Mind the gap: Japan: Employer perspective

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INTRODUCTION

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies and programs. Globalization and changes in the age composition of the workforce are two important 21st century trends that can have a significant impact on the need to customize and adjust core strategies and practices. Employers around the world are challenged by the need to establish talent management policies and practices that they are globally strategic and also relevant to specific country contexts. Forward-thinking employers are considering:

- How might shifts in the age composition of the workforces in different countries affect the next generation of human resource policies and practices?
- And, how might these policies and practices support the sustainability of great places to work?

What does “mind the gap” mean?

Train stations across England play recorded messages to remind passengers that they should “Mind the gap.” These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station.

For this paper, we use the phrase, “Minding the Gap” to remind employers to pay attention to any gaps that might exist between the profile of human resource policies and programs typically available in one country compared to the profiles of availability in other countries.
In Japan, typically, quality of employment in contemporary Japan differs by sector of industry and size of the workplace. Thus, we will show how Japanese employers’ allocations of workplace-based resources for each of the eight dimensions of quality employment vary by industrial sector and company size (as measured by the number of employees). Furthermore, to the country’s current concern, over the last decade a gap in quality of employment has been growing between, in OECD’s classification, regular (fulltime and presumably lifetime) and non-regular (part-time and/or fixed-term) employees. Relative to regular employees, the non-regular counterpart seems trapped in lower wage, job insecurity, and lack of opportunities for job skill development. Thus, when appropriate, we will indicate for which type of employee (regular or non-regular) employers allocate workplace-based resources for quality employment.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question:

- Does age affect employees’ preferences for an idealized job and their assessments of their employment experiences?

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question:

- How does the availability of human resource policies and programs in the targeted country compare with other countries?

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees’ perceptions of their employment experiences vary from country to country.
Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that “good jobs” are a “good thing.” High quality jobs offer benefits to employees and to the organizations where they work.

- Benefits for Employees: The quality of employment can affect the health and well-being of employees. Research confirms that poor quality job (such as jobs requiring extreme work hours, jobs that are very demanding – particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such cardio-vascular problems.¹

- Benefits for Employers: Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs, such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. Fortune reports positive relationships between being recognized as a “great place to work” and stock indices.⁴,⁵

The Global Institute focuses on eight important dimensions of the quality of employment:

- Fair, Attractive and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

The following sections of this paper use the quality of employment framework to discuss the availability of workplace-based policies and programs in the United States.
COMPENSATION AND BENEFITS MEET MOST OF EMPLOYEES' BASIC ECONOMIC NEEDS, AND THOSE ARE DISTRIBUTED IN A FAIR AND EQUITABLE MANNER.

About 23.5% of employers in Japan reported in 2008 that they had increased base wages or salaries for regular employees (excluding those for employees of managerial and semi-managerial positions) since the previous year.\(^5\)

- By **industrial sector**, such base wage increase were more likely to be made in the mining (46.2%), transportation (34.7%), and manufacturing (30.9%) sectors, and they occurred least in the construction (10.1%) sector.\(^5\)

- By **company size**, employers with 5,000 and more employees (29.9%) were substantially more likely to report that they made such base wage increase than employers with 1,000-4,999 employees (22.3%), those with 300-999 employees (23.8%), and those with 100-299 employees (23.5%).\(^5\)

About 48.4% of employers in Japan reported in 2008 that they provided their regular employees with financial support for their housing costs as part of their fringe benefits.\(^6\)

- By **industrial sector**, such fringe benefits were more likely to be provided in the finance & insurance (62.5%), real estate (60.3%), and utilities (electricity, gas, water, etc.) (56.4%) sectors than in any other industry, and they were provided least in the medical & health care (34.8%) sector.\(^6\)

- By company size, the larger the employer, the more likely they were to report that they provided such fringe benefits; for instance, about 66.0% of employers with 1,000 & more employees, 62.7% of those with 300-999 employees, and 54.1% of those with 100-299 employees reported that they provided such fringe benefits.\(^6\)
Some employers in Japan conduct individual job performance evaluation for each employee as a reference for setting his or her wage (or salary) in order to increase ‘fairness’ in distributing compensations among employees.\(^7\)

As suggested by Figure 1, about 45.6% of employers in Japan reported in 2008 that they implemented official systems to evaluate employees’ (both regular and non-regular) performances as a reference for determining their wages/salaries. By industrial sector, such systems were more likely to be implemented in the finance & insurance (86.6%), telecommunication (84.0%), and real estate (61.9%) sectors than in any other industrial sector, and they were implemented least in the transportation (28.1%) sector.\(^5\)

By company size, as suggested by Figure 2, it is clear that the larger the employers, the more likely they were to report that they implemented official systems to evaluate employees’ (both regular and non-regular) performance as a reference for determining their wages/salaries. About 82.5% of employers with 1,000 and more, 71.5% of those with 300-999 employees, 57.0% of those with 100-299 employees, and 38.3% of those with 30-49 employees reported that they implemented such systems.\(^5\)
Indicators of Opportunities for Development, Learning & Advancement

- **Opportunities for the development and advancement of job skills and knowledge are made available in an accessible manner.**

About 63.4% of employers in Japan reported in 2007 that they offered financial support for their regular employees’ work-related skill training and knowledge development.³

- By **industrial sector**, such training-related support was more likely to be offered in the finance & insurance (86.2%), medical & health care (86.1%), and utilities (electricity, gas, water, etc.) (83.5%) sectors than in any other industrial sector, and they were offered least in the restaurant and hotel (38.6%) sector.³

- By **company size**, generally the larger the employer, the more likely they were to report that such training-related support was offered; for instance, about 91.9% of employers with 1,000-4,999 employees, 76.1% of employers with 100-299 employees, and 56.9% of employers with 30-49 employees reported that they offered financial support.³

Only about 19.5% of employers in Japan reported in 2008 that they made available paid training/education leave for their employees (including regular and non-regular employees).⁶

- By **industrial sector**, such opportunities were more likely to be available in the medical & health care (44.0%), utilities (electricity, gas, water, etc.) (34.5%), and construction (26.5%) sectors than in any other industrial sector, and they were available least in the restaurant & hotel (6.6%) sector.⁶

- By **company size**, both large and small-sized employers were more likely than those of medium size to report that they made available such opportunities; for instance, about 22.3% of employers with 1,000-4,999 employees, 16.6% employers with 300-499 employees, and 21.4% of employers with 50-99 employees reported that they offered such opportunities.⁶
Today, the majority of employers in Japan report that they make available opportunities for the development of job skill and education.\textsuperscript{9}

As suggested by Figure 3, about 75.0\% of employers in Japan reported in 2007 that they offered off-the-job training and education programs\textsuperscript{10} for their regular employees. By industrial sector, such programs were more likely to be available in the utility (electricity, gas, water, etc.) (91.4\%), medical & health care (84.9\%), and finance & insurance (84.7\%) than in any other industrial sector, and they were available least in the education & research (63.0\%) sector.\textsuperscript{8}

By company size, as suggested by Figure 4, the larger the employer, the more likely they were to report that they offered their regular employees off-the-job training and education programs\textsuperscript{10}; 100\% of employers with 5,000 & more employees, 93.1\% of those with 300-499, and 69.4\% of those with 30-49 employees reported that they offered such programs.\textsuperscript{3}
Indicators of Wellness, Health & Safety Protections

- Safety, health, and well-being of employees are promoted through workplace policies, and social protections are offered in case of injury or illness.

About 80.4% of employers in Japan reported in 2008 that they had (newly hired or elected from among current employees) at least one safety maintenance manager in their companies.\(^1\)

- By industrial sector, such safety-related practices were more likely to be in place in the utilities (electricity, gas, water, etc.) (99.8%), construction (93.8%), and manufacturing (88.1%) sectors than in any other industrial sector, and they were offered least in the service (60.2%) sector.\(^2\)

- By company size, in general, the larger the employer, the more likely they were to report that such safety-related practices were in place; about 90.8% of employers with 1,000 & more employees, 87.5% of those with 100-299 employees, and 74.4% of those with 50-99 employees reported that they had at least one safety maintenance manager.\(^3\)

In 2008, about 18.5% of employers in Japan reported that they provided support (including financial support and workplace-based services) for regular employees’ mental health care needs.\(^4\)

- By industrial sector, such support was more likely to be provided in the finance & insurance (47.9%), telecommunication (41.6%), and utilities (electricity, gas, water, etc.) (35.8%) sectors, and such support was provided least in the education & research (2.5%) sector.\(^5\)

- By company size, in general, the larger the employer, the more likely they were to report that they offered such mental health care services; about 57.6% of employers with 1,000 & more employees, 36.5% of those with 300-999 employees, and 14.1% of those with 30-99 employees reported that they offered such services.\(^5\)
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JAPAN EMPLOYER
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In Japan, except for a few special cases, regular risk assessments at worksite are conducted by employers on a voluntary basis.

As suggested by Figure 5, about 20.4% of employers in Japan reported in 2006 that they conducted risk assessments at their worksites on a regular basis. By industrial sector, such safety-related practices were more likely to be conducted in the utility (electricity, gas, water, etc.) (41.2%), transportation (32.8%), and construction (84.7%) sectors than in any other industrial sector, and they were conducted least in the telecommunication (9.3%) sector.12

By company size, as suggested by Figure 6, generally the smaller the employer, the more likely they were to report that risk assessments were conducted at the worksites on a regular basis; for instance, 22.1% of employers with 50-99 employees, 20.6% of those with 100-299 employees, and 19.6% of those with 1,000 & more reported that they conducted such assessments.12

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**Figure 5: Percent Employers Regularly Conducting Risk Assessments at the Worksites by Industrial Sector**

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities ( Electricity, Gas, Water, etc.)</td>
<td>41.2%</td>
</tr>
<tr>
<td>Transportation</td>
<td>32.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>23.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>22.2%</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>18.8%</td>
</tr>
<tr>
<td>Services</td>
<td>18.6%</td>
</tr>
<tr>
<td>Restaurant &amp; Hotel</td>
<td>10.5%</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>9.3%</td>
</tr>
<tr>
<td>National Average</td>
<td>20.4%</td>
</tr>
</tbody>
</table>


**Figure 6: Percent Employers Regularly Conducting Risk Assessments at the Worksites by Company Size**

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 &amp; More</td>
<td>19.6%</td>
</tr>
<tr>
<td>300 to 999</td>
<td>11.5%</td>
</tr>
<tr>
<td>100 to 299</td>
<td>20.6%</td>
</tr>
<tr>
<td>50 to 99</td>
<td>22.1%</td>
</tr>
<tr>
<td>10 to 49</td>
<td>21.9%</td>
</tr>
<tr>
<td>National Average</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

Indicators of Opportunities for Meaningful Work

- Meaningfulness and fulfilling nature in employment are promoted at workplace.

Only about 8.0% of employers in Japan reported in 2007 that they offered their regular employees with career counseling services that include consultations about employees’ concerns about current and future job-matches.\(^8\)

- By industrial sector, such career counseling services were more likely to be offered in the finance & insurance (30.1%), utilities (electricity, gas, water, etc.) (15.5%), and telecommunication (11.5%) sectors than in any other industrial sector, and they were offered least in the transportation (2.3%) sector.\(^8\)

- By company size, in general, the larger the employer, the more likely they were to report that they offered such career counseling services; about 31.7% of employers with 1,000 & more employees, 10.9% of those with 300-499 employees, and 7.6% of those with 50-99 employees reported that they provided such services.\(^8\)

About 12.4% of employers in Japan reported in 2008 that they made available paid special incentive leave,\(^1^3\) for regular employees, which aim to support employees’ better work-family balance and to help increase work motivation through physical and mental refreshment.\(^6\)

- By industrial sector, such opportunities were more likely to be made available in the utilities (electricity, gas, water, etc.) (46.6%), and finance & insurance (41.9%), and telecommunication (33.1%) sectors than in any other industrial sector, and they were made available least in the medical & health care (2.2%) sector.\(^6\)

- By company size, in general, the larger the employer, the more likely they were to report that they made available such opportunities; about 49.2% of employers with 1,000 & more employees, 32.6% of those with 300-999 employees, and 18.0% of those with 100-299 employees reported that they made such opportunities available.\(^6\)
Some employers in Japan offer special paid leave with a specific aim to provide their employees with opportunities to be refreshed from routine works by engaging in community activities.

As suggested by Figure 7, only about 2.8% of employers in Japan reported in 2008 that they offered volunteer/community participation leave for their regular employees. By industrial sector, such opportunities were more likely to be made available in the utilities (electricity, gas, water, etc.) (20.0%), finance & insurance (12.7%), and telecommunication (8.0%) sectors than in any other industrial sector, and they were offered least in the restaurant & hotel (0.4%) sector.\(^6\)

By company size, as suggested by Figure 8, the larger the employer, the more likely they were to report that they made available volunteer/community participation leave; about 17.7% of employers with 1,000 & more employees, 6.6% of those with 300-999 employees, and only 1.8% of those with 30-99 employees reported that they made such opportunities available.\(^6\)
Indicators of Provisions for Employment Security & Predictabilities

- Job security within an organization is promoted, and terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.

About 58.3% of employers in Japan reported in 2005 that they formally involved regular employees (members or non-members of trade unions14) in making decisions about firing.15

- By industrial sector, such employee involvement (regular employees only) was more likely to be practiced in the wholesale & retail (88.7%), utilities (electricity, gas, water, etc.) (88.2%), and restaurant & hotel (87.6%) sectors than in any other industrial sector, and they were practiced least in the service (61.7%) sector.15

- By company size, in general, the larger the employer, the more likely they were to report that such employee involvement (regular employees only) was practiced; about 84.7% of employers with 5,000 & more employees, 77.8% of those with 100-299 employees, and 70.3% of those with 50-99 employees reported that they formally involved their regular employees in making decisions about firing.15

About 37.3% of employers in Japan reported in 2005 that they organized Employee Work Condition Councils,16 company-based councils, which consist of the representatives of both employers and employees (regular employees only), to discuss and negotiate human resource management conditions, company's business performance, and prospects for employment security within organizations.15

- By industrial sector, such company-based councils were more likely to be organized in the utilities (electricity, gas, water, etc.) (90.4%), finance & insurance (68.9%), and transportation (51.9%) sectors than in any other industrial sector, and they were organized least in the medical & health care (22.5%) sector.15

- By company size, the larger the employer, the more likely they were to report that they organized such company-based councils; about 80.8% of employers with 5,000 & more employees, 47.0% of those with 300-999 employees, and 22.8% of those with 50-99 employees reported that they organized such councils.15
Some employers in Japan maintain frequent and close communication with their employees as a way to keep employees informed about their company business performance and prospects for job security.

As suggested by Figure 9, the majority of employers in Japan (96.8%) reported in 2005 that they regularly announced their business performance and future prospects for their business and employment stabilities to their employees. By industrial sector, such practices were slightly more likely to be practiced in the finance & insurance (100%), restaurant & hotel (99.5%), and real estate (99.5%) sectors than in any other industrial sectors, and they were practiced least in the education & research (95.6%) sector.\textsuperscript{15}

By company size, as suggested by Figure 10, the larger the employer, the more likely they were to report that they regularly announced their company business performance and future prospects for their business and employment stabilities to their employees; 100% of employers with 1,000-4,999 employees, 97.4% of those with 100-299 employees, and 94.2% of those with 30-49 employees reported that they maintained such practices.\textsuperscript{15}


Indicators of Workplace Flexibility

- Employees' options, choices, and control over work conditions are made available in an accessible manner.

About 40.5% of employers in Japan reported in 2008 that they voluntarily made available for their regular employees extra days off for childcare\(^7\) in addition to the current legal mandate.\(^5\)

- By industrial sector, such extra flexible work options were more likely to be made available in the finance & insurance (57.3%), utilities (electricity, gas, water, etc.) (52.8%), and telecommunication (50.4%) sectors than in any other industrial sector, and they were offered least in the mining (29.9%) sector.\(^6\)

- By company size, the larger the employer, the more likely they were to report that such extra flexible work options for childcare were offered; for instance, about 56.7% of employers with 1,000 & more employees, 47.8% of those with 300-999 employees, and 37.1% of those with 30-99 employees reported that they offered such extra days off.\(^6\)

About 30.9% of employers in Japan reported in 2008 that they voluntarily offered their regular employees extra days off for elderly/family care\(^8\) in addition to the current legal mandate.\(^5\)

- By industrial sector, such extra flexible work options were more likely to be offered in the finance & insurance (55.3%), utilities (electricity, gas, water, etc.) (46.8%), and real estate (41.0%) sectors than in any other industrial sector, and they were offered least in the restaurant & hotel (18.0%) sector.\(^6\)

- By company size, generally, the larger the employer, the more likely they were to report that such extra flexible work options were offered; for instance, about 57.4% of employers with 1,000 & more employees, 44.6% of those with 300-999 employees, and 26.1% of those with 30-99 employees reported that they made such options available.\(^6\)
Some employers in Japan make available flextime work hour options as a way to increase their employees’ control over their work hours.

As suggested by Figure 11, only 6.2% of employers in Japan reported in 2008 that they made available flextime work options for their regular employees. By industrial sector, such options were far more likely to be made available in the telecommunication (35.3%) sector than in any other industrial sector, followed by the utilities (electricity, gas, water, etc.) (15.3%), and medical & health care (10.7%) sectors. They were offered least in the construction (1.6%) sector.6

![Graph showing percent employers offering flextime work options by industrial sector](image1)


By company size, as clearly suggested by Figure 12, the larger the employer, the more likely they were to report that they made available flextime work options for their regular employees; about 29.4% of employers with 1,000-4,999 employees, 14.3% of those with 300-999 employees, and 6.9% of those with 100-299 employees reported that that they made such options available.6

![Graph showing percent employers offering flextime work options by company size](image2)

Indicators of Culture of Respect, Inclusion & Equity

► Diversity, inclusion, and equity at workplace are valued and promoted by workplace practices.

About 24.1% of employers in Japan reported in 2007 that they made available both *maternity and paternity leave* for their *regular* employees.¹⁹

- By *industrial sector*, such gender-equity human resource managements were more likely to be practiced (only for regular employees) in the finance & insurance (55.6%), telecommunication (45.6%), and medical & health care (33.6%) sectors than in any other industrial sectors and they were practiced least in the transportation (10.2%) sector.¹⁹

- By *company size*, the larger the employer, the more likely they were to report that such gender-equity human resource managements were practiced (only for regular employees); about 94.5% of employers with 5,000 & more employees, 63.9% of those with 300-999 employees, and 13.9% of those with 30-99 employees reported that they made such opportunities available.¹⁹

About 12.8% of employers in Japan reported in 2007 that they included their *non-regular* employees (i.e., part-time and/or fixed-term) as part of the beneficiaries for their workplace-based resources for mental health care needs.²⁰

- By *industrial sector*, such inclusive support for *non-regular* employees was more likely to be made available in the finance & insurance (57.1%), utilities (electricity, gas, water, etc.) (29.8%), and telecommunication (28.8%) sectors than in any other industrial sector, and they were offered least in the restaurant & hotel (2.5%) sector.²⁰

- By *company size*, generally the larger the employer, the more likely they were to report that such inclusive support was made available for *non-regular* employees; about 46.8% of employers with 1,000 & more employees, 29.0% of those with 300-999 employees, and 15.8% of those with 100-299 employees reported that they practiced such non-regular employee inclusions.²⁰
By international standards, Japan’s gender gap in employment rate is large. Some employers in Japan increase the number of female employees at their workplaces in order to mitigate such gender inequality.

As suggested by Figure 13, about 29.9% of employers in Japan reported in 2007 that they had increased the number of female employees, including regular and non-regular employees, at their workplaces since the previous year. By industrial sector, such female employment increases were more likely to be seen particularly in the finance & insurance (44.9%), medical & health care (41.7%), and telecommunication (39.5%) sectors, and they were seen least in the mining (21.9%) sector.

By company size, as suggested by Figure 14, the larger the employer, the more likely they were to report that they had increased the number of female employees, including regular and non-regular employees, at their workplaces since the previous year; for instance, about 61.5% of employers with 5,000 & more employees, 41.3% of those with 300-999 employees, and 27.1% of those with 30-99 employees reported that they had more female employees than in the previous year.
Indicators of Promotion of Constructive Relationships at Work

Constructive relations between employers and employees are maintained, and respectful and professional interactions among co-workers are promoted by workplace practices.

The majority of employers in Japan (88.8%) reported in 2005 that they considered it “important for their company business performance” to develop or maintain positive relations between employers and employees.15

- **By industrial sector**, the importance of positive employer-employee relations was more likely to be reported by employers in the utilities (electricity, gas, water, etc.) (98.3%), telecommunication (95.5%), and transportation (92.1%) sectors than in any other industrial sectors, and it was reported least by those in the service (83.9%) sector.15

- **By company size**, employers with 1,000-4,999 employees (90.0%) and those with 50-99 employees (89.6%) were more likely than those with 300-999 employees (87.0%) to report that the development and maintenance of positive employer-employee relations were important for their business performance.15

About 23.2% of employers in Japan reported in 2005 that they organized Internal Complaints Advocacy Councils,22 which aim to facilitate effective employer-employee communications when employees have complaints about work conditions and human resource management practices at the workplaces.15

- **By industrial sector**, such councils were more likely to be organized in the utilities (electricity, gas, water, etc.) (74.9%), finance & insurance (50.1%), and transportation (32.4%) sectors than in any other industrial sector, and they were least likely to be organized in the education & research (7.8%) sector.15

- **By company size**, in general, the larger the employer, the more likely they were to report that they organized such councils; about 31.7% of employers with 1,000 & more employees, 10.9% of those with 300-499 employees, and 7.6% of those with 50-99 employees reported that they organized such councils.15
Some employers in Japan regularly hold office meetings as a venue through which to discuss directly with employees, share work-related concerns, and prevent frictions not only between employers and employees but also among employees of different levels.

As suggested by Figure 15, about 49.8% of employers in Japan reported in 2005 that they held regular office, face-to-face meetings with employees (including regular and non-regular), which aim specifically to develop or maintain constructive relationships among workers and between employers and employees at the workplace. By industrial sector, such meetings were more likely to be held in the utilities (electricity, gas, water, etc.) (84.6%), finance & insurance (73.7%), and transportation (65.7%) sectors than in any other industrial sector, and they were held least in the telecommunication (38.7%) sector.

By company size, as suggested by Figure 16, the larger the employer, the more likely they were to report that they held regular office, face-to-face meeting with employees (including regular and non-regular), which aim specifically to develop or maintain constructive relationships among workers and between employers and employees at the workplace; about 72.3% of employers with 5,000 & more, 52.9% of those with 300-999 employees, and 39.7% of those with 50-99 employees reported that they held such meetings with their employees.

SUMMARY: MINDING THE GAP

Based on the information presented in this paper about employers’ allocations of workplace-based resources for our eight quality employment indicators, how do we characterize employers-of-choice in Japan? Our findings may be summarized as follows:

- By *industrial sector*, the information presented suggests that, in general, employers in the utilities (i.e., electricity, gas, water, etc.), finance & insurance, and telecommunication sectors provide workplace-based resources, which cover substantially more dimensions of the quality employment indicators than do those in any other industry.

- By *company size*, the information presented suggests that, in general, the larger the employer (as measured by the number of employees), the more likely they are to provide workplace-based resources for quality employment across the eight dimensions of the indicators.

- By *employment status* (regular vs. non-regular employees), the information presented clearly suggests that, in general, employers allocate workplace-based resources for quality employment primarily for their regular employees. Japanese employers’ attempt to promote quality employment of non-regular employees seems marginal compared to that of the regular counterpart.

- These findings altogether suggest that, in general, for regular employees, large-sized employers in the utilities (electricity, gas, water, etc.), finance & insurance, and telecommunication sectors of industry provide more workplace-based for quality employment than do employers in any other categories. Thus, in the country context of Japan today, employers-of-choice for regular employees may be found among employers of these categories.

CONCLUSION: CLOSING THE GAP

The information presented in this paper has delivered suggestive and general background knowledge about possible employers–of-choice in Japan today. More specific inquiries in the future may obtain more in-detailed and definitive information about what in the current country contexts have enabled the possible employers-of-choice in Japan to provide more workplace-based resources for quality employment than do any other type of employer.

In concluding this paper, we draw two major implications for employers about looming human resource challenges in the decade ahead.

1. *Current economic downturn and deregulation of industries*

Possible employers-of-choice in Japan today may be found in three industrial sectors - utilities (i.e., electricity, gas, water, etc.), finance & insurance, and telecommunication. Similar to some other country contexts, in Japan these sectors represent *regulated industries* – industrial sectors in which the government (central and/or local) controls their resources, price, profits, etc. in order to protect growth and stability of their businesses.
Since the burst of the bubble economy in the early 1990s, the Japanese government has been gradually deregulating various sectors of the country’s industry in order to increase effectiveness and competitiveness of the sectors’ business against intensifying global competition.\textsuperscript{25} Despite this ongoing trend, these three sectors have remained most protected by the government and thus less exposed to the impacts of deregulation.\textsuperscript{26}

However, the current global economic downturn may place the Japanese government under pressure over the next decade to further deregulate these three most-protected industrial sectors. Such deregulation process may posit a severe challenge against those employers’ remaining employers-of-choice. The impact of such deregulation on the employers of these three industrial sectors may not be minimal – in the decade ahead, employers of other industrial sectors might find ways to provide continuous allocate more workplace-based resources for quality of employment than do those of the three industrial sectors.

2. Non-regular employees and job skill development

In Japan, where lifetime employment is still a prevalent human resource management practice, a growing gap of quality of employment between those inside of the institution – regular employees – and those outside of it - non-regular employees – has been a major public concern roughly over the last decade.

Non-regular employees have always participated in the country’s workforce as part-time and fixed-term employees. However, the share of non-regular employees within the country’s workforce has rapidly increased from 20.2\% in 1990 to 33.7\% in 2007.\textsuperscript{2} More problematically, non-regular employment is overrepresented typically by those in their 20s. In general, non-regular employees are substantially less likely to receive workplace-based resources to develop or advance job skills and knowledge in a long-term and stable manner.\textsuperscript{2}

A long-term concern for Japanese employers is, younger workers’ lack of sufficient opportunities for job skill development. Such lack of opportunity could lead to a decrease of quality in a workforce employers may rely on in the decades ahead.\textsuperscript{17} Japan as a whole is characterized by cultural and linguistic homogeneity, strict immigration policy, scarce natural resources, and severe workforce shortages projected in the decade ahead.\textsuperscript{18} In order to remain competitive in the increasingly competitive global economy today and in the future, employers in Japan are called for fully engaging in expanding opportunity for job skill development for non-regular employees at large and for younger workers in particular.
ABOUT THE INSTITUTE

Established in 2007 by the Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute’s research, publications, and international forums contribute to:
- a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- informed decision making by employers who want to be employers-of-choice in different countries; and
- innovative thinking about private-public partnerships that promote sustainable, quality employment.

Apart from the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series highlighting workforce demographic trends in different countries as well as a Global Policy Series focusing on selected workforce policy in certain country contexts.

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The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision-making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

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REFERENCES

1 For example, see:

2 For example, see:


5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it might also be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer-of-choice.

To date, employees' wages and salaries have been determined based largely on the length of service (to the same employer), qualifications (i.e., educational background), and the business performance of the office, workplace, or company where the employees serve. In the context of Japan, the introduction of official systems to evaluate employees' individual performances as reference points for determining their wages or salaries may be interpreted as an employer effort to increase fairness and transparency in deciding wages or salaries.

Employers in Japan, those of large companies (i.e., 1,000 & more employees) in particular, have typically practiced continuous job rotations and office relocations mostly of their regular employees throughout their careers within the organizations. Employers maintain such internal labor market strategies as part of their long-term strategies to formulate and develop employees' organization-specific job skill, knowledge, and social network. Such practices do not necessarily aim at employee career development based on employees' own preferences or desires. For this discussion, see:


The term, “Off-the Job Training and Education,” refers to a form of collective education, typically including a series of lectures, panel discussions, role-playing, etc., for training, developing, and updating workers' work-related skills and knowledge. As an antonym of On-the Job Training and Education, Off-the-Job Training and Education is typically held away from regular workplaces; employers often pay to send their employees such venues.

Safety Maintenance Manager (Anzen Kanrisha, in Japanese), refers to a person qualified by the Ministry of Health, Labor and Welfare to be responsible for maintaining worksite safety and health. Since October, 2006, the Law concerning Industrial Safety and Health (Law No. 57 of June 8, 1972) mandated that employers in certain industrial sectors (i.e., mining, manufacturing, transportation, etc.) with 50 and more employees hire at least one qualified safety maintenance manager.

The term, Special Incentive Leave, refers to a form of leave policy aiming to provide employees with opportunities to spend time specifically for their work-life balance and to increase work-related motivations by engaging in non-work activities. Employers voluntarily make available this leave policy since the current labor law or public policy does not mandate the provision of this leave program.

An employee union in Japan is characteristically organized and operated within each company. While nationwide federations of unions exist, often employees organize such company-based unions operate the unions rather as an integral part of the company. Typically, due to its close relation to the companies, company-based unions do not wish to harm the economic wellbeing of the company and thus considerably limit their actions in burgeoning and negotiations. For this discussion, see:


The term, Employee Work Condition Council (Rōshi Kyōgi Kikan, in Japanese), refers to a section organized within a company consisting both of employers and employees, which aims to facilitate employees’ negotiations over company management, production processes, work conditions, and fringe benefits. Employee Work Condition Councils operate independently of a trade union in that the former actively involves itself with the management affairs of the company as its main activity.

Currently, the Labor Standard Law (Law No. 49 of April 7, 1947) in Japan mandates that employers provide their employees of both genders in the private sector employment with up to 19 month for their childcare leave if requested. For public sector employees, the duration of child care leave can be up to 36 months.

For elderly/family care leave, the Labor Standard Law (Law#: 49/1947) mandates that employers provide their employees with up to 93 consecutive days per year if requested.


As of 2007, for the average of OECD (30) countries, the employment rate in this year was 79.0% for men and 59.4% for women; the gender gap was about 19.6%. Japan’s gender gap in employment rate was wider than that of the OECD average – for Japan, the employment rate was 89.8% for men and 64.4% for women; the gender gap was 25.4%. Japan’s gender gap in employment rate was substantially wider than that of the average of 15 European Union countries (15.4%), United States (12.5%), Germany (12.15), and France (9.3%).

The term, Internal Complaints Advocacy Council (Kujyo Shori Kikan, in Japanese), refers to a workplace-based, voluntarily organized group consisting both of employers and employees, which aims to facilitate communication between employers and employees especially when employees have major complaints concerning their daily work conditions and employers’ human resource management practices.

The term, Regular Office Meetings (Shokuba Kondan Kai, in Japanese), refers to employer-initiative, office-based regular meetings aiming specifically to facilitate face-to-face communication between employees and office managers. Main agenda for this type of meeting include current and future business performance of the company and workplace conditions at the worksite.

An exception in this context is found in employers’ practice of conducting risk assessments at the worksite as part of the indicator of Wellness, Health, & Safety Protection.


Mind The Gap Series:

*MTG01*: United States, Employee

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*MTG02*: Japan, Employee

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