

# **Workers' Satisfaction**

## **In New Movement of Japanese Standard Employment**

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### **Abstracts**

The aim of this paper is to reveal workers' satisfaction in new movement of Japanese employment systems. Specifically, we investigate the relationship between new dimensions of human resource management (HRM) in Japan and workers' satisfaction for wage. The concern about new type of regular employment, so-called restricted regular employment, is raised in Japan and HRM systems for standard workers are diversifying to homogeneous and heterogeneous. So, we focuses on the relationship heterogeneous/homogeneous HRM and restricted workers' satisfaction. The findings are that (1) the status as restricted standard workers has positive effects on satisfaction for wage in homogeneous HRM, (2) the status as restricted has positive effects on satisfaction for wage in heterogeneous HRM and (3) the interaction between the status as restricted standard workers and homogenization of job contents has negative effects on satisfaction for wage in heterogeneous HRM. Also, we found (4) females are more satisfied with wage than males in homogeneous HRM and (5) the length of service has positive effects on satisfaction for wage in heterogeneous HRM.

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## **1. Introduction**

Recently, Japanese government advocates to arrange the variety of working style through not only choosing non-regular employment but also keeping regular employment status with restricted work conditions/terms. Under this movement, concern about new type of regular employment, so-called restricted regular employment, is raised in Japan.

The aim of this paper is to reveal workers' satisfaction in new movement of Japanese employment systems. Specifically, we investigate the relationship between human resource management (HRM) system (homogeneity/heterogeneity) Japan and workers' satisfaction for wage.

### **1-1. Current situation/movement in Japanese employment systems**

During the long-term economic stagnation that began in the 1990's, Japan's economic environment changed enormously, including the development of economic service, the intensification of international competition and so on. Values of workers have also diversified over this period. Against the background of such changes in socioeconomic environment, the proportion of nonstandard workers has increased. According to the General Survey on Diversified Types of Employment 2010(GSDE 2010) conducted by Ministry of Health, labour and welfare (MHLW), nonstandard workers account for 38.7% of all workers (JILPT, 2014).

Compared to standard workers, nonstandard workers face the some problems in their working life. For example, according to GSDE2010 satisfaction of nonstandard workers on stability of employment is less than it of standard workers. When we look to satisfaction on wage and training, same trend can be seen. It has been indicated that, in comparison with standard worker, non-standard worker generally have (i) less employment stability, (ii) lower wages, and (iii) fewer opportunities for career development.

At the same time, standard workers are also faced some problems. One of the most famous problems is overwork of standard workers. Satisfaction of standard workers on labour hour is less than it of nonstandard workers (GSED 2010). And according to Monthly labour survey conducted by MHLW, annual total labour hours of standard workers have kept over 2,000 hours from 1993 to 2012 except 2009 (JILPT, 2014). In addition to this problem, Standard workers have to accept the company's order of redeployment regardless of whether they like or not in exchange for getting strict job security and possibilities of career development within company. It has been indicated that, in comparison with nonstandard worker, standard worker generally have (i) health risk<sup>1</sup>, (ii) difficulties of balancing work and life.

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<sup>1</sup> According to research conducted by The Japan Institute for Labour Policy and Training (JILPT), the longer the hours worked by a person in a week, the easier it is for them to be exposed to stress and health risks (JILPT, 2014).

## **1-2. Emerging issue in current movement of Japanese employment systems**

Faced above mentioned problems, Labour market in Japan faced serious problems, so-called the polarization between typical standard workers and non-standard workers. Standard workers enjoy stable employment and treatment in return for there being no limits on the range of the work they engage in or their place of work. On the other hand, while non-standard workers have a limited range of work tasks or place, their employment and treatment are unstable. As this indicates, the polarization between typical standard employees and non-standard employees in Japan forms what is referred to in Japan as a “twist phenomenon,” in which factors which are problems for one form of employment are solved by the other form of employment, and vice versa.

One of the biggest issues of polarization is that the huge gap of way of working between standard and nonstandard cause immobilization of worker’s employment status. So once people choose their way of work as nonstandard workers, they continue to work as nonstandard one. This means both standard and nonstandard workers have continued to face each problems like above mentioned things. So it can be said that Japanese labour market is in the tricky situation.

## **1-3. Suggestion of restricted standard workers from government and researchers**

Being faced this tricky situation, to tackle problems in Japanese labour market, government have started some actions. One of the most typical actions is to offer new type of way of work so-called restricted standard employment. The important aspect of the discussions regarding restricted-standard workers is that people can have more options for ways of working while maintaining “standard worker” as a form of employment. In addition to encouraging diversities of way of work, restricted-standard workers are also expected to resolve labour problem of non-standard workers by encouraging mobilization of different employment categories.

And Japanese researchers also suggest introducing restricted standard workers. Imano highlights the fact that with diversification in the makeup of the labor force like increasing women or elders, there is growing scope and necessity for personnel management in companies to utilize workers with restrictions on factors such as their tasks, places, and working hours, regardless of their form of employment. Imano gives restricted standard workers as one form of employment (Imano,2012). These opinions show restricted standard workers are needed not only for labour policy but also company’s personnel management itself. Let see the brief features of restricted standard workers and relationships among three types of workers below section.

## **2. Previous Studies and Hypotheses**

### **2-1. Characteristics of personnel management of typical standard workers**

Before pursuing the discussion on restricted standard workers, let us clarify the characteristics of conventional Japanese employment practices and the typical standard workers who work under such practices. As is widely known, the characteristics of Japanese-style employment systems are the principles of (i) long-term employment, (ii) seniority-based wages and promotion, and (iii) cooperation between labor and management (Hisamoto,2008).

It is also significant that in Japan, not only those workers in the white-collar level but also those in the blue-collar level have benefited from the aforementioned characteristics of the employment system. On the other hand, nonstandard workers have often been left outside of the “core level,” which consists largely of female. In other words, nonstandard workers have often found themselves in the periphery levels. Hisamoto cites the following two points as characteristics of the employment management of standard employees: (i) the small size of the gap between blue collar workers and white collar workers, and (ii) different management according to gender (Hisamoto,2008). It can be inferred from these insights that while there are only minor gaps in treatment due to different jobs, there is a significant gap between the sexes.

Under the conventional Japanese employment practices described above, typical standard workers were expected to always maintain a certain level of flexibility with regard to the delineations and boundaries of their work in order to fulfil their anticipated role as the primary labor force (Inagami,1989). As can be ascertained from the points raised by Inagami, typical standard workers have been expected to be flexible when it comes to the range of their work tasks and work locations. This means that companies have essentially been able to utilize human resources without any restrictions. As Marsden has highlighted, in Japan, unlike in country such as Germany, it is possible for employers to utilize human resources without any limitations being placed upon them regarding the division of tasks.<sup>2</sup>

However, on the other hand, the employers following conventional Japanese employment practices undertake the obligation of guaranteeing the employee employment stability until retirement age (Sugeno,2004). In addition, due to the seniority-based wage curve, it is necessary for companies to take on a certain level of personnel expenses. Essentially, employers bear such obligations and expenses in return for the benefits of being able to utilize human resources flexibly.

Given that for employees in long-term employment there are no restrictions on the range of the type of their work or duties, it can be said that employment in Japan is characterized by

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<sup>2</sup> For characteristics of task distribution in the employment systems of each country, see Marsden (1999).

the fact that employees are employed as “members” of a company, as opposed to being given specific tasks and receiving payment in return for accomplishing those tasks.

## **2-2. Work condition of restricted workers**

Bearing in mind the points which have been raised so far, restricted-standard workers can be described as standard workers with a certain level of restrictions on their work locations and/or tasks. Therefore, unlike typical standard workers, they are standard workers which place a certain level of restrictions on their employer in terms of how they can be utilized. This is comparable to the characteristics of non-standard workers, whose work responsibilities and places of work have a limited range.

Figure 1 represents the relationship between typical standard workers (un-restricted standard workers), restricted-standard employees, and non-standard workers. As noted in the introduction of this paper the polarization between typical standard workers and non-standard workers in Japan forms what is referred to in Japan as a “twist phenomenon”. Restricted-standard workers can be found at the intersection where typical standard workers and non-standard workers meet, as an intermediate layer between the two. As noted in the introduction of this paper, restricted-standard workers are expected to have the effect of increasing the stability of employment of non-standard workers, while also maintaining and encouraging the diversity of the ways in which standard workers work (Nishimura,2013,2014).

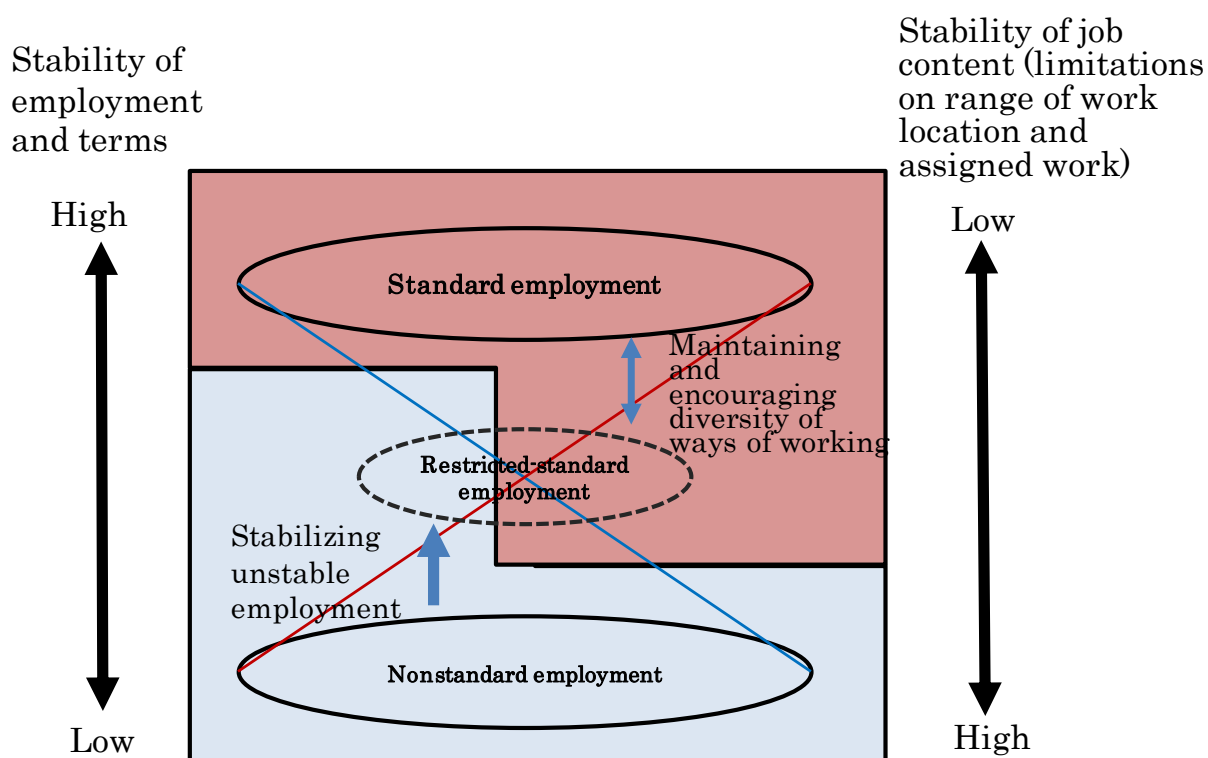
There is research highlighting that in the 1980s at least a number of Japanese companies began to introduce different types of regular employment (Inagami,1989). Moreover, using the criteria defining employment categories as a basis<sup>3</sup>, the Japan Trade Union Confederation(JTUC)’s Research Institute for Advancement of Living Standards (RENGO-RIALS) demonstrate that standard workers with restrictions on the range of their place of work or the scope of duties exist in considerable numbers (RENGO-RIALS,2003). According to RENGO-RIALS (2003), among 547 companies surveyed, 56.3% of companies have a number of different employment categories of standard workers. RENGO-RIALS also highlight that among these multiple employment categories for standard workers, there are standard workers with restrictions on the range of their place of work or duties. However, such workers account for around just 30% of the total number of standard workers. 69.0% of standard workers have no restrictions on their work or place of work, making the majority of

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<sup>3</sup> Employment categories are regarded as the foundations of personnel management (Imano and Sato,2009), and the term normally refers to the categories created by dividing workers into multiple different groups based on some form of logical grounds. The categories are according to factors including forms of employment such as standard workers and non-standard workers, differences in future career development possibilities, and differences in ways of working (Morishima, 2011).

standard workers un-restricted standard workers. Research on human resources architectures also highlights the existence of standard employees with restrictions on the way they work.<sup>4</sup>

**Figure1 The relationship between typical standard workers, restricted-standard employees, and non-standard workers.**



**2-3. Emerging issues: Needs for balanced treatment among three types of workers**

Addressing the existence of a number of different types of standard workers, Sato, Sano, and Hara (2003) point out that personnel management are faced with the challenges of defining boundaries and providing balanced treatment for the different employment categories. So this paper is taken up this subject. To deal with this subject, we treat satisfaction of workers as an index of success to balanced treatment in company’s HRM, because, in general, job satisfaction might be key factor affected by HRM issues. In addition to deal with satisfaction of workers, we would like to use following concepts, which is homogeneity or heterogeneity in HRM.

According to Inagami(1989), there two dimensions in the concept of homogeneity /heterogeneity. One is the phenomenological homogeneity/heterogeneity, which is the factor of quantitative measurable things. The typical example is wage differences. Another is the

<sup>4</sup> Examples include Nishimura and Morishima (2009) and Hirano (2010).

intrinsic homogeneity/heterogeneity, which is the factor of unmeasurable things. The typical example is difference which is caused by sex, job values, employment categories.

Important point of this thinking is that these two dimensions are compatible. When although there is wage difference between Mr,A and Mrs,B, Mrs,B accept these situation positively by their differences of sex, wage difference does not means inequality of wage but adequate gaps reflected proper difference between man and women. In previous research, Okunishi (2008) pointed out the perceived distinction by employment category is more influential in determining perceived wage equity than wages and job contents.

Generally argument of human resources architectures (e.g. Lepak and Snell, 1999), is that companies have to make their HRM systems suitable for each category. It means that when companies conduct their business by using some employment categories, they have to choose heterogeneous road in preparing their HRM. But as we mentioned 2-1, one of the unique features of HRM in Japan is that companies tend to hesitate to apply different HRM system to different jobs. It is both those workers in the white-collar level and those in the blue-collar level that have benefited from Japanese-style employment systems which consist of long-term employment, seniority-based wages and promotion.

Considered this Japanese situation, when we focus the relationship between un-restricted standard workers (i.e. typical standard workers) and restricted standard workers but not between standard and non-standard workers, applying different HRM to different categories within one company is not necessarily the best way for providing balanced treatment for different employment categories and rising satisfaction of each type of workers. We insist that if we deal with the subject of balanced treatment among un-restricted standard workers, restricted standard workers, and non-standard workers, we have to hold a discussion with consideration of the two above mentioned dimensions.

Regarding workers' satisfaction, in Japan, the increasing of non-standard workers have negative effects on standard workers' satisfaction for job security, job contents and human relations within workplace (Enatsu, 2008). Also, Broschak and Davis-Blake (2006) pointed that higher proportion of non-standard workers were associated with less favorable attitudes toward supervisors and peers. These findings have been important and suggestive for homogeneity or heterogeneity in HRM, that is, the situation consisted as mix-employment of non-standard workers and standard workers have some effects on each workers' perceptions (e.g. satisfaction, job security). It implies that the expansion of diversified employment systems might have some impacts of workers in various employments. Most of previous studies, however, focused on the mix of non-standard and standard workers. Actually, un-restricted standard workers has been just appearing as new movement in Japanese employment system, and research about them has been conducting gradually in recent years

(e.g. Morishima, 2011; JILPT, 2013, Nishimura, 2015). Therefore, we investigate the relationship between HRM styles and job satisfaction of un-restricted and restricted standard workers.

Also, this research focused on HRM systems and workers' satisfaction and investigate the relationship between them. In our analyses, we especially focus on satisfaction for wage because wage is important for workers' job attitudes in heterogeneous and homogeneous HRM, as pointed in Inagami (1987) as the phenomenological homogeneity/heterogeneity and pointed in Okunishi (2008) as employment category. So, we investigated the relationship between heterogeneous/homogeneous HRM and workers' satisfaction for wage.

### **3. Data and Analyses**

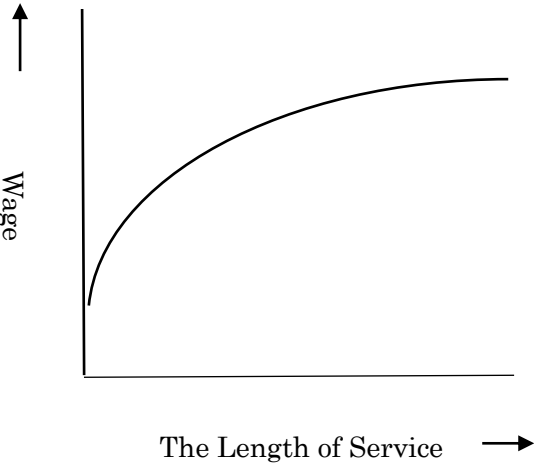
#### **3-1. Sample and Variables**

We use the survey data conducted by JILPT in 2008 and, especially, we use the survey conducted for workers and employers of their companies in analyses. The questionnaire for workers had sent out to 100,000 workers via their offices and it asked them about their job, wage and work conditions. In this survey, JILPT collected the responses from 11,010 workers (response rate: 11.0%). Also, the questionnaire for employers sent out 10,000 business places and it asked recruitment, employment arrangement (e.g. ratio of non-standard workers, appointment of permanent employees) and the differences of wage system among each employment. These two data is matching data, that is, we collected workers' responses from business places that employers responded our questionnaire.

In this study, we use the question for the differences of wage-table between un-restricted standard workers and restricted standard workers as index of heterogeneous/homogeneous HRM system. This question asked employers whether wage-table between un-restricted standard workers and restricted standard workers in his/her company is the same or not. In general, wage of most of standard workers, except elderly persons, in Japanese HRM systems continues increasing as right upwards with the length of service (See figure 2). Also, if its shape is not right upwards, standard workers get rise in their pay with the length of service.

As we said, restricted standard worker is status as the intersection where typical standard employees and non-standard employees meet, therefore, wage-table of restricted standard workers is not necessarily the same with un-restricted standard workers and restricted standard workers.

**Figure 2 Wage-Curve of Typical Standard Workers in Japan (Image)**



In this paper, we distinguished heterogeneity and homogeneity in HRM by the sameness/difference of wage-table between un-restricted standard workers and restricted standard workers, that is, when the shape of wage-curve between them is the same then HRM systems was deemed as homogeneous HRM systems. Therefore, we set a dummy variable for the sameness of wage-table between un-restricted standard workers and restricted standard workers (Using the same wage-table between them =1, Not= 0). We calculated the number of business places using the same wage-table between un-restricted standard workers and restricted standard workers (See Table 1). As shown in Table 1, in our samples, 56.3 % of all enterprises use the same wage-table between un-restricted standard workers and restricted standard workers and 43.7% of them use different wage-table between them. So, we set the enterprises using the same wage-table as homogeneous HRM style and the enterprises using the different wage-table as heterogeneous HRM systems. And, we use this dummy variable as independent variable.

**Table 1 The Sameness/Difference of Wage-Table**

	Using the Same Wage-Table	Not Using the Same Wage-Table
Number	300	233
(%)	56.3	43.7
N(※)	533	

(※)N: Total number of employers responding to this question

The main objective of this paper is to investigate the relationship between HRM styles and job satisfaction. Mainly, we should focus on their satisfaction for wage in this analysis

because, as Okunishi (2008) focused, satisfaction for wage must be effected by the diversification of HRM systems and we use heterogeneous/homogeneous HRM indices made by wage-table's uniformity. Before we do some regression analyses predicting the effects of HRM on workers' satisfaction, we have to compare the gap of satisfaction between restricted standard workers and un-restricted standard workers by independent t-test.

In the results of t-test for satisfaction for work itself (contents, worthwhile), wage and evaluation/treatments, it show the gap of satisfaction investigated (See Table 1 and 2). As shown in Table 2 and 3, the different of mean of satisfaction for wage is the only significant one. As mentioned above, this gap might be appeared as the phenomenological homogeneity/heterogeneity reflected by HRM. So, we set workers' satisfaction for wage as dependent variable.

**Table 2 Mean Comparisons in Homogeneous HRM systems**

Satisfaction(s)	Mean		
	Un-restricted Standard Workers	Restricted Standard Workers	
For Work itself (contents, worthwhile)	2.45	2.32	+
For Wage	3.15	2.96	*
For Evaluation/Treatments	3.11	3.04	
N	341	476	

Note: \*  $p < .010$ , +  $p < .050$

**Table 3 Mean Comparisons in Heterogeneous HRM systems**

Satisfaction(s)	Mean		
	Un-restricted Standard Workers	Restricted Standard Workers	
For Work itself (contents, worthwhile)	2.31	2.34	
For Wage	3.13	2.86	**
For Evaluation/Treatments	2.99	2.95	
N	230	400	

Note: \*\*\*  $p < .001$ , \*\*  $p < .005$ , \*  $p < .010$ , +  $p < .050$

We set the status of each workers as independent variables. We made a dummy variables of status of workers (Restricted standard workers = 1, Un-restricted standard workers = 0). Also,

we investigate the effect of sameness of work between un-restricted standard workers and restricted standard workers because, ideally, their job contents should be the same if wage-table is the same with each other in standard employment. From perspective of equality in work arrangement, when one (Mr. A) is restricted his work (and/or working hours, location where he works) and another (Ms. B) is not restricted, then, generally, Ms. B should have more responsibility and/or authority in job and she should be paid more than Mr. A. So, if the job contents of Mr. A is the same with Ms. B, Mr. A feels his wage is unreasonably lower than Ms. B's and his satisfaction for wage might becoming lower.

Therefore, we set homogenization of job content as one of independent variables. We made a dummy variable of the sameness (There is the standard workers who is arranged in different employment from you but is doing the same work with yours = 1, Not = 0). Our dependent variable is workers' satisfaction for wage. We asked their satisfaction for wage in questionnaire (1 = Strongly dissatisfied – 5 = Strongly satisfied). Also, we analyze the effects of interaction between “the status as restricted standard worker” and “homogenization of job content” because, if restricted standard workers do the same work even though his/her work normally are restricted at hours, job contents and location then it might have effects on their job attitudes. The interaction means the situation that one is restricted standard worker doing the same work with un-restricted standard workers. In addition, we set sex (female =1, male = 0), age, the length of service at current workplace, education (dummy variables; reference group = junior high-school), industry (dummy variables; reference group = others), occupational category dummy variables; reference group = others) as control variables.

In regression, after the missing is deleted, we analyze the factors affecting on workers' satisfaction for wage in two categories; one is analyzed in homogeneous HRM (N = 816), and another is analyzed in heterogeneous HRM (N = 719). So, our regression analyses predict the effects of the status as restricted standard workers and the sameness of job contents on workers' satisfaction for wage in each homogeneous and heterogeneous HRM.

### **3-2. Results and Findings**

The results by regression analyses are shown in Table 4. Regarding the main effects, in homogeneous HRM, the status as restricted standard workers has positive effects on satisfaction for wage, however, homogenization of job contents and the interaction between the status and homogenization of job contents have no significant effect on satisfaction. On the other hands, in heterogeneous HRM, the status as restricted has positive effects on satisfaction for wage, however, homogenization of job contents and interaction has negative effects on satisfaction (Note that although homogenization of job contents in model 5 has significant effect, the effects of homogenization in model 6 has no significance). Besides the

**Table 4 Regression Analyses Predicting Satisfaction for Wage**

	Homogenous HRM						Heterogeneous HRM					
	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
Constant		***		***		***		***		***		***
Sex(Female=1)	.142	***	.152	***	.152	***	-.018	.011	.015			
Age	.042		.041		.041		-.049	-.048	-.050			
Length of Service	.078	+	.069		.069		.158	**	.150	**	.150	**
Education												
High-School	-.085		-.066		-.066		-.069	-.063	-.067			
Junior College	-.127		-.110		-.110		-.103	-.090	-.091			
Undergraduate	.051		.067		.067		.002	.010	.005			
Graduate	.068		.070		.070		-.002	-.005	-.006			
Industry												
Manufacturing	-.026		-.025		-.025		-.017	-.028	-.030			
Service	-.072	+	-.071	+	-.071	+	.038	.035	.033			
Retail	-.051		-.050		-.050		-.056	-.063	-.062			
Infrastructure	.044		.043		.043		.061	.051	.051			
Finance	.041		.042		.042		.004	.003	.005			
Occupational Category												
Staff	-.048		-.057		-.057		.017	.021	.022			
Sales	.001		-.002		-.002		-.052	-.057	-.055			
Technician	-.058		-.060		-.060		-.021	-.009	-.009			
Transportation	-.072	*	-.069	+	-.069	+	.020	.040	.034			
Security/Maintenance	-.059	+	-.054		-.054		.037	.036	.037			
Agriculture	-.008		-.005		-.005		-.056	-.054	-.058			
Service	-.053		-.056		-.056		-.050	-.052	-.054			
Main Effects												
Restricted Standard Dummy			.065	+	.064			.107	**	.160	**	
Homogenization of Job Contents			.048		.047			-.064	**	.019		
Restricted Standard Dummy × Homogenization of Job Contents					.001					-.115	+	
Adjusted R <sup>2</sup>		.055		.059		.058		.023		.036		.039
N				816						719		

Note: \*\*\* p < .001, \*\* p < .005, \* p < .010, + p < .050

main effects, in homogeneous HRM, females are more satisfied than males, and in heterogeneous HRM, the length of service has positive effects on satisfaction for wage.

## **4. Discussion and Conclusion**

### **4-1. Discussion and conclusion**

We found in the results by regression that (1) the status as restricted standard workers has positive effects on satisfaction for wage in homogeneous HRM, (2) the status as restricted has positive effects on satisfaction for wage in heterogeneous HRM and (3) the interaction between the status as restricted standard workers and homogenization of job contents has negative effects on satisfaction for wage in heterogeneous HRM.

We interpreted by the results (1) and (2) that restricted standard workers are not necessarily dissatisfied with his/her wage under the both homogeneous and heterogeneous HRM style. From this result, as pointed out figure1, it seems that diversity of the way of Japanese workers' work tend to be encouraged and maintained under keeping status of standard employment by introducing restricted standard workers.

However, in the case that restricted standard workers' job contents is the same with un-restricted standard workers' ones although wage-table is not the same, restricted standard workers feel dissatisfaction with their wage. Understandably, this case violates the principle for determining wages (called "equal labor, equal pay") and it leads them to dissatisfaction for wage. From this result, we suppose that because exact job contents and/or work location of restricted standard workers are strictly defined, restricted standard workers pay more attentions for differences of present job contents between he or she and un-restricted workers.

Also, we found (4) females are more satisfied with wage than males in homogeneous HRM and (5) the length of service has positive effects on satisfaction for wage in heterogeneous HRM.

Regarding the result (4), it might imply following interpretation. Based on our empirical research<sup>5</sup>, we suppose one important factor is to spread opportunities of internal career development and increasing wage level of female restricted standard workers. With Company's challenge for promoting participation of women, female restricted standard workers get more opportunities for career development than before and not only their monthly wage are risen but also their motivation and satisfaction for work are also improved as a result. And these companies tend to adopt the homogeneous HRM approach.

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<sup>5</sup> Detailed report published in JILPT(2013) and Nishimura(2015)

**Figure 3 The Title and Grades of one Finance Company**

Managerial track			Old System				New System		
Title	Grade	Amount of salary (yen)	Title	Grade	No..	Amount of salary (yen)	Title	Grade	Amount of salary (yen)
Senior-level assisting role	3	340,000	Clerical track senior-level assisting role	3		280,000	Senior level assisting role	3	
	2			2				2	
	1			1				1	
Mid-level	3	320,000	Clerical track mid-level	3		260,000	Mid-level	3	
	2			2				2	
	1			1				1	
Mid-level assisting role	3		Clerical track mid-level assisting role	3			Mid-level assisting role	3	
	2			2	2			2	
	1	220,000		1	2	200,000		1	
				1	1	190,000	1		
Entry level	5		Entry level II	3			Entry level	5	
	4			2	2			4	
	3			1	1			3	
	2			1	2			2	
	1		1	1		1			
			Entry level I	3					
				2					
				1	2				
			Entry level assisting role	3	2				
				2	2				
				1	1				

Notes:

1. The amounts have been created for the purpose of this paper and are not real amounts.
2. Titles and grades are shown for levels which are members of the labor union.
3. Managerial track is previous un-restricted standard workers and Clerical track is previous restricted standard workers.
4. Managerial track G Course is current un-restricted standard workers and Managerial track A Course is current restricted standard workers.

Source: Nishimura (2015)

Figure3 is the wage system of one finance company which changes their HRM from heterogeneous road to homogeneous road. This company previously applied different wage grades to different employment categories, but now it applies same wage grade to different

categories. This might show one HRM pattern of mixing phenomenological homogeneity and intrinsic heterogeneity. The result (4) imply that, like above mentioned case, being introduced restricted standard workers or changed restricted workers from old type to new one, female workers tend to enjoy more fruitful work than before.

Regarding the result (5), in heterogeneous HRM, the longer the length of service that standard workers have been working at there, the more satisfied for wage. As shown in Figure 2, wage of most of standard workers in Japanese HRM systems continues increasing as right upwards with the length of service, that is, wage of almost all of un-restricted standard workers who are adapted to this wage-curve has been increasing. On the other hands, regarding the effects of length of service of restricted standard workers on satisfaction for wage, the results might imply two interpretations as follows; firstly, restricted standard workers who accept heterogeneous HRM have more concern to continuity of employment in particular enterprise and workplace than wage and keep their satisfaction for wage. Second, restricted standard workers are getting comply with heterogeneous HRM in exchange for enjoying their family life or community. According to our empirical research<sup>6</sup>, restricted standard worker is less opportunity for redeployment with need for changing residence, which un-restricted standard workers always face. And restricted standard workers enjoy peace of mind by this fact. It assume that because restricted standard workers few risks of redeployment than un-restricted one, restricted standard worker can easily design his or her life planning within certain community than un-restricted one. We supposed that restricted standard workers accept different treatment positively in exchange for enjoying their daily life. This might show the case that workers accept both phenomenological and intrinsic heterogeneity positively.

In discussion about these interpretations, we have to pay attention about each worker's career perspectives and reasons why they choose to work as restricted standard workers, of course. Discussing based on Figure 1 showing two stabilities; one is the stability of employment and term, another is the stability of job contents and work location, the factor determining satisfaction as restricted standard workers might be depended on worker's perspective. For instance, if the person has more importance of stability of employment, he/she may accepts heterogeneous HRM even though he/she remains unconvinced with heterogeneous, also, if the person has more importance of stability of job contents and work location and he/she can work as restricted standard worker, then he/she may be more satisfied.

We suggest some implications from these discussions. First, we have to pay attentions on the fact that restricted standard workers are not necessarily dissatisfied with his/her wage regardless of HRM styles but they feel dissatisfaction with their wage in the case restricted

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<sup>6</sup> Detailed report published in JILPT (2013)

standard workers' job contents is the same with un-restricted standard workers' ones if wage-table is not the same. Therefore, we should have to shed light on the job contents of restricted standard workers in heterogeneous HRM. Second, when we divide HRM systems into heterogeneous and homogeneous, we have to pay attentions on restricted standard workers' perspective and expectation and lead them to convince as much as possible with HRM systems.

#### **4-2. Limitations and Future Direction**

We found new findings in new movement of Japanese employment systems, however, we have some limitations in this paper, of course. First, we should divide restricted standard workers into some types based on restricted standard workers' perspective and expectation. Second, we have to rethink on the definition of heterogeneous and homogeneous HRM. We use wage-table as indices of heterogeneous/homogeneous because of the limitation of our dataset, however, we can measure heterogeneous/homogeneous with other indices in future survey. Third, we have to pay attention for comparative targets that restricted standard workers compare their wage with. Based on the theory of relative deprivation (e.g. Crosby, 1982), person tends to compare himself or herself with colleagues who is working in the same and/or neighbor workplace, therefore, there is the possibility that restricted standard workers may compare themselves with nonstandard workers in the same/neighbor workplaces.

Although we have some limitations in this study, we believe this study sheds light on new movement of Japanese employment systems. Undoubtedly, the population of restricted standard workers is increasing in Japan in near future, and this research contributes to future research. This study is the first step to discuss that issues.

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## Appendix 1 Correlations

	①Female	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪
②Age	-.109 ***	1									
③Length of Service	-.154 ***	.595 ***	1								
④High-School	.073 **	.195 ***	.157 **	1							
⑤Junior College	.267 ***	-.008	.002	-.308 ***	1						
⑥University	-.245 ***	-.179 ***	-.130 ***	-.605 ***	-.461 ***	1					
⑦Graduate	-.068 **	-.017	-.044 +	-.119 ***	-.091 ***	-.178 ***	1				
⑧Manufacturing	-.058 *	.012	.098 ***	.031	-.103 ***	.054 *	-.030	1			
⑨Service	-.025	-.001	-.032	.055 *	.016	-.059 *	-.019	-.210 ***	1		
⑩Retail	-.073 **	-.031	.014	.013	-.025	.020	-.011	-.160 ***	-.136 ***	1	
⑪Infrastructure	-.042 +	-.021	.035	-.010	-.020	.032	-.009	-.083 **	-.071 **	-.054 *	1
⑫Finance/Insurance	.053 *	-.055 *	-.014	-.032	-.028	.078 **	-.054 *	-.143 ***	-.122 ***	-.093 ***	-.048 +
⑬Staff	.334 ***	-.207 ***	-.134 ***	-.016	-.004	.067 **	-.085 **	.018	-.047 +	-.021	.022
⑭Sales	-.151 ***	-.053 *	-.018	-.061 *	-.060 *	.114 ***	-.014	.014	-.040	.252 ***	-.006
⑮Technician	-.103 ***	.002	.028	.202 ***	-.077 **	-.128 ***	-.046 +	.278 ***	-.065 *	-.022	-.024
⑯Transportation	-.104 ***	.066 *	.040	.150 ***	-.041	-.101 ***	-.025	-.068 **	-.058 *	-.044 +	-.023
⑰Security/Maintenance	-.101 ***	.085 **	-.061 *	.046 +	-.040	-.038	-.025	-.054 *	.274 ***	-.043 +	-.022
⑱Agriculture	-.042	-.012	.005	.014	-.012	-.033	.086 **	-.036	.020	.008	-.012
⑲Service	.029	-.049 +	-.061 *	.070 **	.035	-.079 **	-.037	-.098 ***	.125 ***	-.017	-.033
⑳Restricted standard worker(D)	-.248 ***	.035	.116 ***	-.063 *	-.120 ***	.121 ***	.062 *	.078 **	.018	.080 **	.029
㉑Homogenization of Job Contents(D)	.078 **	-.040	-.050 *	.004	.086 **	-.084 **	.018	-.059 *	.007	-.066 *	-.007
㉒Restricted Standard Worker × Homoeogenization of Job Contents	-.036	-.039	-.007	-.022	.007	-.009	.038	-.007	.008	-.015	.013
㉓Satisfaction for wage	.019	.045 +	.083 **	-.060 *	-.080 **	.098 ***	.049 +	-.005	-.027	-.059 *	.060 *

Note: \*\*\* p < .0001, \*\* p < .001, \* p < .005, + p < .010

**Appendix 1 Correlations (Cont.)**

	⑫	⑬	⑭	⑮	⑯	⑰	⑱	⑲	⑳	㉑	㉒
⑫ Finance/Insurance	1										
⑬ Staff	.136 ***	1									
⑭ Sales	.057 *	-.214 ***	1								
⑮ Technician	-.071 **	-.217 ***	-.060 *	1							
⑯ Transportation	-.039	-.120 ***	-.033	-.034	1						
⑰ Security/Maintenance	-.039	-.118 ***	-.033	-.033	-.018	1					
⑱ Agriculture	-.021	-.064 *	-.018	-.018	-.010	-.010	1				
⑲ Service	-.031	-.174 ***	-.048 +	-.049 +	-.027	-.026	-.014	1			
㉑ Retricted standard worker(D)	-.018	-.018	.092 ***	-.020	-.119 ***	-.004	.003	.020	1		
㉑ Homogenization of Job Contents(D)	-.017	-.058 *	-.014	.040	.095 ***	.008	-.038	.057 *	-.095 ***	1	
㉒ Retricted Standard Worker × Homoeogenization of Job Contents	-.026	-.023	.037	.020	-.033	-.007	-.037	.051 *	.410 ***	.656 ***	1
㉓ Satisfaction for wage	.037	.020	-.029	-.049 +	-.042	-.006	-.021	-.069 **	.094 ***	-.022	.007

Note: \*\*\* p < .0001, \*\* p < .001, \* p < .005, + p < .010

## Appendix 2 Descriptive Statistics

	N	Min	Max	Mean	S.D
①Sex (Female =1)	1537	0.00	1.00	0.41	0.49
②Age	1537	18.00	74.00	38.21	11.43
③Length of Service (months)	1537	0.00	539.00	144.71	118.50
④High-School	1537	0.00	1.00	0.29	0.45
⑤Junior College	1537	0.00	1.00	0.19	0.39
⑥University	1537	0.00	1.00	0.48	0.50
⑦Graduate	1537	0.00	1.00	0.03	0.18
⑧Manufacturing	1537	0.00	1.00	0.20	0.40
⑨Service	1537	0.00	1.00	0.15	0.36
⑩Retail	1537	0.00	1.00	0.09	0.29
⑪Infrastructure	1537	0.00	1.00	0.03	0.16
⑫Finance/Insurance	1537	0.00	1.00	0.08	0.27
⑬Staff	1537	0.00	1.00	0.44	0.50
⑭Sales	1537	0.00	1.00	0.06	0.23
⑮Technician	1537	0.00	1.00	0.06	0.23
⑯Transportation	1537	0.00	1.00	0.02	0.13
⑰Security/Maintenance	1537	0.00	1.00	0.02	0.13
⑱Agriculture	1537	0.00	1.00	0.01	0.07
⑲Service	1537	0.00	1.00	0.04	0.19
⑳Retricted standard worker(D)	1537	0.00	1.00	0.61	0.49
㉑Homogenization of Job Contents(D)	1537	0.00	1.00	0.38	0.48
㉒Retricted Standard Worker × Homoeogenization of Job Contents	1537	0.00	1.00	0.21	0.40
㉓Satisfaction for wage	1537	1.00	5.00	2.99	1.24