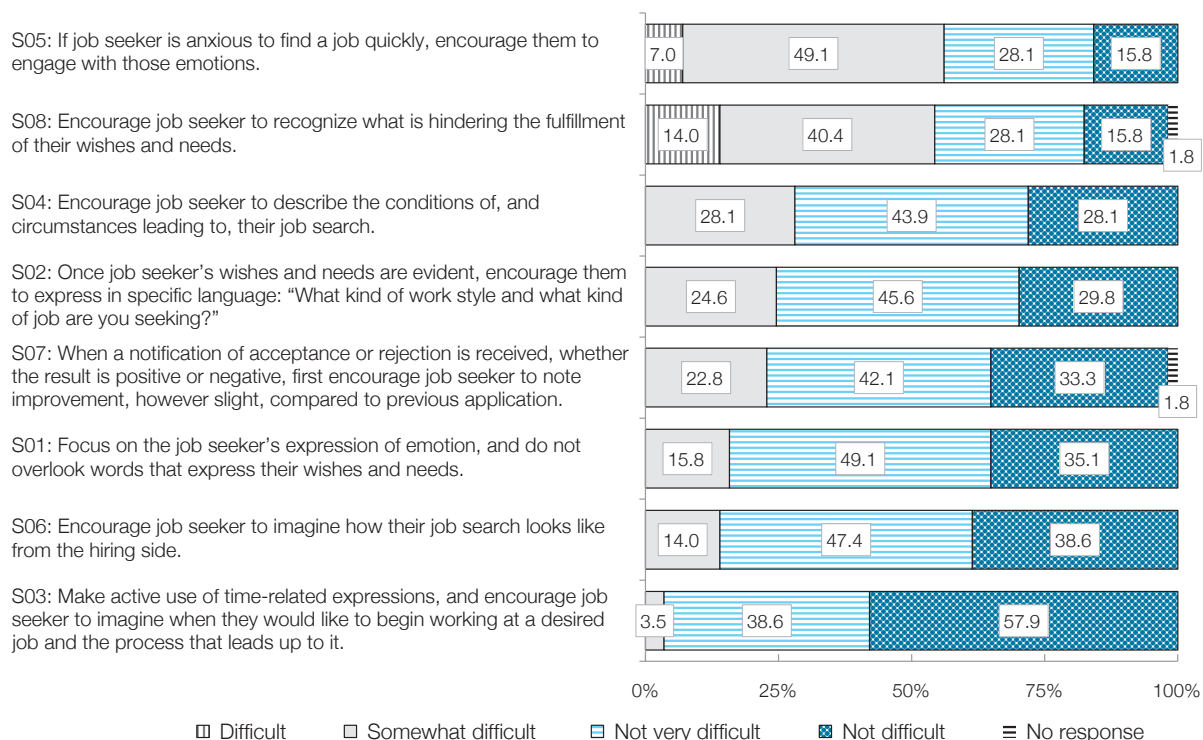


Figure 5. Difficulty of utilizing career counseling TIPS

Western researchers, it is considered to be broadly applicable, including in the field in Japan.

A critical future task is to develop a job search intervention program based on this cyclical self-regulatory model of job search process quality for job seekers. For this reason, we must take advantage of the opportunities presented by the Evening Session workshops, ask participants (Hello Work staff) for their cooperation, give them opportunities to evaluate the program from the standpoint of job seekers, and, based on the results, refine and improve the training program.

After that, it is necessary to implement the program on a trial basis in an orientation meeting at Hello Work offices and job search intervention seminars, etc. And then, collect evaluations from job seekers using questionnaires and other means and revise and update the program regularly. If the results of the questionnaires are positive, we will develop a manual for the program and promote its dissemination, with the goal of widespread implementation at Hello Work offices.

Finally, I would like to explain the need for

research on job search interventions in Japan. I find that the job search interventions are seen in job search seminars, etc. in Japan, and the Hello Work career counseling duties that I am involved in, are quite excellent when compared internationally. On the other hand, I believe that research in this field is not even close to catching up with countries conducting advanced research such as the Netherlands and the United States.

I am aware that if a problem arises in the field, supporters can respond quickly without relying on research. However, as is evident when we review the history of research on job search interventions, researchers use scientific methods and accumulate objective knowledge to draw up medium- to long-term guidelines and establish perspectives based on them.

If we elevate the level of research on job search interventions in Japan as quickly as possible, the following two points will be important. First, it is necessary to actively engage in joint studies with Western researchers to learn the methods of applied psychology that are highly useful in the field. In

particular, these researchers excel at using general psychological theories and constructs to the study of job search interventions. Studying these methods will make it possible to save the time and effort of constructing original theories of job search intervention research, and to make it a broadly applicable field of psychological research.

Secondly, researchers should always consciously give feedback to on-the-ground personnel based on their research results so that supporters in the field can feel the benefits of research, and to build a trust-based relationship so that researchers can ask them for their cooperation in conducting studies.

This article is a translation of the author's article posted in the website of the JILPT: https://www.jil.go.jp/researcheye/bn/035_200527.html (in Japanese).

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<https://www.jil.go.jp/english/profile/kayano.html>

Whether a Staff Position in an Automobile Manufacturer Shall Be Deemed “Supervisory or Managerial Employee” Status under the Labor Standards Act

The *Nissan Motor Co. Ltd.* (“Supervisory or Managerial Employee” Status) Case

Yokohama District Court (Mar. 26, 2019) 1208 *Rodo Hanrei* 46

YAMAMOTO Yota

I. Facts

1. Company Y is a stock company whose main line of business is the manufacturing and sales of automobiles. X entered into an indefinite-period labor contract and began working for Company Y on October 1, 2004.

2. X became a section chief in Company Y in April 2011, and was assigned to the Datsun Corporate Planning Department in April 2013, and to the Japan LCV Marketing Department in February 2016. Of these, X served as a manager in the Datsun Corporate Planning Department. The job duties of a manager included planning of items that its Program Directors (PD—department head) propose at the Product Decision Meetings (PDMs—meetings that decide investment amounts and return on investment for Company Y’s new vehicle models) and attending those meetings. X also served as a marketing manager in the Japan LCV Marketing Department. The job duties of the marketing manager included drafting new marketing plans upon the approval by the marketing director (department head), and proposing those plans together with the marketing director at the Marketing Headquarters meetings (meetings that decide marketing plans for Company Y in Japan).

3. Company Y managed the attendance of its employees with an attendance management system

that employees could access from their personal computers. X entered his hours worked in this system and received approval from an authorizer.

4. X’s wages were comprised of a basic salary, vacation pay, late night work allowance, commutation allowance and incentives. X’s basic salary (calculated by dividing the annual salary by 12 and rounding up fractions under 100 yen) was 866,700 yen per month (from April 2014 until March 2015) and 883,400 yen per month (from April 2015 until March 2016). X’s annual income between January and December 2015 was 12,343,925 yen.

5. In March 2016, X collapsed while working in Company Y’s head office and died of a brain stem hemorrhage. This case involved a demand by Z (X’s spouse), who inherited the right to claim X’s wages as a result of X’s death, for the payment of premium wages, etc., stipulated in the Labor Standards Act (LSA) for X’s overtime work between September 2014 and March 2016. Whether or not X fell under the category of a “supervisory or managerial employee” as stipulated in Article 41 No.2 of the LSA was contested in the case.

II. Judgment

The Yokohama District Court denied X’s



“supervisory or managerial employee” status. The judgment is summarized below.

(1) The purport of Article 41 No.2 of the LSA is this: A “supervisory or managerial employee” is a person who is, due to the nature of work and managerial necessity, given important job duties, responsibilities, and authority in a position that may demand activity beyond regulated limits on working hours, rest periods, rest days, etc., in a position integrated with management. Also, his/her actual work situation may not fit with regulations on working hours, etc. On the other hand, he/she receives preferential treatment appropriate for that position in terms of wages and others compared with other ordinary employees and is permitted to manage working hours at his/her discretion. Thus, there is no defectiveness in the protection of said “supervisory or managerial employees” even if regulations on working hours, etc., in the LSA are not satisfied. Given this, the question of whether an employee falls under the category of “supervisory or managerial employees” based on the LSA should be judged from the following viewpoints (i) Is the employee given important job duties, responsibilities, and authority which are sufficient to indicate that he/she is in a position that can be described as being, in effect, integrated with management?, (ii) Is the employee permitted to manage his/her working hours at his/her discretion?, and (iii) Does the employee receive treatment in the context of wage etc., that is appropriate for the position and responsibilities of a “supervisory or managerial employee”?

(2) Company Y claimed, based on an administrative interpretation (Mar.14, 1988, *Kihatsu* No.150 [administrative notification issued by the Director of the Labor Standards Inspection Office]), that classification as a “supervisory or managerial employee” should be recognized if the requirements of (iv) the employee is drawing up plans regarding important management matters, and (v) the employee is engaged in line occupations, that is, given a rank equal to or above line manager were satisfied. However, of these five, (v) is interpreted as having the same meaning as (iii) above, and therefore it is enough to see it as a factor for

consideration in (i) to (iii) above, rather than as an individual requirement or viewpoint. On the other hand, regarding (iv), from the viewpoint of the above mentioned purport of Article 41 No.2 of the LSA, it should also be interpreted that it is not enough to say that the employee simply handles job duties such as drawing up plans regarding of important management matters, but rather that those job duties and responsibilities are essential as to be deemed to belong to a position integrated with management. Thus, ultimately, this (iv) is nothing more than a factor for consideration in the study undertaken from the viewpoint of the aforementioned (i).

(3) At the Datsun Corporate Planning Department, it is recognized that managers were in a position of attending the PDMs that decide investment amounts and return on investment for new vehicle models and of planning proposals for investment amounts and return on investment. However, the people who actually make proposals at the PDMs are the PDs. Given that the proposals that managers plan must be approved by the PDs, and the persons who exercise a direct influence on the formulation of management decisions are the PDs. Managers are no more than assistants to the PDs, and their influence on the formation of management decisions is indirect.

(4) At the Japan LCV Marketing Department, marketing managers were recognized to be in a position to draft marketing plans and propose them in the Marketing Headquarters meetings that adopt them. However, the marketing managers must receive prior approval for their marketing plans from the marketing director before making proposals to the Marketing Headquarters meetings. Moreover, the marketing director is also in a position to attend the meetings and propose marketing plans together with the marketing managers. In light of these circumstances, the marketing managers are no more than assistants to the marketing director and their influence on the formulation of management decisions should be deemed indirect.

(5) X entered his hours worked in the attendance management system on this case and received approval from an authorizer. However, despite the fact that the standard working hours in both the

Datsun Corporate Planning Department and the Japan LCV Marketing Department were 8:30 a.m. to 5:30 p.m. (with a one-hour break), X often came to work after 8:30 a.m. and left work before 5:30 p.m. Considering the fact that X's wages were not deducted as a result of coming to work late or leaving work early, it can be recognized that X had discretion in his working hours.

(6) X's basic wage was 866,700 yen or 883,400 yen per month, and X's annual income reached 12,343,925 yen. This annual income was 2,440,492 yen higher than X's subordinates and thus, in terms of treatment, is recognized as being appropriate for a "supervisory or managerial employee."

(7) From the above, X had discretion with regard to his working hours and received treatment appropriate for a "supervisory or managerial employee." However, it cannot be recognized that X was given important job duties, responsibilities, and authority which are sufficient to indicate that he was in a position that can be described as being, in effect, integrated with management. Therefore, considering all of these circumstances, X is not recognized as falling under the category of "supervisory or managerial employees."

III. Commentary

Japan's LSA regulates working hours from the purport of protecting employees' health. In particular, Article 32 of the Act establishes upper limits on working hours that employers can have employees work of eight hours per day and 40 hours per week. Additionally, Article 37 of the LSA imposes an obligation to pay premium wages on employers when they have employees work in excess of these limits (i.e., overtime work). However, some employees must be asked to work beyond the limits set by provisions on working hours established by the LSA in order to handle important job duties or responsibilities in their companies. Because of this, Article 41 No.2 of the LSA stipulates that the provisions on working hours shall not be applied to "one in a position of supervision or management" (a "supervisory or managerial employee"). Based on this, judicial precedents have judged whether an

employee falls under the category of a "supervisory or managerial employee" or not, using as *merkmal* the employee's (i) being in a position integrated with management in terms of the determination of working conditions of the subordinates and other areas of labor management, (ii) having discretion in his or her working hours on, and (iii) receipt of treatment in terms of wages that is appropriate for a "supervisory or managerial employee."

Incidentally, personnel management that is based on an "ability-based grade system" is predominant in Japanese companies. Under this system, employees are classified into several grades depending on their ability to perform job duties, and their wages (particularly basic wages) are determined based on their grades. A system of corresponding management posts (e.g., department head, section chief, etc.) is established for employees who reach a certain level of grades. Employers select some employees from all personnel in the same grade and place them in management posts. The employees who are placed in management posts in this way have the authority to engage in labor management of other employees (subordinates) and can also discretionarily determine their own times for coming to and leaving work. They also receive a managerial-position allowance, etc. Consequently, there are many cases in which an employee is deemed to be the "supervisory or managerial employee" stipulated in Article 41 No.2 of the LSA after reference to the above *merkmal* (i) to (iii). This kind of supervisor is called a "line manager" in Japan.

On the other hand, there are "staff positions" in the Japanese management system. In general, employees in staff positions are different from line managers in that they engage in specialized job duties, such as business management-related planning and surveys, and do not have authority in the labor management of subordinates. Specifically, under Japan's ability-based grade system, it has often been the case that employees of the same grade who were not selected to be a line manager (or who completed serving as a line manager) are appointed to staff positions. In administrative notifications issued in 1977 (Feb. 28, 1977, *Kihatsu* No.104-2;

Feb. 28, 1977, *Kihatsu* No.105), the Ministry of Labor (currently the Ministry of Health, Labour and Welfare) presented an administrative interpretation recognizing employees in staff positions at financial institutions as the “supervisory or managerial employees” stipulated in Article 41 No.2 of the LSA when they are (iv) drawing up plans and other job duties regarding important management matters and (v) given a rank in the company that is equal to or above line managers. This is based on the idea that, when line managers and employees in staff positions are at the same grade in an ability-based grade system and the former are classified as having the status of “supervisory or managerial employees” but the latter are not, the fact that premium wages will be paid only to those in staff positions for work of more than eight hours a day, even when the wages and other treatment of both are the same, is unfair. The Ministry of Labor subsequently issued an administrative notification in 1988 (Mar. 14, 1988, *Kihatsu* No.150) that restated the ministry’s interpretation that employees in staff positions in financial institutions fall under the category of “supervisory or managerial employees,” if they meet the aforementioned (iv) and (v). Moreover, for employees in staff positions who are not in financial institutions, the administrative notification presented the administrative interpretation that “depending on the degree of treatment in the company, even if such employees are treated similarly to “supervisory or managerial employees” and exempt from applying the LSA, there is no particular risk of defectiveness in protection from the standpoint of their position” and that “handling that includes such employees within a certain scope among employees falling under Article 41 No.2 of the LSA is considered valid.”

However, on the other hand, among the past judicial precedents in which the applicability of “supervisory or managerial employee” status for employees in staff positions has been contested, many are seen to present judgments that apply the above-examined (i) to (iii) as it is to employees in staff positions (The *Okabe Seisakusho* case, Tokyo District Court [May 26, 2006] 918 *Rohan* 5; The *HSBC Services Japan Limited* case [December 27,

2011] 1044 *Rohan* 5). Based on such judgments, “supervisory or managerial employee” status has been denied for the reason that it lacks (i), in particular, for an employee in a staff position who does not have authority in labor management concerning subordinates.

Against this backdrop, this case focused on the “supervisory or managerial employee” status of **X**, who was a section chief in Company Y, a leading Japanese automobile manufacturer. **X** served as a manager and marketing manager who drew up plans submitted to important managerial meetings in Company Y (**I. 2**) and can be described as an employee in a staff position. The significance of the case’s judgment is that it recognized there is room for employees in staff positions to be deemed “supervisory or managerial employees” in certain cases (even though, in the end, **X**’s “supervisory or managerial employee” status was denied). That is to say, although the judgment used the conventional (i) to (iii) within the framework for judging “supervisory or managerial employee” status (**II. (1)**). However, for the specific decision concerning (i), it made its decision based on how much **X** had influence on the formulation of Company Y’s management decisions (**II. (3), (4)**). In other words, unlike past judicial precedents, the judgment determined that it did not matter whether or not an employee had labor management authority concerning subordinates in the decision for (i); indeed, if it were found in this case that **X** was capable of exercising a direct influence on the formation of Company Y’s management decisions, it is possible that **X**’s “supervisory or managerial employee” status would have been affirmed. (It should be mentioned that, in this case, **X** had one subordinate when he belonged to the Datsun Corporate Planning Department and when he belonged to the Japan LCV Marketing Department. However, the fact that **X** had labor management authority concerning those subordinates was not recognized in the judgment).

It can be said that the difference between this judgment and past judicial precedents comes from the understanding of the administrative interpretations (and particularly the administrative

notification of 1988) that were examined above. Specifically, this judgment did not apply the administrative interpretation (= the interpretation recognizing employees in staff positions who satisfy the requirements of the aforementioned (iv) and (v) as “supervisory or managerial employees”) as it is. However, it did position “the employee is in charge of drawing up plans regarding important management matters” of (iv) as a factor for consideration in the decision on (i) (II. (2)). This point appears to be linked to the judgment’s principle of deciding (i) from the viewpoint of whether X’s work of drafting plans etc. could directly influence on Company Y’s management decisions.

However, several questions can be raised with regard to this judgment. The first concern is the range of administrative interpretations. Specifically, as was mentioned above, it is understood that this judgment took administrative interpretations into account to a certain degree when deciding the case. However, the interpretations presented in the administrative notifications of 1977 and 1988 that recognize employees in staff positions who satisfy the aforementioned (iv) and (v) as “supervisory or managerial employees” were made with financial institutions in mind. It is unclear why the interpretations of those administrative notifications can be considered in this case, which involved an automobile manufacturer. As was mentioned previously, the administrative notification of 1988 does recognize the possibility that employees in staff positions not at financial institutions will be classified as “supervisory or managerial employees,” and it can be understood that the same administrative notification presents the interpretation that such employees in staff positions shall be recognized as “supervisory or managerial employees” if they meet (iv) and (v). However, if that was the case, it seems there was a need to explain the reason for such a reading.

Secondly, if it is understood that the range of the administrative interpretations (administrative notification of 1988) extends to this case, doubts arise as to whether the recognizing decision concerning (iii) in the judgment is consistent with the administrative

interpretations. Specifically, the judgment recognized that X was receiving treatment appropriate for a “supervisory or managerial employee” for the reason that X’s annual income was high in comparison with the annual income of his subordinates (II. (6)). However, as was mentioned above, a reason that the administrative interpretations reached so far as to recognize employees in staff positions who meet (iv) and (v) as “supervisory or managerial employees” is that, based on the ability-based grade system, unfairness could arise when line managers and employees in staff positions are at the same grade. Accordingly, when deciding on whether an employee in a staff position is receiving treatment appropriate for a “supervisory or managerial employee,” the focus of comparison should be line managers who are at the same grade as X. Regarding this point, the judgment itself stated that (v) “the employee is given a rank in the company that is equal to or above line manager” presented in the administrative interpretations has the same meaning as (iii) (II. (2)). Nevertheless, as is shown above, this perspective is missing in the specific decision concerning the *merkmal* of (iii), and thus the judgment appears to have an inherent inconsistency here.

Regarding employees who engage in the planning or drafting matters concerning business operations, it should be noted that Article 38-4 of the LSA separately establishes a system permitting the leaving of decisions concerning the execution of those operations and working hours to the discretion of the employee (Discretionary-Work Systems for Planning Work). In this case, it could be said that, instead of treating X as a “supervisory or managerial employee,” Company Y should have applied this Discretionary-Work Systems for Planning Work in order to allow X to work flexibly. However, it has been pointed out that there are strict requirements for introducing the Discretionary-Work Systems for Planning Work and that the system is cumbersome to establish. This may be leading corporate practices into handling employees in staff positions as “supervisory or managerial employees.” Therefore, the kind of staff position handling seen in this case is a problem that should be discussed not only

from the perspective of “supervisory or managerial employee” status (Article 41 No. 2 of the LSA) but also within the whole legislative policy concerning working hour regulations.

The *Nissan Motor Co. Ltd.* (“Supervisory or Managerial Employee” Status) case, *Rodo Hanrei* (Rohan, Sanro Research Institute) 1208, pp.46–59. See also *Rosei Jiho* (Romu Gyosei) 3977, pp.12–13 and *Journal of Labor Cases* (Rodo Kaihatsu Kenkyukai) 88, pp.26–27.

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I. Main Labor Economic Indicators

1. Economy

The Japanese economy is still in a severe situation due to the Novel Coronavirus, but it is showing movements of picking up recently. Concerning short-term prospects, the economy is expected to show movements of picking up, supported by the effects of the policies and improvement in overseas economies while the socio-economic activities will be resumed with taking measures to prevent the spread of infectious diseases. However, attention should be given to situation in domestic and overseas infections and the effects of fluctuations in the financial and capital markets. (*Monthly Economic Report*,¹ September 2020).

2. Employment and unemployment

The number of employees in August decreased by 790 thousand over the previous year. The unemployment rate, seasonally adjusted, was 3.0%.² Active job openings-to-applicants ratio in August, seasonally adjusted, was 1.04.³ (Figure 1)

3. Wages and working hours

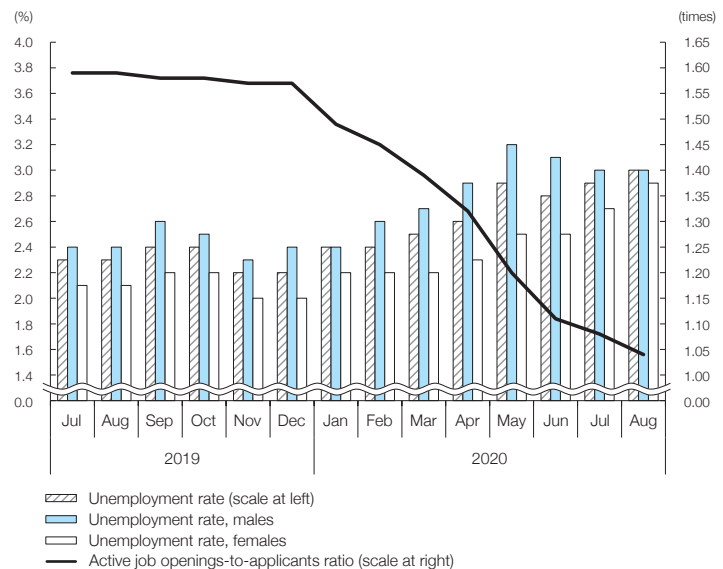
In July, total cash earnings decreased by 1.5% year-on-year and real wages (total cash earnings) decreased by 1.8%. Total hours worked decreased by 2.7% year-on-year, while scheduled hours worked decreased by 1.7%.⁴ (Figure 2)

4. Consumer price index

In August, the consumer price index for all items increased by 0.2% year-on-year, the consumer price index for all items less fresh food declined by 0.4%, and the consumer price index for all items less fresh food and energy declined by 0.1%.⁵

5. Workers' household economy

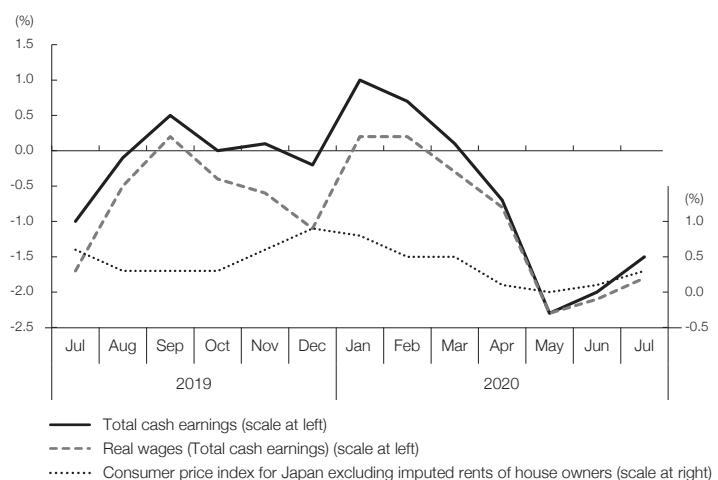
In August, consumption expenditures by workers' households decreased by 6.5% year-on-year nominally and decreased by 6.7% in real terms.⁶



Source: Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey*; Ministry of Health, Labour and Welfare (MHLW), *Employment Referrals for General Workers*.

Note: Active job openings-to-applicants ratio indicates the number of job openings per job applicant at public employment security. It shows the tightness of labor supply and demand.

Figure 1. Unemployment rate and active job openings-to-applicants ratio (seasonally adjusted)



Source: MHLW, *Monthly Labour Survey*; MIC, *Consumer Price Index*.

Figure 2. Total cash earnings / real wages annual percent change

For details for the above, see JILPT *Main Labor Economic Indicators* at <https://www.jil.go.jp/english/estatis/eshuyo/index.html>

1. Cabinet Office, *Monthly Economic Report* analyzes trends in the Japanese and world economies and indicates the assessment by the Japanese government. Published once a month. <https://www5.cao.go.jp/keizai3/getsurei-e/index-e.html>

2. <https://www.stat.go.jp/english/data/roudou/results/month/index.html>

3. https://www.mhlw.go.jp/english/database/db-1/general_workers.html

4. For establishments with 5 or more employees. <https://www.mhlw.go.jp/english/database/db-1/monthly-labour.html>

5. <https://www.stat.go.jp/english/data/cpi/index.html>

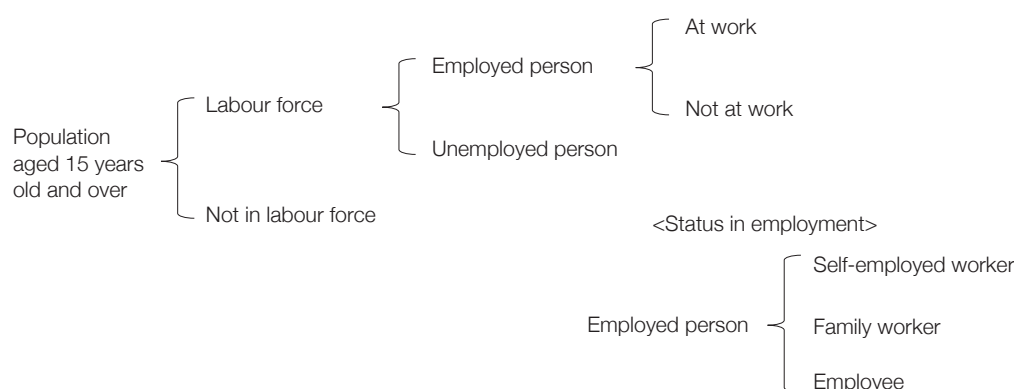
6. MIC, *Family Income and Expenditure Survey*. <https://www.stat.go.jp/english/data/kakei/index.html>

II. Impacts of the COVID-19 pandemic on employment and unemployment

There are growing concerns that COVID-19's spread will have a significant impact on employment by retarding economic activity in Japan. The following outlines the recent trends shown in statistical indicators relating to employment. See JILPT website *Novel Coronavirus (COVID-19)* for the latest information (<https://www.jil.go.jp/english/special/covid-19/index.html>).

1. Employment and unemployment

(1) Definitions of *Labour Force Survey*



Source: Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey*, Concepts and Definitions.
<https://www.stat.go.jp/english/data/roudou/pdf/definite.pdf>

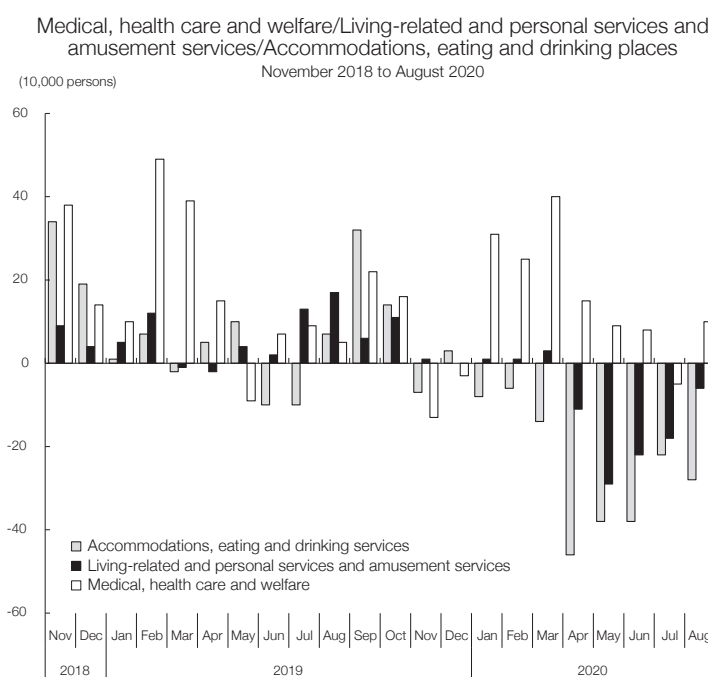
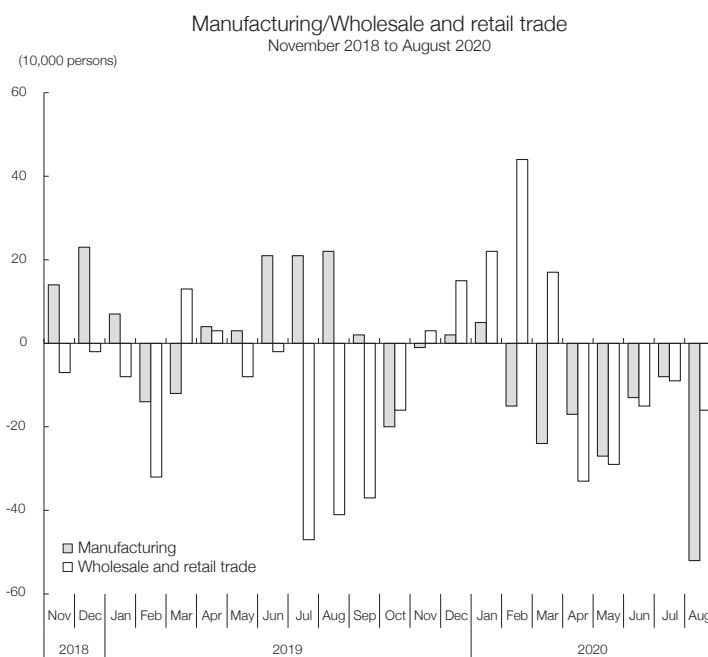
(2) Labor force

Table 1. Labor force

(10,000 persons)

Labor force				
		Total	Employed person	Unemployed person
			Not at work	
2017		6,720	6,530	190
2018		6,830	6,664	166
2019		6,886	6,724	162
2020	January	6,846	6,687	159
	February	6,850	6,691	159
	March	6,876	6,700	176
	April	6,817	6,628	189
	May	6,854	6,656	198
	June	6,865	6,670	195
	July	6,852	6,655	197
	August	6,882	6,676	206

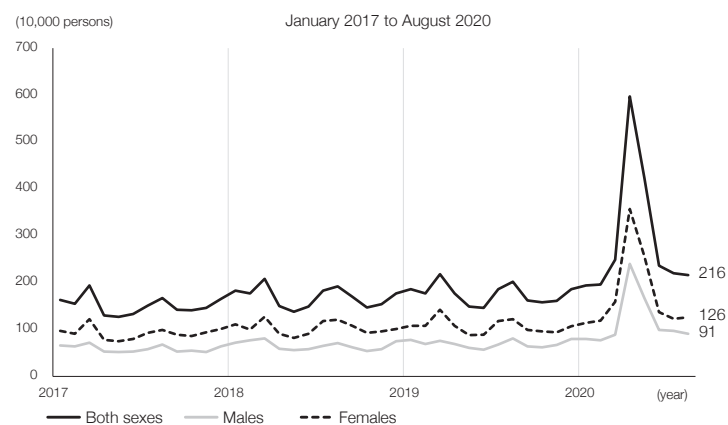
Source: Compiled by JILPT based on Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey* (Basic Tabulation)(unadjusted values).



Source: Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey* (Basic Tabulation).⁷

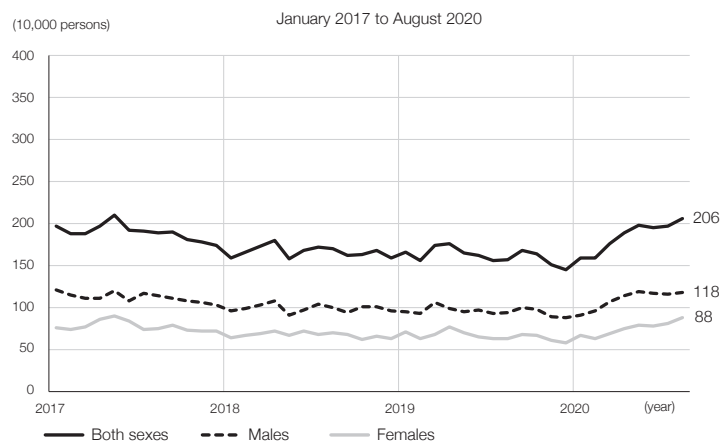
Figure 3. Number of employed persons by main industry (unadjusted values, year-on-year change)

7. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c01.html#c01-1> (in Japanese).



Source: MIC, *Labour Force Survey* (Basic Tabulation).⁸

Figure 4. Number of employed persons not at work (unadjusted values, by sex)



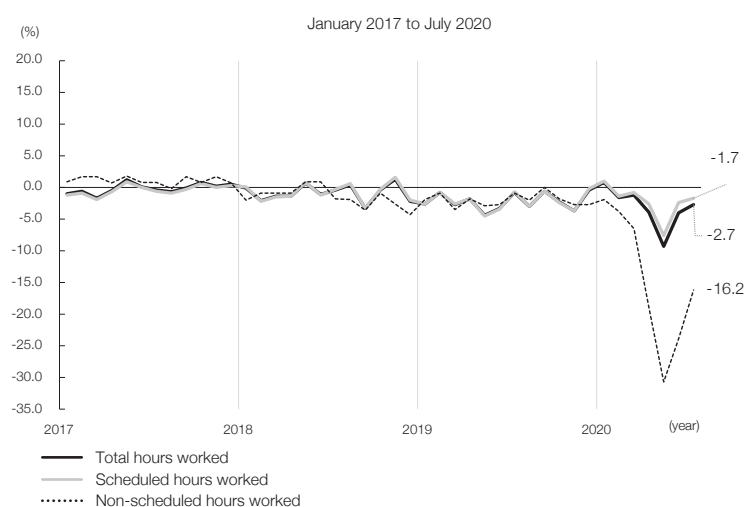
Source: MIC, *Labour Force Survey* (Basic Tabulation).⁹

Figure 5. Number of unemployed persons (unadjusted values, by sex)

8. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c23.html> (in Japanese).

9. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c03.html#c03-1> (in Japanese).

2. Working hours



Source: Compiled by JILPT based on MHLW, "Monthly Labour Survey."¹⁰

Notes: 1. Beginning in June 2019, values are based on a complete survey of "business establishments with 500 or more employees."

2. "Business establishments with 500 or more employees" for the Tokyo metropolitan area are re-aggregated beginning in 2012.

Figure 6. Total hours worked, scheduled hours worked, and non-scheduled hours worked (year-on-year change, total of full-time employees and part-time workers)

For the up-to-date information, see JILPT *Main Labor Economic Indicators* at <https://www.jil.go.jp/english/estatis/eshuyo/index.html>

10. MHLW, *Monthly Labour Survey*. <https://www.mhlw.go.jp/english/database/db-l/monthly-labour.html>. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c11.html#c11-1> (in Japanese).

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