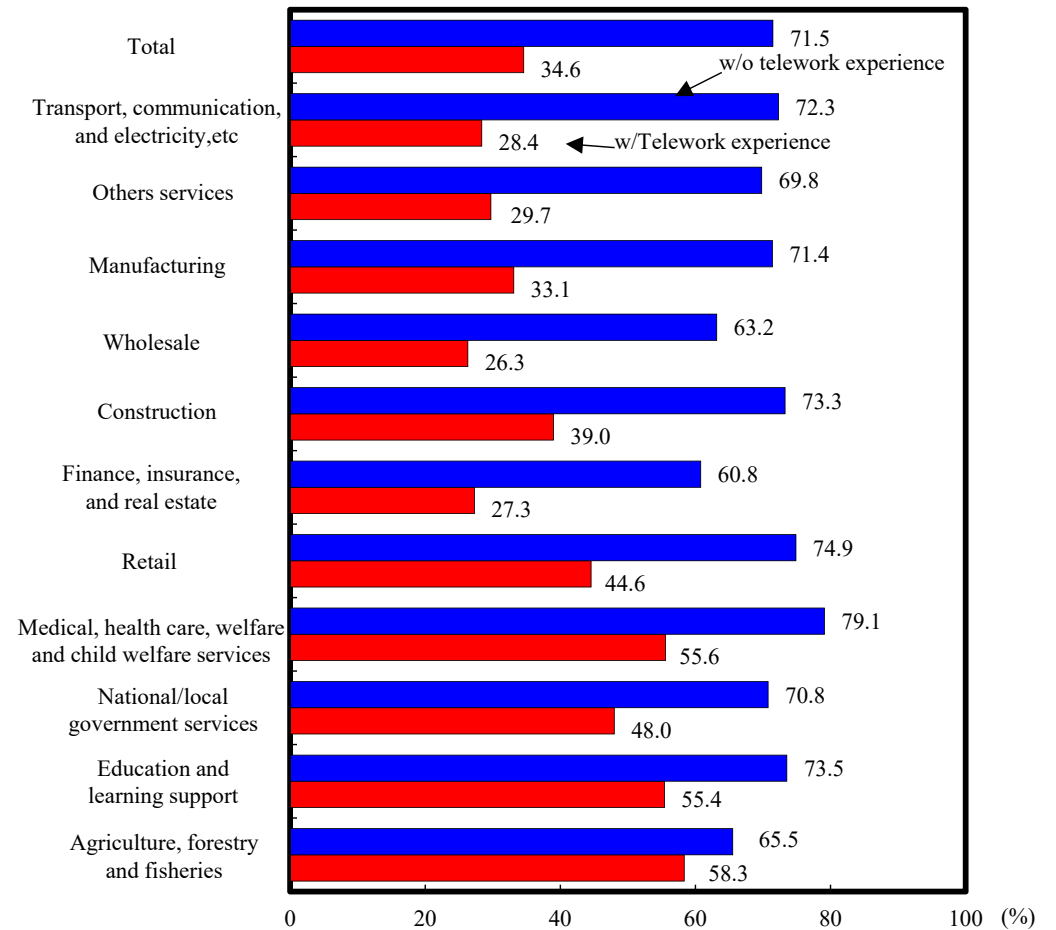
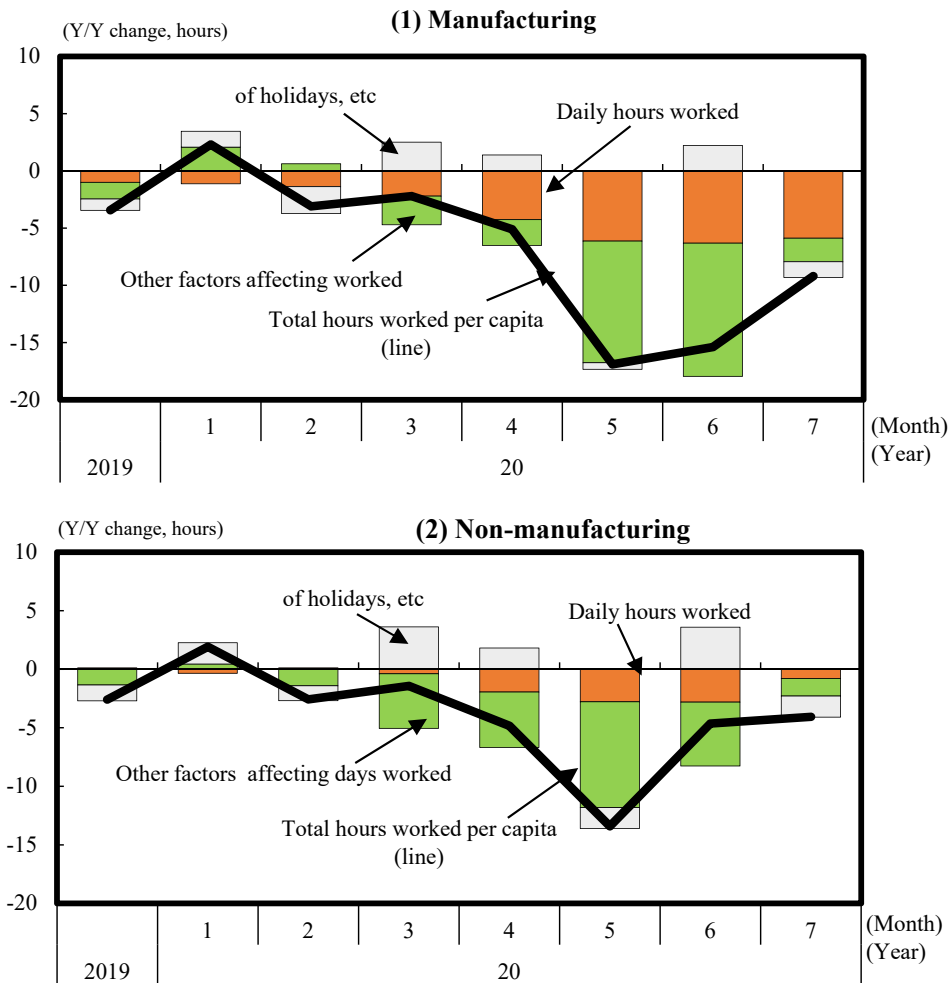


# Chapter 2 Section 1: Work and Life Environments Affected by COVID-19 Pandemic and Transformation of Work Styles

- Total working hours decreased due to a fall in daily working hours including such as overtime hours and a drop in May and June, in the number of working days including shutdown. From June, a year-on-year decline narrowed due to business reopening (Figure 14).
- Telework spread simultaneously. A survey indicated that those who have never experienced telework tend to view their jobs as not subject to telework. The experience of telework seems to affect the responses, although the magnitude differs by industry, inferring that telework has the potential to be increased further (Figure 15).

Figure 14 Contributions of work days and daily change of hours worked

Figure 15 Share of respondents viewing jobs as not subject to telework (by industry)



(Sources) Figure 14: Compiled based on Monthly Labour Survey, MHLW. Figure 15: Compiled based on a survey on the change in life consciousness and behaviors under the COVID-19 pandemic, Cabinet Office

## Chapter 2 Section 2: Progress in Work Style Reform — Management of Work Hours and Equal Pay for Equal Work

- According to our firm survey, the most frequently implemented initiatives to encourage employees to take paid holiday and to hold down overtime work are periodical announcement and thorough management, respectively (Figures 16 and 17). Among initiatives to promote the principle of equal pay for equal work, clarification of job duties was implemented by 50% of large enterprises subjected to the principle from the current fiscal year and the revision of wage and other benefits by 30-40% of them (Figure 18). A part of the implementation results was seen in a hike of special cash earnings pay for parttime workers, reflecting the increase of the summer payment rate for them (Figure 19).

Figure 16 Implementation of initiatives to promote paid holidays

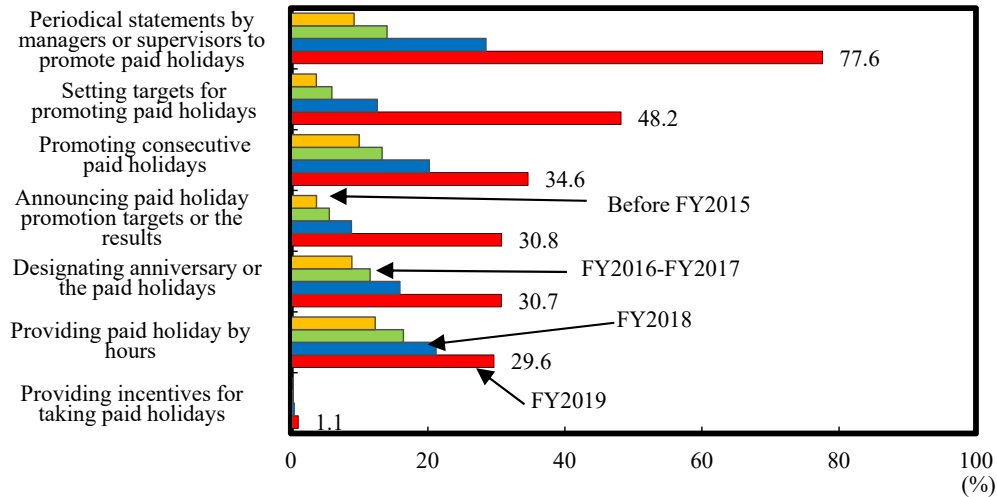


Figure 17 Implementation of initiatives to hold down overtime work

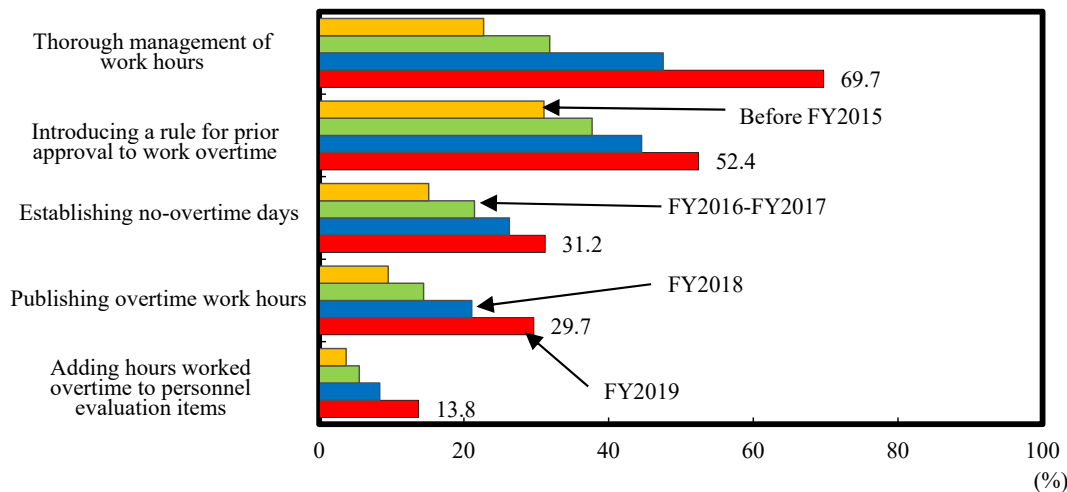


Figure 18 Corporate initiatives for equal pay for equal work (large enterprises)

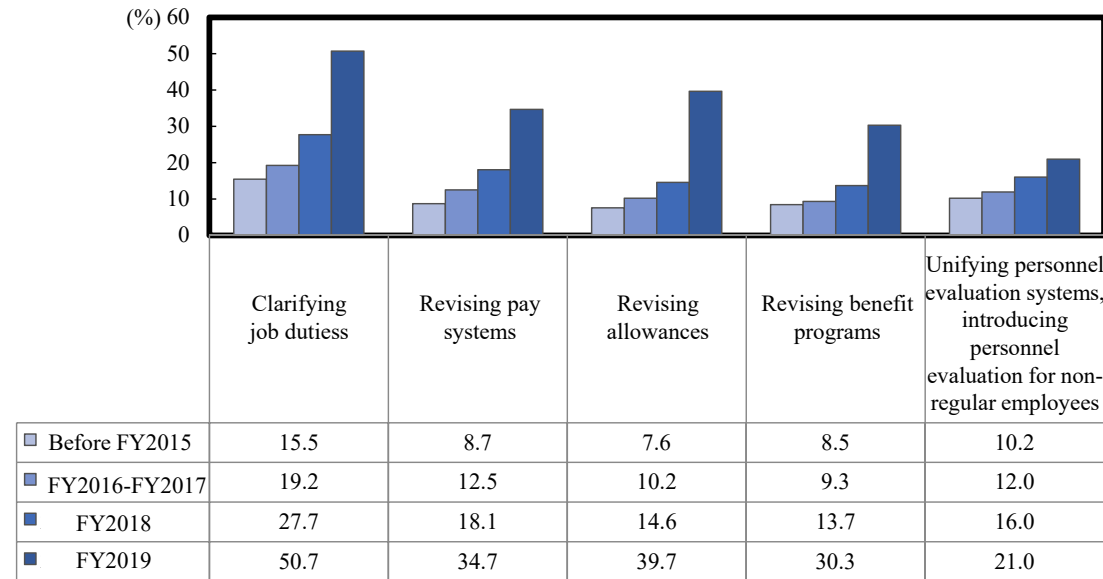
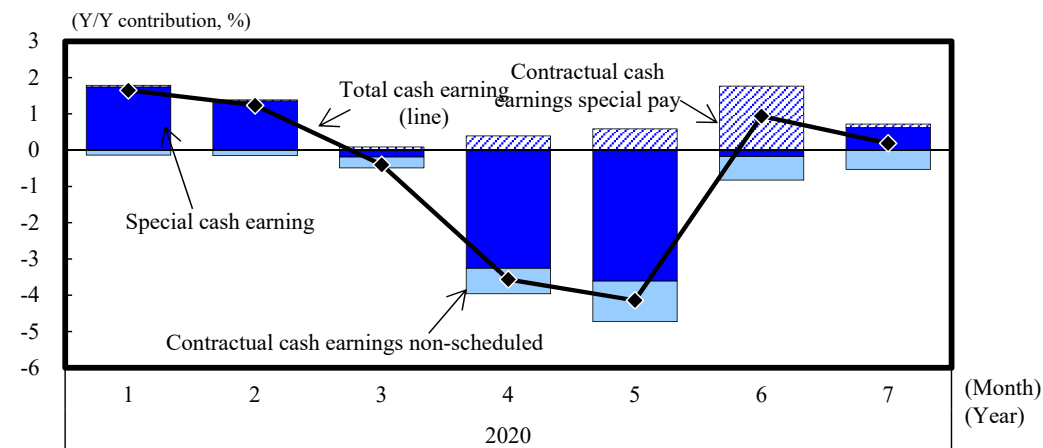


Figure 19 Breakdown of cash pays for part-time employees



## Chapter 2 Section 3: Estimating Effects of Work Style Reform

- We have analyzed work style reform initiatives' effects on work hours, productivity, recruitment and so on.
  - Employees in the companies that have set targets for promoting paid holidays took more paid holidays and worked less than those in the companies that have not done so.
  - Companies that have implemented the publication of overtime work hours among initiatives to hold down overtime work feature less overtime work hours, shorter work hours for regular employees, and longer work hours for non-regular employees than those that have not done so. The concentration of overtime work for regular employees might have been eased to promote the leveling of overtime work (Figure 20).
- Companies that have introduced personnel evaluation for non-regular employees among initiatives to promote equal pay for equal work have employed more women and elderly workers than those that have not done so (Figure 21).

Figure 20 Effects of paid holiday promotion and overtime work reduction initiatives on employment and productivity

Initiatives/Effects	Number of paid holidays	Hours worked (regular employees)	Hours worked (non-regular employees)	Total factor productivity (TFP)	Turnover rate	Accession rate	Mid-career employment rate	Share of women in regular employees	Share of women in supervisors	Share of the elderly in employees
Setting targets for promoting paid holidays	↑	↓	—	—	—	↑	↓	—	—	—
Publishing overtime work hours	↓	↓	↑	—	—	—	—	—	↑	—

Figure 21 Effects of corporate initiatives for equal pay for equal work on employment and productivity

Initiatives/Effects	Hours worked (regular employees)	Hours worked (non-regular employees)	Total factor productivity (TFP)	Turnover rate	Accession rate	Share of non-regular employees	Mid-career employment rate	Share of women in regular employees	Share of women in supervisors	Share of elderly in employees
Unifying personnel evaluation systems or personnel evaluation for non-regular employees	—	↓	—	—	—	—	↑	↑	↑	↑

(Sources)

Figures 20 and 21: Compiled based on a firm survey on work style reform initiatives in 2019, Cabinet Office. Results of a difference-in-differences analysis with the propensity score matching. Arrows represent significant estimation results at the 1%, 5%, or 10% level. Insignificant results are represented by —.