
Women and Japanese management

Discrimination and reform

Alice C.L. Lam



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To my parents and David

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Contents

List of figures	ix
List of tables	xi
Acknowledgements	xv

Introduction

1 Introduction and background	3
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Part I Discrimination against women in employment: theory and practice

2 Internal labour markets and discrimination	27
3 Sexual inequality in the Japanese employment system: discriminatory company practices	45
4 The emerging situation: changing company practice in response to market pressures	68

Part II Legislation and reform

5 Legislating for change? The Equal Employment Opportunity Law	89
6 The management response	117

Part III A case study

7 The Seibu case: an introduction	143
8 The Seibu case: changing company practice	155
9 Changing roles and attitudes of Seibu women: towards equal opportunity?	185

Part IV Conclusions

10 Equal employment for women in the Japanese employment system: limitations and obstacles	221
Appendix A	241
Appendix B	249
Notes	252
Bibliography	261
Index	273

Figures

1.1	Women's labour force participation by age, 1975 and 1990	15
3.1	Women's average earnings as a percentage of those of men, by age group, in selected countries, various years	49
4.1	Changes in the occupational distribution of female university graduates, 1965-89	76
4.2	A model of the female group leader system	80
4.3	The career conversion system	82
4.4	Career conversion in company A	83
4.5	Grading system in company B	84
5.1	Outline of the EEO Law	102
5.2	Model of change underlying the Japanese EEO Law	111
6.1	Extent of coverage of career tracking system by firm size, 1989	129
8.1	Seibu's specialist career system (<i>Senmonshoku-seido</i>)	159
8.2	Seibu's job rotation chart	170
9.1	Number of men and women recruited annually, 1978-87	189
9.2	Number of women recruited annually, by educational levels, 1978-87	190

Tables

1.1	Number and proportion of women workers by work status, 1955–90	10
1.2	Distribution of the labour force by industrial sector, 1950–90	11
1.3	Distribution of female employees by occupation, 1960–90	12
1.4	Female earnings as a percentage of male earnings, selected countries and years	16
1.5	A ten country comparison of women workers' responses to the statement 'I can use my abilities at work'	17
3.1	Monthly earnings of male and female full-time regular employees, 1960–89	46
3.2	Wage differentials between male and female standard employees, with senior high school education, by age and length of service, 1989	47
3.3	Occupational distribution of male and female employees, 1990	51
3.4	Distribution of male and female employees by firm size, 1990	53
3.5	Distribution of male and female employees by firm size and age groups, 1990 in percentages	54
3.6	Number and proportion of part-time employees, 1960–90	55
4.1	Male and female employees in clerical, professional and managerial occupations as a percentage of all employees in the sector, 1955–80	71
4.2	Educational composition of women entering employment, 1960–89	74

4.3	Number of male and female university graduates entering employment, 1960–89	75
4.4	Percentage of companies with the female group leader system, 1968 and 1982	79
6.1	Policy orientations on women employees, before and after 1985	121
6.2	Extent of response to the EEO Law	122
6.3	Proportion of companies admitting direct discrimination against women (1977, 1981 and 1987)	124
6.4	Changes in starting wages for new recruits, 1975–87	126
6.5	Examples of companies which recruited female graduates for managerial career track (<i>sogoshoku</i>) in the spring of 1987	132
6.6	Distribution of male and female employees by career tracks, 1987	132
6.7	Type of policy changes in job assignment, job rotation and promotion	134
8.1	Changes in the proportional distribution of women recruited annually, by educational levels, 1976–85	157
8.2	'Which career route do you intend to pursue at this company?' (1984 survey)	165
8.3	'How satisfied are you with your present position?' (1984 survey)	166
8.4	Distribution of male and female employees by job position (1983)	166
8.5	Distribution of male and female specialists by job functions (1983)	167
8.6	Characteristics of the 'global women'	178
9.1	Composition of male and female employees by employment status (1983 and 1988)	187
9.2	Composition of contract employees (1987)	191
9.3	Job position of male and female regular employees (1983 and 1988)	194
9.4	Number and share of women in specialist and managerial jobs (1983 and 1988)	195
9.5	Distribution of male and female regular employees by grade (1984 and 1988)	197
9.6	Analysis of variance (1984 and 1988 data)	198
9.7	The 'pure sex effect' on job status (1984 and 1988 data)	199
9.8	Women's perception of equality (by age cohorts): 1984 and 1988 compared	200

9.9	Job preferences of men and women (1988); young women only, 1984 and 1988 compared	203
9.10	Women's promotion aspirations: 1984 and 1988 compared	205
9.11	Promotion expectations of men and women: 1984 and 1988 compared	207
9.12	Women's promotion expectations: 1984 and 1988 compared	208
9.13	Women's attitudes to career continuity: 1984 and 1988 compared	211
A.1	The interview sample	243
A.2	Sample population, sample size and response rates	246
A.3	Characteristics of the samples	247
B.1	Multiple classification analysis (1984 data)	250
B.2	Multiple classification analysis (1988 data)	251

Introduction

Introduction and background

INTRODUCTION

It is often argued that the vitality of the Japanese employment system is sustained by personnel management rules and practices which make a clear distinction between the 'core' and the 'non-core' employees. The former, predominantly male, enjoy the privileges of long-term employment, wage increases and promotion based on age and length of service (*nenko*), and internal career progression through job rotation and in-company training; whereas the latter group is excluded (Galenson and Odaka 1976; Ishikawa 1980; Odaka 1984). Women workers constitute a high proportion of the latter category of employees. Their relatively low wages, high turnover and flexible entry and exit from the labour market play an especially important role in maintaining the flexibility of the employment system (Shinotsuka 1982; Kawashima 1987). Until very recently, direct exclusion and discrimination against women in all stages of employment was both legal and socially acceptable.

The picture began to shift from the mid-1970s. Social and economic changes gradually brought into question companies' discriminatory employment policies against women. The advent of the 'service economy' has expanded women's job opportunities and given them better access to the business world. Increased internationalisation of Japan also brought to the fore the low status of Japanese women in all aspects of the society, especially in the field of employment, compared with their counterparts in other advanced countries (*The Economist* 1988). Internal socio-economic changes, coupled with pressures from the international community, eventually led to the introduction of the Equal Employment Opportunity (EEO) Law in May 1985.

This law prohibits discrimination against women in vocational training, fringe benefits, retirement and dismissal. It also 'exhorts' ('morally obliges') employers to treat women equally to men with regard to recruitment, job assignment and promotion. The EEO Law marks an important turning point in the history of women's employment in Japan. For the first time in Japanese history, formal guarantees of equal treatment between women and men at all stages of employment are enshrined in a single piece of legislation. The enactment of the EEO Law has aroused much controversy and debate which is unprecedented in the history of labour legislation in Japan. The Japanese government described the passing of the new legislation as 'a great historical moment for all kinds of movements against discrimination in Japan' (MOL 1986). Despite its apparent lack of legal teeth, the legislation has important political and symbolic significance. The application of 'moral obligation' as a kind of indirect sanction puts the employers in a defensive position. Employment practices which were accepted as a 'natural' result of social customs would have to be put on the agenda for discussion and negotiation. Japanese companies, which have for a long time built their high performance upon an employment system which offers men 'lifetime' career jobs, are confronted with a fundamental dilemma of how to make greater use of women in key business positions without destroying the distinctive features of the employment system.

The central aim of this book is to examine the extent to which the growing pressures for equal opportunities between the sexes have caused Japanese companies to adapt and modify their employment and personnel management practices in recent years. It analyses the major social and economic factors prompting Japanese companies to adopt more open employment policies towards women since the mid-1970s and the programmes of change introduced by management. It looks especially at how companies have reacted to the 1985 EEO Law and, in the light of this, considers how far the present legislation will bring about fundamental changes in the Japanese employment system towards a more egalitarian treatment of women. A detailed case study was conducted at Seibu Department Stores Ltd, before and after the introduction of the EEO Law, as a critical test of the possibility of introducing equal opportunities for women in a large Japanese company (see p.21).

The theoretical approach of this study is located in the context of a major debate central to contemporary studies on the Japanese