# General Survey on Working Conditions (2009)

#### **Background**

This Survey has been carried out as the "General Survey on Wages and Working Hours System" since 1984. It combines the "Wage system Survey," the "Wage Composition Survey" and the "Working Hours System Survey" and the "Survey on Welfare Facilities System for Employees," which had been conducted separately from the "General Survey on Wages and Working Hours System" since October 1966. From the Survey for the fiscal year 2000, the title year has been changed from the fiscal year to the year in which the Survey has been conducted, and the title of the Survey has been changed to the "General Survey on Working Conditions-2001".

To give a brief history of the various surveys mentioned above, the "Wage System Survey" had been conducted occasionally. The "Special Survey on Wage System" of 1957and the "Wage System Survey" of 1963 corresponded to this survey.

The "Wage Composition Survey" had been conducted yearly since 1948. In 1963, wage classification standards were revised, but the survey continued to be conducted until 1965. The "Working Hours System Survey," conducted yearly since 1953 (except in 1954 and 1956), had consistently surveyed working hours systems in principal industries, although some survey items were revised. Labor costs had been surveyed by the "Survey on Labor Cost," conducted from 1965 to 1971 and by the "Survey on Welfare Facilities System for Employees" from 1972 to 1983.

Welfare facilities system had been surveyed by the "Survey on Welfare Facilities Systems for Employees" from 1972 to 1983.

From 2005, a part of retirement age system of Survey on Employment Management was transferred by this Survey.

#### Aim of Survey

This survey aims to study and clarify in a comprehensive manner the wage systems, working hour systems, labour costs, welfare facilities and systems, retirement allowance systems, and compulsory retirement systems of Japan's enterprises.

The 2009 survey focuses on working hours systems, wage system, building up assets and retirement age systems.

#### Scope of Survey

1. Area

Nationwide

#### 2. Industries

According to the Standard Industrial Classification for Japan, Mining and quarrying of stone and gravel, Construction, Manufacturing, Electricity, gas, heat supply and water, Information and communications, Transport and postal activities, Wholesale and retail trade, Finance and insurance, Real estate and goods rental and leasing, Scientific research, professional and technical services, Accommodations, eating and drinking services, Living-related and personal services and amusement services (In miscellaneous livig related and perosal service, Domestic services are excluded.), Education, learning support, Medical, health care and welfare, Services (not elsewhere classified) (Domestic services and Foreign governments and international agencies in Japan are excluded.)

### 3. Enterprises

Approximately 6,200 enterprises were selected according to a random sampling method from among private enterprises belonging to the above industries whose employed more than 30 regular employees.

#### **Survey Items**

- 1. Items on characteristics of enterprises
- (1) Enterprises name
- (2) Address
- (3) Name of main product manufactured or principal activity
- (4) Total number of regular employees in the enterprises
- (5) Presence/absence of trade union
- (6) Enterprise's operations
- 2. Items on working hours system
- (1) Regular working hours
- (2) System of weekly days off
- (3) Total yearly days off
- (4) Annual vacation

- (5) Variable working hours system
- (6) Judged working hours system
- 3. Items on wage system
- (1) Base salary
- (2) Bonus
- 4. Items concerning building up assets
- (1) Savings system
- (2) Home-ownership assistance system
- (3) Stock sharing system and stock option system
- (4) In-company insurance supporting system
- (5) Supporting system for retired person under the retirement age
- 5. Items on retirement age system and so forth
- (1) Retirement age system
- (2) Measures after mandatory retirement
- (3) Framework allowing people aged 65 or older to work

### **Objectives, Duration and Period of Survey**

As a rule, this survey was conducted between January 10and January 31, 2009, based on conditions applying as of January 1, 2009. However, yearly data covered the one-year of 2008 or fiscal year 2007.

### **Survey Method**

Survey conducted through outsourcing to the private sector.

### **Definition of Principal Terms**

1. Regular working hours

Working hours from opening time to closing time with rest time deducted, as specified in office regulations.

- 2. Weekly day off system
- (1) Weekly one day off or one and a half day off
- a. Weekly one day off refers to a system where employees have weekly one day off (for example, every Sunday is off).

- b. Weekly one and a half day off refers to a system where employees have weekly one day off and almost half day off (for example, Sunday is off and Saturday afternoon is off every week).
- (2) Some type of weekly two days off
- a . <u>Perfect weekly two days off</u> refers to a system where employees have weekly two days off.
- b. <u>System where employees have less than two days off every week</u> refers to a system <u>weekly two days off three times a month</u>, <u>weekly two days off every two</u> weeks, and weekly two days off once a month.
- (3) System where employees have more than two days off every week refer to such as a system some type of weekly three days off.
- 3. Annual vacation with pay
- (1) <u>Annual vacation</u> with pay refers to vacation specified in Labor Standards Law, Article 39.
- (2) <u>Grant day</u> is the number of holidays actually given to the worker in that year or fiscal year, excluding balance brought forward from the previous year.
- (3) <u>Acquired day</u> is the number of holidays actually used by the worker in the given period.
- 4. Variable working hours system
- (1) <u>Variable working hours system on a yearly basis</u> refers to a system having a condition in which, based on agreement between labour and management, average set weekly working hours for a specific period of more than one month but less than one year do not exceed 40 hours, and which recognizes the distribution of working hours in accordance with business cycles.
- (2) <u>Variable working hours system on a monthly basis</u> refers to a system that allows employees to work in excess of legal weekly or daily working hours during specific weeks or on specific days if other agreements between labour and management are signed based on work regulations and weekly set working hours for a set period of one month or less do not exceed 40 hours.
- (3) <u>Flexible working hours system</u> refers to a system where the gross working hours for specified period within a month (basic period) is determined, and within that limitation, each worker starts/ends his/her job any time on his/her discretion.

### 5. Judged working hours system

- (1) <u>Judged working hours system for job outside of the office</u> refers to a system, when a worker is carrying out his/her responsibility outside of the office, and it is difficult for management to supervise the work, he/she is assumed to have worked for hours typically necessary for that job. Such system shall be specified in agreement between labor and management.
- (2) <u>Discretionary work system in the type of professional work</u> refers to a special system, when the work is entrusted to the worker's discretion and his/her supervisor cannot monitor due to nature of the work, e.g., research and development. In such cases, the worker is assumed to have worked for hours typically necessary for that job, based on the agreement between labor and management.
- (3) <u>Discretionary work system in the type of planning work</u> refers to a system in which white-collar employees who engage in planning, research and analysis concerning business operations are considered to have worked for hours decided at the Labor-Management committee. In order to introduce this system, the approval of a four-fifth majority of the members of the Labor-Management committee and the consent of the employees concerned shall be necessary.

### 6. Wage system

- (1) <u>Basic wage</u>: It is major portion of the total wage. It is the basic salary calculated and provided based on the attributes of the worker himself / herself, such as age, education, occupational experience, qualification, type of the job, type of the business, or factors accompanying to the worker's job. The basic salary is provided to all the workers covered by the same wage system.
- (2) <u>Bonus</u>: It is provided depending on the duty results of the worker, a financial condition regularly or tempo-rarily, and it is not settled beforehand.

## 7. Building up assets

- (1) <u>Savings system</u> refers to a system where workers deposit their money in the company or financial institution with support (Incentive payments, interest subsidies and so forth) from the company in order to build up his / her assets. Consequently, of accumulation schemes for benefit societies, convivial meetings, mutual aid societies, etc. and savings which do not involve enterprises and are carried out by employees personally, the ones which do not have the nature of savings are not included.
- (2) Workers' property accumulation savings (general worker's property

- <u>accumulation savings</u>) refers to a workers' savings system based on paragraph 1 of Article 6 of the Workers' Property Accumulation Promotion Law.
- (3) Workers' property accumulation savings (worker's property pension accumulation savings) refers to a workers' pension savings system based on paragraph 2of Article 6 of the Workers' Property Accumulation Promotion Law.
- (4) <u>Workers' property accumulation savings (worker's property housing accumulation savings)</u> refers to a workers' housing savings system based on paragraph 4of Article 6 of the Workers' Property Accumulation Promotion Law.
- (5) <u>In-company savings</u> refers to a system in which enterprises are entrusted with managing savings on behalf of employees (In general, it refers to deposit systems based on Article 18 of the Labour Standards Law or Article 34 of the Mariners Law).
- (6) Other savings systems refer to savings and deposits (excluding in-company savings) to financial institutions at which enterprises carry out business formalities (payroll deduction, etc.), namely, bank deposits, postal savings and so forth.
- (7) Stock sharing system refers to a system where the company gives some type of financial support to its employee in order to buy stocks of employee's own company.
- (8) <u>Stock option system</u> refers to a system where the employee is entitled to buy stocks of his/her own company at predetermined price (exercising price).
- (9) Housing fund finance system refers to a system (Including sublet finance from Government Pension Investment Fund or Employment and Human Resources Development Organization of Japan) where the company finances its workers with funds to acquire house or lands, and a system where workers of own company can borrow money from financial institutions on more advantageous terms (Low interest rates, convenient scheme, company's provision of personal or impersonal security and so forth) than general housing loan, through cooperation between the company and financial institutions.
- (10) <u>In-company insurance supporting system</u> refers to a system where the company pays all or the part of the premium of the insurance which insures the employee himself / herself, and the system is integrated in the company's welfare program. However, insurance involving retirement allowance or pension plan is excluded.

### 8. Compulsory retirement system

- (1) <u>Employment expansion system</u> refers to a system that maintains the compulsory retirement age as is but continues employment of people who have reached the age without forcing them to retire.
- (2) <u>Re-hiring system refers</u> to a system that has persons who have reached the compulsory age temporarily retire and then re-hires them.