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# NIKKEI

NUMBER 10, APRIL 1989

A BIMONTHLY FORUM FOR IDEAS AND NEWS FROM NIHON KEIZAI SHIMBUN, INC.

## IS LEISURE ALL IN A DAY'S WORK?

JAPANESE *salarymen* TAKING  
CRUISES *that* LAST WEEKS? HURRYING  
home TO HAVE DINNER WITH  
THEIR *wives?* THE GOVERNMENT  
SAYS *yes,* BUT MANAGEMENT AND  
*labor* ARE NOT SO SURE.

*A HUMAN  
resources  
consultant,  
the director  
of a private  
foundation  
and a securities  
research manage-  
discuss the futur  
of long hours  
in a country  
that has given  
leisure short shrift.*



THE IRISH POET W.B. YEATS SUMMED UP THE SENTIMENTS OF AT LEAST ONE WESTERN TRADITION WHEN HE PRONOUNCED WORK "ADAM'S CURSE." IN JAPAN, HOWEVER, IT IS GENERALLY COUNTED AS A BLESSING—AND ONE THAT THE NATION MAY BE LOATH TO GIVE UP.

AS APRIL'S LABOR NEGOTIATIONS APPROACHED, OBSERVERS IN TOKYO MET TO CONSIDER THE SCENARIOS AND THE IMPLICATIONS.

NIKKEI

Omron Tateishi has just offered its middle management three-month vacations, while the banks and financial institutions are finally taking off Saturdays. Are these isolated examples or signs of a general move toward shorter working hours in Japan?

NEVINS

Definitely the latter. You already have the banks, post offices and government offices closed for the weekend, and even the schools may follow suit in ten years or so.

REDDIES

Consider the macroeconomic aspect. Why now? What is the economic rationale? What is the ideological package presented to the public? Why is the government taking the initiative rather than the unions?

Japan is going through a period of modernization in its labor relations. Lifetime employment is going to be phased out, so employers, as well as the government, are interested in shortening the working hours. We already have two parties in the boat; the third one we have to bring aboard is the union movement.

TASKER

From a British angle, it's remarkable that the initiative has been completely top-down. While a rich society will eventually become a leisured society, the major initiatives have not been a natural response to the growth of personal wealth. Rather, they are a means of changing the industrial structure and expanding the leisure market. It's a huge market and an immature industry; cultivating it seems to be a major priority.

NEVINS

One reason the house unions have never pushed for shorter hours is that they've simply never had the power. Moreover, 15 percent of the directors of listed companies have headed a union. The initiatives come from the national centers or federations, which are closer to the European or American model of a trade union.

It seems to me that schools will have to take Saturdays off before two-day weekends become more attractive. That is, the motivation will grow when *salarymen* can spend free time with their families, there is an infrastructure for leisure and you have convenient transportation. As it stands, you can't play golf unless it's at the company's expense.

TASKER

The other side of domestic consumption is investment. Already you have a boom in resort construction, and this is a government priority that's going to last. With the huge trade surpluses and the rise of the yen, other producers are also working to create a sustainable domestic market. If we look ten or fifteen years ahead, I think we can expect a Disneyland in Yokohama, a better infrastructure of highways and railways and leisure facilities such as marinas.

REDDIES

The quality of life can't be measured in yen, dollars or salary receipts alone, but it can be gauged in the infrastructure. It comes down to being able to use a public swimming pool, for example, rather than having to pay through the nose to join a club just to take a swim.

Reducing working hours is not the sole answer. You have to modernize the society as a whole.



One reason that the house unions are a bit skeptical about reducing hours is that corporate competition is very tough. But it's also because they aren't sure how it will turn out. They have probably been cheated often enough, and now they are uncertain what the negative side of shorter hours would be.

They are left with only one measurement, and that's income. If they reduce overtime, they'll bring home less—and the average *salaryman* draws 10 percent of his income from overtime. This is his pocket money, according to the polls. No wonder he's suspicious.

TASKER

The average worker still doesn't think of himself as financially secure. This may be a wealthy society, but it hasn't reached the worker and consumer yet if you look at the number of working hours required to buy a house, television, food-stuffs or pretty much anything. So he's not ready to forego a certain part of his income.

The other is the cultural imprint that the meaning of your life derives from the organization you're in. Though I'm rather skeptical and it can be overdone, it's true that many people don't find spending time with their families much fun. I know a lot of guys who don't want to spend any time with their wives.

NEVINS

And their wives don't want them around either.

NIKKEI

Is this generational? Are women under 30 becoming more interested in having their husbands home by 10 p.m.?

TASKER

I think most guys have a lot of fun with their colleagues—a lot more than going to a home in the middle of nowhere to find a couple of kids squealing and a wife they may not know very well.

REDDIES

Doesn't this situation call for change?

NEVINS

Yes and no. The whole notion that you've got to shorten working hours to raise the quality of life is completely fallacious. If you're happier on a Friday because the weekend is ahead, your life isn't very enjoyable at all. I would say the Germans or anyone with that mentality has something to learn.

REDDIES

I would like to get away from the Germans since we're sitting here in a very posh hotel eating salmon, which the average Japanese working 2,200 hours a year doesn't enjoy very often.

The spring labor offensive is pushing for the "dual approach" of higher wages and fewer hours. Since everybody is expecting a mild recession within the next two years, this is the time. It could be a turning point for Japanese society.

But that would cover only the union sector—which is only a third of the work force. Who's speaking for workers who aren't organized? This is the next challenge for the trade union movement, possibly in the form of new unions for non-regular workers.

*"Reducing working hours  
is not the sole answer.  
You have to modernize the  
society as a whole."*

NEVINS

In the United States, the Great Depression prompted the Wagner Act. At that time, it was uncouth to say anything anti-union, and there were no consultants available then. If the president of a company was challenged to a debate, he didn't have any answers to the charges of union organizers. There was no body of thought to bring to the subject—and the unions won the elections.

But now the number of successful decertification elections has increased vastly. The U.S. union organization rate is at 19 percent, and in Japan, it's down to 28 percent, probably 27 percent by now. It's a worldwide phenomenon. Britain has one of the highest rates at 54 percent.

REDDIES

At least in Germany, it's stable.

NIKKEI

In Australia, it's 44 percent.

NEVINS

With all due respect, the unions will have to become much more realistic. In Japan, their de-



mands lost the support of their own membership for the most part. That's why young people aren't interested in having their dues shaved off their pay—and we should remember the percentage paid to the union is higher here than in many other countries.

Yet Japan was a nation where you were fired if you didn't join a labor union because it suggested you weren't a team player. There is currently a lot of litigation going on because new recruits were fired on April 1, when they refused to join the union after graduating from college.

*“Most guys have a lot of fun with their colleagues—a lot more than going to a home to find a couple of kids squealing and a wife they may not know very well.”*

That's the kind of country this is. The big companies want their company unions because it's a nice way to communicate with employees. And each of those employees is a strike-breaker if a part-timer starts to talk union. The regular employees are not interested in seeing the lower echelons or subcontractors organized. Why? Because those lower echelons serve as a buffer and maintain the privileged position of the full-time employees who are in the union.

There's really no hope for the outsiders except the economy. The employers will treat them well in order to recruit workers. There won't be tremendous exploitation. Already the income differentials in Japan are lower than in most countries. It's clear that the Japanese will take care of it—that it's being taken care of.

REDDIES

A related aspect of the reduction in working hours, supported by both employers and the government, is legislation that will put off retirement until 65.

It's a sweet offered here and a grape there. And again, it becomes a matter of economics. If you want workers to serve as long as that, you can't just squeeze them like a fruit for 40 years.

If not, they'll collapse before they reach 65.

It brings us back to the macroeconomic question. In securities, banking and insurance, for instance, you will have employees nodding off or making mistakes if they sit at a computer terminal for more than eight hours. Productivity will be even higher than if employers kept them for ten hours a day. It's part of quality control: You have to send them home for sleep, or at least take them away from the monitor.

NIKKEI

Some people say that if Japan moves intensively into the service sector, it won't enjoy the same productivity. They maintain that there are enormous inefficiencies in the service industries here.

REDDIES

Or you could look at it as room for rationalizing management.

NEVINS

There's also very good service—which you wouldn't have without all those people.

TASKER

It depends on what you mean. In Japan as a whole, productivity is not particularly high in terms of output per worker. The goal of maximizing profit and output for a certain level of work commitment is not a target, though there are changes taking place in the service sector. Banks, for example, are reducing their staffing drastically by attrition even while they increase their loan books. On the other hand, you have department stores where inefficiency is considered part of the product.

REDDIES

The figures from the Ministry of Labor indicate that productivity increased about 2 percent annually until 1986, then stepped up to 14 percent by the end of 1987. This was a result of the Plaza Accord, wasn't it?

TASKER

Yes, and it's stabilizing now at around 6 percent, I'd say. At the time of the Plaza Accord, the Japanese could have said, "Let's forget about exporting all these VCRs, cameras and cars. Let's just try to hold on to what we've got, try to hold our profits steady, raise our prices and not work any harder." If they had said that, workers' lifestyles would have been better during that time.

Instead, they said, "We're going to redeploy



whole masses of workers. We're going to restructure our businesses. We're going to import this and move that factory to Taiwan." As a result, people had to work a lot harder, and that led to the productivity gains.

NIKKEI

How do working hours in Japan compare with those of Korea?

TASKER

The Koreans are working something like 2,700 hours annually, aren't they? And like Tom, they

find the idea of not working physically painful.

It's a perspective I can appreciate as well. We're very lucky in that we belong to, perhaps, the 1 percent of the world's working population that actually finds some nourishment in a job. But I would hope that, in say 25 years, there'll be a far greater percentage that will be culturally or emotionally involved in work. Obviously, you won't have this evolution when you have a large blue collar work force that's alienated from its task.

"LAND, HOUSING AND FOOD COSTS ARE EXORBITANT—  
SO PEOPLE KEEP ON WORKING."

*In excerpts from a special interview, Professor Kazutoshi Koshiro of Yokohama National University comments on the history and horizons of work in Japan.*

**Progress—or Lack Thereof** Until four decades ago Japanese were working 3,000 hours a year, and hours actually increased between 1947 and 1960. Since then, however, there has been a substantial reduction of 1.4 percent annually. The trend bears out the generally accepted micro-economic premise that higher income leads to greater leisure.

It was the first oil crisis which undermined the Ministry of Labor's expectation that working hours could be reduced to the level of that in the West. After that, employers felt burned and were reluctant to commit themselves to new employees. So overtime was extended—and working hours increased. To meet the current target, we need only a 1.2 percent annual reduction, but that isn't so easy when the growth rate is relatively low.

But there has been progress. The steelworkers, for example, average 7 hours and 48 minutes per day. Social changes will also be felt as young Japanese couples insist on more time together. And university students aren't as intent on playing mahjong together—which is the beginning of their training for after-hours with colleagues.

**What Will It Take?** There is a three-point prescription for reaching the target. First, the five-day work week will have to be the norm. Second, employees must take twenty paid holidays, along with the thirteen national holidays. Third, overtime will have to be reduced to almost zero.

One major step would be reducing the standard for men's overtime to the annual 150 hour limitation that women enjoy. But this is especially problematic in small companies feeling the pressure of the competition.

**The Civil Service** The government has committed itself to cutting working hours from 2,000 to 1,800, including overtime, by the turn of the century. In step with the program, the National Personnel Authority has recommended that Japan institute a five-day work week. Ipso facto, the half day of school on Saturdays will have to be eliminated since teachers are civil servants.

But housewives, especially those who are employed part-time, are leading the opposition. There's also the difficulty of staffing hospitals since they can't take the weekend off.

**Who Is Responsible?** The Japanese government is largely to blame for the current difficulties. We hear about programs to reduce working hours, but they aren't backed up by other policies. As a result, land, housing and food costs are exorbitant—so people keep on working. ■

## INTERVIEW



NIKKEI

Is that really the case in Japan? Don't production workers take pride in their skills?

TASKER

That attitude reflects management's skill in defining a task—or perhaps Western management's lack of skill. Putting a wheel hub on a car, for example, can be treated as an important contribution—or it can be treated as simply putting a wheel hub on. But over the long term I think Japan will find it difficult to persuade people to find nourishment in a lifetime of putting wheel hubs on cars.

REDDIES

We're witnessing a change in Japan's system of values, but once again it isn't a change in the individual's attitude. Again, it will be implemented top-down, not by the individual.

*"If you're happier on a Friday because the weekend is ahead, your life isn't very enjoyable at all."*

Many research institutes, related to industry or finance, come out with international comparative studies saying that the Japanese have to adapt to Western values in management, that they need creativity rather than a company man.

Why? Because the cheap car and the cheap videocassette recorder will be produced in Taiwan or Korea. Carefully specified, high value-added production will require creative people, so you get these mid-career entrance opportunities at Toyota and high-tech companies. These mid-career people will say, "No, I want to have my weekends free. I'm not particularly loyal to you. You pay me, and I give you good work. And you'll have to give me good wages and ample free time because you want a creative person."

NIKKEI

Most Westerners probably assume that lifetime employment is standard here when it's quickly going by the board.

TASKER

It's rather like the concept of chivalry: Most knights in the Middle Ages were probably sticking

lances into peasants instead of behaving in a chivalrous manner. In fact, lifetime employment covers maybe 15 percent of the working population, but it's also an important cultural imprint that goes beyond numbers. It means that you don't go about it lightly if you have to shut down your little business and dismiss all your workers.

The concept of lifetime employment is very important to the society, even though it covers only a small percentage of the people. It's part of the ideology of Japan, and people will be very reluctant to junk it.

REDDIES

It's very clear that the employers' side finds lifetime employment outdated.

TASKER

There has clearly been a redefinition and a reorientation of the individual's relationship to the group, but I don't think it's going to the Western extent of denigrating a relationship with the people you work with, aside from the economic relationship.

NEVINS

There's never been lifetime employment here, so it's mistaken to think the companies are opposed to it. When starting wages are ¥156,000 monthly for a new graduate and he works hard, you don't throw out the baby with the bath water.

REDDIES

A poll from the Japan Institute of Personnel Administration shows that 73 percent of employers thought it would be "the heavy burden of keeping old employees on the payroll" that would shake lifetime employment. This isn't ideology. It's facts and figures. And there are other factors such as the ways the deadwood frustrate motivation in the young.

There's a mosaic of reasons, none of them ideological. Employers will modify, not abandon, the system, bringing it much closer to the European model.

NIKKEI

How do women figure in the work force in Japan?

REDDIES

They make up 37 percent right now, and the trend is moving upward, particularly in poorly paid jobs with little security. They and the elderly are the ones who pay the price of greater flexibility in the employment system.

# P R O F I L E S

NEVINS

The large increase in female employment has come from married women, especially part-timers. Until 1983 or '84, the wage differential between men and women was decreasing, but since then it has started to grow. Even so, the women are not at all interested in the union movement and don't believe it will help them. And there's no one in the companies that's interested in organizing the part-time female employees since their presence actually helps maintain the higher wage rates of the regular employees.

TASKER

Many people are reasonably satisfied with the status quo. But it has tended to depress overall wage levels, not just in the bottom half of the tier but for the top people as well.

NEVINS

I'm sure there are lots of idealists within the union movement, but let's face it: The unions are businesses, too. And if they don't expand their base and collect dues, they won't be in business. The unions want to expand and organize more people, and they claim it will help the work force. But the workers aren't buying the message.

REDDIES

It's not that part-timers don't want to join, but that most house unions don't even accept them.

NIKKEI

How would you gauge the effect of the Japanese who spend three or five years in New York or London, bringing back a totally different perception of working hours and the trade-off between work and leisure?

NEVINS

That doesn't necessarily happen. Japanese tend to work pretty hard when they're abroad. I would say it changes the wives more than the husbands.

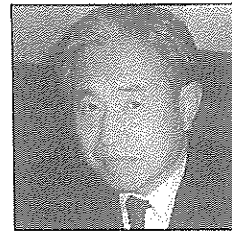
TASKER

And many never come back.

NEVINS

While others come back with greater pride in their Japanese heritage. They become incredibly frustrated with the working habits and behavior of people in other countries, and develop an even stronger sense of cultural superiority. They decide we had better work even harder so we don't end up like them.

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**Thomas J. Nevins** is the managing director of TMT Inc., a Tokyo-based human resources consultancy and executive recruitment firm. His comments on labor management appear frequently in publications both in Japan and abroad. *Labor Pains and the Gaijin Boss* is his most recent book.



**Bernd Reddies** is the resident director of the Tokyo office of Friedrich-Ebert Foundation, a non-profit educational institution committed to democratic socialism and the labor movement. He was formerly the director of the foundation's office in Singapore and a secretary to members of the West German Bundestag.



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*Opinions expressed in this discussion are those of the participants. They do not necessarily represent the views of Nihon Keizai Shimbun, Inc.*

REDDIES

That's related to the ways that this drive to reduce working hours could give Japanese chauvinists an opportunity to lay the responsibility at the door of external pressure. And that could lead the discussion in an erroneous direction.