

A Study on Work Attitudes of Japanese Employees from the Perspective of Decent Work

Shiho Futagami¹ • Yukiko Muramoto²

Abstract The study analyses work attitudes of Japanese employees from the perspective of decent work. A survey was conducted in respect of Japanese employees working in engineering and retailing companies. In the study the following questions are asked: What determinants make Japanese employees feel their work to be decent work? What are the consequences for Japanese employees and companies, if decent work is actualized? Currently, decent work is the key concept in respect of the activities of the International Labour Organization (ILO). In this study, decent work is defined as work of high quality, in which employees feel a sense of achievement, enjoy communication with colleagues and have support for work-life balance. The study clarifies the predictors and outcomes of decent work satisfaction for employees. From the results of multiple regression analysis, employability through off the job training (Off-JT) and on the job training (OJT) opportunities are important predictors satisfying decent work. The variable of the industry also contributes to decent work satisfaction for them. Additionally, high decent work satisfaction could lead to high job involvement for them. Finally, the study suggests effective Human Resource Management (HRM) proposals for Japanese companies from the perspective of decent work.

Keywords Decent work, Work attitudes, Job satisfaction, Job involvement, Employability, Career plan, OJT, Off-JT, HRM, Japanese companies

JEL Classification J3, J5, J7, J8, J20, J26, J81 J83, E26, K31

Purpose of the study

Japanese management is characterized by the traditional practice of so-called lifetime employment, seniority systems and enterprise unions. However, current management practices are changing from this model. Over 30 percent of new Japanese university graduates quit their jobs and leave their company within the first three years of employment commencement, according to the Ministry of Health, Labour and Welfare (2013). In contrast with traditional lifetime employment, many younger workers in Japan want to work without feeling bound to

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one organization, preferring to work at many different companies.

‘Freeters’ are defined as those between the ages of 15-34 who are not students, and for women, are unmarried 1) who are referred to as ‘arbeit (temporary) workers or part-timers’ at their places of employment, and are 2) unemployed persons who desire to work as ‘arbeit (temporary) workers or part-timers’ and are not helping household chores or are not attending school (The Ministry of Health, Labour and Welfare, 2011). ‘NEETs’ are defined as young people aged 15 to 34 who are Not in Education, Employment, or Training and are not seeking work. Reasons for the rise of NEETs in Japan not only include economic stagnation which has led to high unemployment but also as a reaction by young people against the traditional salary-person path once common in Japan.

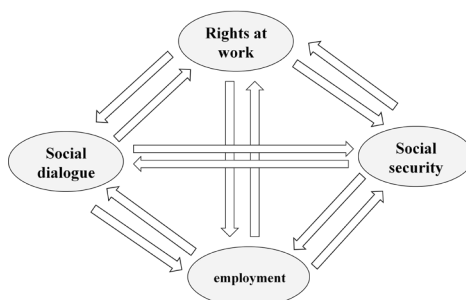
According to the Ministry of Internal Affairs and Communications’ (MIC) Labour Force Survey (2016), the number of Freeters was 1,550,000. As of 2015, the NEET population totaled about 560,000 individuals in Japan.

However, they do not have decent vocational education and training opportunities or decent wages. Japanese companies, government and also communities should provide younger workers with decent vocational education and training opportunities as well as decent wages (Futagami, 2010; Futagami et al., 2010). According to the official data from the Ministry of Health, Labour and Welfare, the thorough cost-cutting of the 1990s resulted in a decrease in training expenses as a proportion of the whole labour cost budget (including wages) from 0.36 percent in 1991 to 0.27 percent in 1995; then in 2011 training expenses went down to 0.25 percent.

The situation for working women in Japan is also not decent and there is said to be a ‘rice paper ceiling’ rather than the ‘glass ceiling’ commonly referred to in the US (Futagami, 2014b; Futagami and Helms, 2017a, 2017b), because very few women achieve top management positions. According to the Gender Gap Ranking 2016, Japan ranks 111th among 144 countries. When compared with other countries, the rate of female managers in Japan is at a low of 11 percent, and the rate of female directors is very low at 3.1 percent (Futagami, 2014b; Futagami and Helms, 2017a, 2017b). Indeed, many Japanese women are excluded from top management (Futagami, 2010; Futagami and Helms, 2009a; 2009b; 2017b). Furthermore, Japanese women do not have decent vocational education and training, decent promotion opportunities or decent wages.

The word ‘decent’ was originally used during the Tudor dynasty and means conforming to generally accepted standards of respectable or moral behavior. Currently, decent work is the key concept in respect of the activities of the ILO. Youth unemployment, the wage gap between men and women, child labour, inappropriate work by disabled people, labour exploitation etc. are examples of ‘not decent work’ (Futagami, 2014a).

The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equality, security and human rights (ILO, 1999). As shown in Figure 1, four decent work components are rights at work, employment, social security and social dialogue (Ghai, 2002, 2003). Employment especially is a vital component of decent work (Ghai, 2005). Employment in the decent work paradigm refers not just to wage jobs, but to work of all kinds: self-employment, wage employment and work from home. It also refers to full-time, part-time and temporary work, and to work done by women, men and children (Ghai, 2006). For decent work to be actualised, certain conditions must be satisfied. There should be adequate employment opportunities for all those who seek work (Ghai, 2006). Work should yield a remuneration that meets the essential needs of the worker and family members.

Figure 1 Decent work components

Source : Derived from Ghai (2006)

In this study, decent work is defined as work of high quality, in which employees feel a sense of achievement, enjoy communication with colleagues and have support for work-life balance. The questions in the study are as follows: What determinants make Japanese employees feel their work to be decent work? What are the consequences for Japanese employees and companies, if decent work is actualised? The study analyses work attitudes of Japanese employees from the perspective of decent work based on a survey. The survey was conducted in respect of Japanese employees working in engineering and retailing companies. It clarifies the predictors and outcomes of decent work satisfaction for them. Finally, it suggests effective Human Resource Management proposals for Japanese companies from the perspective of decent work.

Methods

1. Data and research methods

The data for Japan are part of a two country-comparison, Switzerland and Japan. The data were collected by interviews conducted in person with senior managers (HR/personnel/training managers, or others) and also through individual questionnaires for employees. Individual questionnaires were delivered to employees and collected by their HR managers. The analysis of this study focuses solely on the Japanese data to keep the institutional environment constant.

2. Industries surveyed

The survey was conducted on engineering and retailing companies. These two industries were chosen due to their size, their economic importance (Table 1, both sectors cover about 35.0 percent of employment in Japan), and their skill requirements.

To concentrate more narrowly on defined subsectors, 4-digit Standard Industrial Classification (SIC) codes were used in respect of select companies (Backes-Gellner, Futagami et al., 2014). In the engineering subsector the study concentrates on establishments that produce pumps, turbines, compressors, and motor vehicle parts. In the retailing subsector the study focuses on department, grocery and shoe stores.

Table 1 Employment figures of engineering and retailing sectors in Japan

Industry	Number (000s)	Share %
Engineering	10,486	17.0
Retailing	11,105	18.0

Industry	Number (000s)	Share %
Others	39,939	65.0
All	61,530	100.0

Source: Population Census 2005, all employment types included. In this context engineering is synonymously used for manufacturing.

3. Occupations surveyed

The study focuses on intermediate occupational levels. In Japan these skills are mainly gained through company-provided OJT and OFF-JT, whereas they are achieved in apprenticeships in Switzerland. The two intermediate occupational levels surveyed are skilled front-line staff (production workers and sales staff) and first-line management (defined for engineering as production supervisors and for retailing as department managers in large stores or store managers in small ones).

4. Time of the survey

The interviews and questionnaires took place from May 2009 to January 2010.

5. The number of respondents

The total number of respondent Japanese companies is twelve and the total number of respondent Japanese individuals is 148. This study focuses on the analysis of the individual questionnaires which were answered by Japanese employees in Japanese engineering and retailing companies.

6. Questionnaire

The questionnaire includes the measurements of job satisfaction, job involvement, career plans, vocational education and training opportunities, vocational education undertaken and training methods deployed to enhance their employability etc.

6.1 Job satisfaction

Fourteen items of the instrument are statements about job satisfaction based on the revised form of the Minnesota Satisfaction Questionnaire (Weiss, Dawis, England, and Lofquist, 1967).

6.2 Job involvement

Job involvement is the degree to which a person is identified psychologically with his (her) work, or the importance of work in his (her) total image (Lodahl and Kejner, 1965). Six items of the instrument are statements about job involvement (e.g. 'the most important things that happen to me involve my work,' 'the major satisfaction in my life comes from my job').

6.3 Vocational education, training opportunities and employability

The study hypothesises vocational education and training opportunities which are OJT and Off-JT within one year of employment and also the methods by which the employees acquired their employability and work competencies.

6.4 Career plans

Career plans mean employees' perspectives on their career. They include promotion orientation, professional orientation, status quo, no career plan etc. Dummy variables represent whether or not employees have career plans. A dummy variable of 1 is taken as having some career plans and a dummy variable of 0 as having no career plan.

6.5 Face items

The age, sex, job position and the number of job transfers of the respondents etc. were asked.

Results

1. Scale Construction

1-1. Job satisfaction

The exploratory factor analysis was conducted for fourteen items using a maximum likelihood method with Promax rotation (eigenvalue > 1.0) and produced three factors as shown in Table 2-1: (1) wage satisfaction ($\alpha=0.881$), (2) decent work satisfaction ($\alpha=0.693$) and (3) career development and support satisfaction ($\alpha=0.761$). The factor correlation matrix among the three factors is shown in Table 2-2. The factor score was calculated for each factor and the scale was constructed.

Table 2-1 Factor analysis for job satisfaction

Items	Factor loadings		
	Factor 1	Factor 2	Factor 3
Wage compared to the amount of work	.964	.013	-.152
Wage compared to the quality of work	.926	-.043	-.050
Wage compared to colleagues	.726	-.041	.036
Wage compared to competing company	.704	.006	.072
Opportunities for promotion	.537	-.047	.245
Opportunities for job transfer	.374	.333	.026
Decent work (the quality of work)	-.005	.979	-.106
Sense of achievement in work	-.072	.705	.061
Human relations and communication	-.030	.429	.102
Support for work-life balance	.202	.240	.114
On the Job Training from superiors	-.083	-.018	.965
Fairness of treatment from superiors	.010	.083	.636
Vocational education and training opportunities	.259	.203	.345
Fringe benefits (employment insurance etc.)	.262	-.051	.334

Table 2-2 Factor correlation matrix for job satisfaction

Factor	Factor 1	Factor 2	Factor 3
Factor 1	1.000	.569	.519
Factor 2	.569	1.000	.525
Factor 3	.519	.525	1.000

1-2. Job involvement

The exploratory factor analysis was conducted for 6 items using a maximum likelihood method (eigenvalue > 1.0) and produced one factor as shown in Table 3. The factor score was calculated for one factor and the scale was constructed.

Table 3 Factor analysis for job involvement

Items	Factor loadings
	Factor 1
1. The most important things that happen to me involve my work.	.926
2. The major satisfaction in my life comes from my job.	.876
6. I am very much involved personally in my work.	.592
4. For me, mornings at work really fly by.	.417
5. I usually show up for work a little early, to get things ready.	.379
3. My work is only a means of earning money. (R)	.140

2. Predictors of job satisfaction and job involvement

Multiple regression analyses were conducted to discuss what predictors determine dependent variables as follows.

Table 4 Multiple regression analysis for job satisfaction and job involvement

	Model 1 dependent variable wage satisfaction	Model 2 dependent variable decent work satisfaction	Model 3 dependent variable job involvement	
Age	0.172	0.001	0.155	
Sex (Male=1, Female=0)	-0.055	-0.048	0.022	
Industry (engineering=1, retailing=0)	0.089	0.434*	0.015	
Number of transfer	-0.035	0.019	0.155	
Job position (manager=1, others=0)	0.053	0.166	-0.017	***p<.001
Employability by OJT	0.260*	0.128	0.025	**p<.01
Employability by Off-JT	0.198 ⁺	0.246*	0.164	*p<.05 ⁺ p<.10
OJT opportunity	0.184	0.215 ⁺	-0.125	
Off-JT opportunity	0.069	0.013	0.015	
Wage work satisfaction	-	-	-0.177	
Decent work satisfaction	-	-	0.611***	
Career plan (some plan=1, no plan=0)	-	-	0.314**	
	adjusted R ² 0.137 F-value 2.655**	adjusted R ² 0.090 F-value 2.030*	adjusted R ² 0.369 F-value 5.387**	

2-1. Predictors of wage satisfaction: model 1

In model 1 the dependent variable is wage satisfaction which is factor 1 from the factor analysis for job satisfaction (Table 2-1). From the results of the multiple regression analysis, employability by OJT ($\beta=0.260$, $p<.05$) and employability by Off-JT ($\beta=0.198$, $p<.01$) have significantly positive effects on wage satisfaction, as shown in Table 4.

2-2. Predictors of decent work satisfaction: model 2

In model 2 the dependent variable is decent work satisfaction which is factor 2 from the factor analysis for job satisfaction (Table 2-1). From the results of the multiple regression analysis, employability by Off-JT ($\beta=0.246$, $p<.05$) and OJT opportunities ($\beta=0.215$, $p<.10$) show significantly positive effects on decent work satisfaction. Also, the variable of the industry ($\beta=0.434$, $p<.10$) significantly contributes to decent work satisfaction, as shown in Table 4.

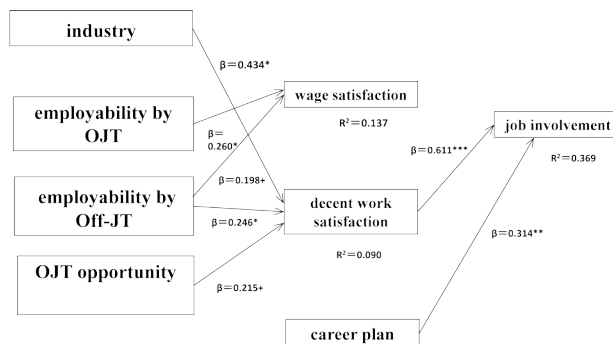
2-3. Predictors of job involvement: model 3

In model 3 the dependent variable is job involvement which is factor 1 from the factor analysis for job involvement (Table 3). From the results of the multiple regression analysis, decent work satisfaction ($\beta=0.611$, $p<.001$) and career plan ($\beta=0.314$, $p<.01$) show significantly positive effects on job involvement, as shown in Table 4.

3. Predictors and outcome of decent work satisfaction

Figure 2 shows the relationship among variables based on the succession of multiple regression analysis in Table 4. It clarifies the predictors and outcome of decent work satisfaction. The predictors of decent work satisfaction are employability by Off-JT, OJT opportunity and industry, while the outcome of decent work satisfaction is job involvement.

Figure 2 Predictors and outcome of decent work satisfaction



Discussion

From the results of the multiple regression analysis, high decent work satisfaction could lead to high job involvement. Thus it could result in high productivity in the workplace, as the evidence is presented to suggest that worker attitudes and behaviour mediate the HRM-performance relationship (Guest, 2002). So it is important for Japanese companies to satisfy decent work for employees in order to increase productivity in the workplace. In this context the concept of 'decent and productive worker' is crucial for future research. The issue is how to manage

an organization so that employees can have decent work and be productive. From the results of the multiple regression analysis, career plans are also important for Japanese companies, because these could lead to high job involvement and thus result in high productivity in the workplace. As discussed in our previous research (Futagami and Muramoto, 2016), about 20 percent of Japanese employees who participated in our survey answered that they have no career plan whereas all Swiss employees have some career plan ($\chi^2=9.03$, $df=1$, $p<.01$). If Japanese employees had career plans, they could have high job involvement and this could lead to high productivity in the workplace. Therefore, it is advisable for Japanese companies to put in place career plans for their employees in order to increase productivity in the workplace.

From the results of the multiple regression analysis, employability by Off-JT and OJT opportunities are important predictors to satisfy decent work for employees. Off-JT provides Japanese employees with their positioning or the meaning of their work with respect to the whole business strategy. OJT opportunities within one year of employment also provide Japanese employees with on-going up-skilling opportunities for their work competencies. The variable of the industry also contributes to decent work satisfaction. As discussed in previous research (Futagami et al., 2014), engineering firms spend significantly more on training, which conforms to the assumption that the work of the employees needs higher skills. It means that training costs also could be a predictor of decent work, although the training costs of Japanese companies are decreasing currently as mentioned in the Purpose of the study. Therefore, it is also crucial for Japanese companies to provide employees with vocational education and training for their future employability and decent work.

Conclusion and Future Research

If Japanese employees obtain decent work, namely, they are satisfied with the quality of work, feel a sense of achievement, enjoy communication with colleagues and have support for work-life balance, their job involvement would be high and then this could lead to high productivity in the workplace. Although Japanese management is eroding and training expenses are decreasing, Japanese companies should provide employees with vocational education and training so that they can acquire employability and decent work in the future.

The study mainly focuses on permanent male employees working in engineering and retailing companies. Regarding future research, the incorporation of more industries could lead to meaningful insights. Additionally, interesting perspectives to obtain would be the differences between male and female employees and also those between permanent and non-permanent employees.

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