

[調査報告]

A Study on the Employee benefits in Japan, Europe and America.
— Based on a Survey of Actual Conditions in Japan and Britain —

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I Preface

The Tokyo Stock Exchange's Nikkei Stock Average, at the beginning of 2001 was 13,691.49 yen. Afterwards, the economic environment in Japan worsened, due to the influence of the lack of a bad loan disposal plan and the September 11 terrorist attacks. The unemployment rate is now at 5.4%, and this is the worst since World War II. Likewise, in Britain, the tightening of money policy after September 1999 has meant a drop in individual consumption.

In the midst of this floundering economic situation worldwide, I did an investigation of actual conditions of employee benefits both in Japan and in Britain.

The investigation of actual conditions in Japan was done from September 8th to September 11th in 1998, and from September 5th to September 11th in 1999. The investigation of actual conditions in Britain was done from September 8th to September 15th in 2000, and from June 30th to September 20th in 2001.

In this report, I insert the data for Japan and Britain item by item and do a comparison of employee benefits.

II Overview of the survey

The number of companies and items, which were surveyed in Japan and Britain are as follows.

(1) The survey area

Japan Britain

(2) The number of the business establishments surveyed ;

Japan 42 companies

Britain 41 companies

(3) Number of industries surveyed by type

Japan

manufacturing industry	10 companies
construction industry	3 companies
wholesale trade	1 company
retail and restaurant	7 companies
finance and insurance business	3 companies
service industry	17 companies
transport business and communications	1 company
TOTAL	42 companies

Britain

manufacturing industry	10 companies
retail and restaurant	3 companies
finance and insurance business	7 companies
service industry	17 companies
transport business and communications	3 companies
TOTAL	40 companies

(4) Items surveyed ;

- 1 Employee age and gender distribution
- 2 Part-time employee age and gender distribution
- 3 The mandatory retirement age and the existence or non-existence of revision
- 4 The purpose of the employee benefits
- 5 The employee benefits which are established at present
- 6 Plans to implement new benefit plans or expand present ones in the next two years
- 7 Plans to reduce or abolish existing benefits in the next two years
- 8 Existence or non-existence of the association and so on
- 9 Cafeteria plans
- 10 Recent trends of outsourcing employee benefit programs
- 11 Monthly welfare expenses
- 12 Requests to the government, the local government and the same industrial group
- 13 Facilities or systems that can be used jointly with other companies or associations

(5) The survey period

Japan

September 8th, 1998 – September 11th, 1998

September 5th, 1999 – September 11th, 1999

Britain

September 8th, 2000 – September 15th, 2000

June 30th, 2001 – September 20th, 2001

(6) The survey procedure

mail survey (partial interview survey)

(7) The survey organization

Chuo Gakuin University

(8) Response

Japan 42 companies (collection percentage 100.0%)

Britain 40 companies (collection percentage 97.6%)

III The overview of the survey results

Survey results are listed for every question item. (all sums are rounded to the nearest whole number)

1 Outline of companies

(1) The number of the companies by capital stock

Japan

Equal to or less than 49,990,000 yen 31 companies

From 50,000,000 yen to 99,990,000 yen	3 companies
From 100,000,000 yen to 299,990,000 yen	1 company
Equal to or more than 300,000,000 yen	7 companies
TOTAL	42 companies

Britain

Insufficient British data available due to the small number of British companies responding to this question..

(2) The number of the companies according to total work force (including part-time employees)

Japan

Equal to or less than 5 persons	0 companies
From 6 to 9	2 companies
From 10 to 19	9 companies
From 20 to 49	12 companies
From 50 to 99	7 companies
From 100 to 299	9 companies
Equal to or more than 300	3 companies
TOTAL	42 companies

Britain

Equal to or less than 5 persons	1 company
From 6 to 9	2 companies
From 10 to 19	0 companies
From 20 to 49	1 company
From 50 to 99	3 companies
From 100 to 299	2 companies
Equal to or more than 300	31 companies
TOTAL	40 companies

Company size was classified by number of employees only. See below :

Japan

Large-scale enterprises	14 companies
Medium-scale enterprises	16 companies
Small-scale enterprises	12 companies

Britain

Large-scale enterprise	31 companies
Medium-scale enterprise	6 companies
Small-scale enterprise	3 companies

2 Employee benefits

(1) The mandatory retirement age and the existence or non-existence of revisions

Japan

* 42 companies with a mandatory retirement age.

55 years old mandatory retirement age	1 company
60 years old mandatory retirement age	38 companies
63 years old mandatory retirement age	1 company
65 years old mandatory retirement age	2 companies

* Plans for revision of the mandatory retirement age.

From 60 years old to 65 years old	3 companies
From 60 years old to 62 years old	1 company
From 63 years old to 65 years old	1 company

* As the reason for the revision, companies cited adaptation to an aging society and efficient use of experienced workers.

* There were several companies that did not have plans for revising their retirement age but which allow employees who so desire to continue until age 65 under a part-time non regular employee system.

Britain

* 35 companies with a mandatory retirement age.

There is no mandatory retirement age in 2 companies. As for 3 companies of the remainder, no response was received.

* As for the mandatory retirement age, it is as follows.

60 years old mandatory retirement age	5 companies
62 years old mandatory retirement age	2 companies
63 years old mandatory retirement age	3 companies
65 years old mandatory retirement age	23 companies
67 years old mandatory retirement age	1 company
70 years old mandatory retirement age	1 company
There is no mandatory retirement age	2 companies

* Plans for revision of the mandatory retirement age.

Plans for revision in 2 companies.

From 63 years old to 65 years old.	1 company
Future plans for revision	1 company

* Although not a revision, 3 companies allowed for early retirement if the employee so desired.

(2) The purpose of the employee benefits system

The purpose of the employee benefits system is shown by classification for all companies and by scale. (Multiple answer)

Japan

The purpose of the system	Sum	Large	Medium	Small
1 to improve the image of the enterprise	10	5	3	2
2 to secure talented people	11	3	3	5
3 to maintain and improve employees' will to work	33	13	13	7
4 to improve employees' lifetime financial stability	17	5	3	9
5 to maintain and improve employees' rate of retainment	20	7	6	7
6 to stand out from other enterprises	4	3	0	1
7 to keep up with other enterprises	2	1	0	1
8 to fulfill the social responsibility of the enterprise	17	5	6	6
9 to complement the social security system	10	4	3	3

10	to smooth labor-management relations	11	3	4	4
11	others				

Britain

	The purpose of the system	Sum	Large	Medium	Small
1	to improve the image of the enterprise	17	13	2	2
2	to secure talented people	33	24	6	3
3	to maintain and improve employees' will to work	15	11	3	1
4	to improve employees' lifetime financial stability	9	8	0	1
5	to maintain and improve employees' rate of retainment	24	21	2	1
6	to stand out from other enterprises	10	9	1	0
7	to keep up with other enterprises	16	11	5	0
8	to fulfill the social responsibility of the enterprise	15	12	3	0
9	to complement the social security system	0	0	0	0
10	to smooth labor-management relations	10	7	3	0
11	others				

The most important reason for implementing system

Japan

	The purpose of the implementation system	Sum
1	to improve the image of the enterprise	0
2	to secure talented people	3
3	to maintain and improve employees' will to work	20
4	to improve employees' lifetime financial stability	7
5	to maintain and improve employees' rate of retainment	4
6	to stand out from other enterprises	0
7	to keep up with other enterprises	0
8	to fulfill the social responsibility of the enterprise	2
9	to complement the social security system	2
10	to smooth labor-management relations	3
	No answer	1

Britain

	The purpose of the implementation system	Sum
1	to improve the image of the enterprise	2
2	to secure talented people	16
3	to maintain and improve employees' will to work	1
4	to improve employees' lifetime financial stability	2
5	to maintain and improve employees' rate of retainment	10
6	to stand out from other enterprises	0
7	to keep up with other enterprises	2
8	to fulfill the social responsibility of the enterprise	1
9	to complement the social security system	0

10	to smooth labor-management relations	0
	No answer	6

(3) The contents of the employee benefits

a) The employee benefits which are established at present

(First number refers to full-time employees; the second number to part-time)

Japan	Sum	Large	Medium	Small
1 Housing				
(a) the provision of company housing or a company dormitory for employees	9 1,	8 1,	0 0,	1 0
(b) a special income allowance for housing	16 2,	7 1,	8 1,	1 0
(c) a loan system for the residence fund	6 0,	3 0,	3 0,	0 0
(d) others				
2 Medical treatment and insurance				
(a) provision of a medical examination provisions for disease prevention (e.g. clinical surveys)	40 21,	14 11,	16 7,	10 3
(b) support for physical education	6 2,	4 2,	0 0,	2 0
(c) a support system to help with personal medical expenses	5 2,	3 1,	1 1,	1 0
(d) a system of group life insurance	32 7,	12 3,	10 3,	10 1
(e) others				
3 Cultural activities, physical activities, and recreation				
(a) support of recreation and club activities	23 10,	8 4,	8 4,	7 2
(b) the establishment of a sanatorium, resort house and physical training room	14 4,	9 4,	4 0,	1 0
(c) facilities such as a locker room, meeting rooms and a lounge	31 19,	12 11,	11 7,	8 1
(d) the establishment of a cafeteria	9 7,	5 5,	1 1,	3 1
(e) others				
4 Estate formation				
(a) a savings system (an intra-office deposit is contained)	22 5,	10 3,	9 2,	3 0
(b) an employees' holding system	7 1,	4 1,	1 0,	2 0
(c) others				
5 Personal needs				
(a) gift allowances for celebrations and condolences, retirement allowance upon sudden death	40 16,	14 7,	15 5,	12 4
(b) a personal loan system	13 2,	7 2,	5 0,	1 0
(c) a system for nursing care and child-care leave	21 6,	11 5,	7 0,	3 1
(d) others				
6 Aged and retiring employees				
(a) retirement lump sum grant system	22 7,	12 2,	13 3,	7 2
(b) a company pension system	23 4,	12 2,	7 2,	4 0
(c) a program to prepare for retirement	1 0,	1 0,	0 0,	0 0
(d) others				
7 Education and personal development				
(a) learning support system	17 2,	7 1,	6 1,	4 0

(b) a support system for acquiring official qualifications, a scholarship system	16 2,	5 0,	7 2,	4 0
(c) others				
8 Others				
Britain	Sum	Large	Medium	Small
1 Housing				
(a) the provision of company housing or a company dormitory for employees	3 0,	3 0,	0 0,	0 0
(b) a special income allowance for housing	3 1,	3 1,	0 0,	0 0
(c) a loan system for the residence fund	4 1,	4 1,	0 0,	0 0
(d) others				
2 Medical treatment and insurance				
(a) provision of a medical examination	19 12,	17 11,	2 1,	0 0
(b) provisions for disease prevention (e.g. clinical surveys)	7 2,	7 2,	0 0,	0 0
(c) support for physical education	9 4,	9 4,	0 0,	0 0
(d) a support system to help with personal medical expenses	23 15,	19 12,	3 2,	1 1
(e) a system of group life insurance	29 21,	23 17,	5 3,	1 1
(f) others				
3 Cultural activities, physical activities, and recreation				
(a) support of recreation and club activities	19 14,	19 14,	0 0,	0 0
(b) the establishment of a sanatorium, resort house and physical training room	4 2,	3 1,	1 1,	0 0
(c) facilities such as a locker room, meeting rooms and a lounge	21 7,	16 13,	5 4,	0 0
(d) the establishment of a cafeteria	26 19,	24 17,	2 2,	0 0
(e) others				
4 Estate formation				
(a) a savings system (an intra-office deposit is contained)	4 3,	4 3,	0 0,	0 0
(b) an employees' holding system	2 2,	2 2,	0 0,	0 0
(c) others				
5 Personal needs				
(a) gift allowances for celebrations and condolences	22 13,	18 10,	3 2,	1 1
(b) retirement allowance upon sudden death	19 13,	19 11,	2 2,	0 0
(c) a personal loan system	5 3,	4 2,	1 1,	0 0
(d) a system for nursing care and child-care leave	12 9,	9 6,	3 3,	0 0
(e) others				
6 Aged and retiring employees				
(a) retirement lump sum grant system	18 9,	15 7,	3 2,	0 0
(b) a company pension system	38 28,	31 22,	6 5,	1 1
(c) a program to prepare for retirement	23 15,	20 13,	3 2,	0 0
(d) others				
7 Education and personal development				
(a) learning support system	23 18,	19 14,	3 3,	1 1
(b) a support system for acquiring official qualifications	33 25,	27 21,	4 3,	2 1
(c) a scholarship system	5 2,	5 2,	0 0,	0 0

(d) others

8 Others

b) Plans to provide new benefit plans or expand present ones in the next two years

Japan	Sum	Large	Medium	Small
1 Housing				
(a) the provision of company housing or a company dormitory for employees	2 0,	0 0,	2 0,	0 0
(b) a special income allowance for housing	1 0,	1 0,	0 0,	0 0
(c) a loan system for the residence fund	1 0,	1 0,	0 0,	0 0
(d) others				
2 Medical treatment and insurance				
(a) provision of a medical examination provisions for disease prevention (e.g. clinical surveys)	1 0,	0 0,	0 0,	1 0
(b) support for physical education	2 1,	0 0,	2 1,	0 0
(c) a support system to help with personal medical expenses	0 0,	0 0,	0 0,	0 0
(d) a system of group life insurance	2 1,	1 1,	0 0,	1 1
(e) others				
3 Cultural activities, physical activities, and recreation				
(a) support of recreation and club activities	1 1,	0 0,	1 1,	0 0
(b) the establishment of a sanatorium, resort house and physical training room	0 0,	0 0,	0 0,	0 0
(c) facilities such as a locker room, meeting rooms and a lounge	1 0,	1 0,	0 0,	0 0
(d) the establishment of a cafeteria	0 0,	0 0,	0 0,	0 0
(e) others				
4 Estate formation				
(a) a savings system (an intra-office deposit is contained)	1 1,	0 0,	1 1,	0 0
(b) an employees' holding system	2 0,	1 0,	1 0,	0 0
(c) others				
5 Personal needs				
(a) gift allowances for celebrations and condolences, retirement allowance upon sudden death	0 0,	0 0,	0 0,	0 0
(b) a personal loan system	1 0,	0 0,	1 0,	0 0
(c) a system for nursing care and child-care leave	1 0,	0 0,	0 0,	1 0
(d) others				
6 Aged and retiring employees				
(a) retirement lump sum grant system	0 1,	0 0,	0 0,	0 1
(b) a company pension system	1 0,	0 0,	1 0,	0 0
(c) a program to prepare for retirement	1 0,	1 0,	0 0,	0 0
(d) others				
7 Education and personal development				
(a) learning support system	3 1,	2 0,	1 1,	0 0
(b) a support system for acquiring official qualifications and a scholarship system	3 1,	1 0,	2 1,	0 0
(c) others				

8 Others					
Britain		Sum	Large	Medium	Small
1	Housing				
	(a) the provision of company housing or a company dormitory for employees	0 0,	0 0,	0 0,	0 0
	(b) a special income allowance for housing	0 0,	0 0,	0 0,	0 0
	(c) a loan system for the residence fund	0 0,	0 0,	0 0,	0 0
	(d) others				
2	Medical treatment and insurance				
	(a) provision of a medical examination	3 3,	0 0,	3 3,	0 0
	(b) provisions for disease prevention (e.g.clinical surveys)	0 0,	0 0,	0 0,	0 0
	(c) support for physical education	0 0,	0 0,	0 0,	0 0
	(d) a support system to help with personal medical expenses	1 1,	0 0,	1 1,	0 0
	(e) a system of group life insurance	2 1,	1 0,	1 1,	0 0
	(f) others				
3	Cultural activities, physical activities, and recreation				
	(a) support of recreation and club activities	3 2,	3 2,	0 0,	0 0
	(b) the establishment of a sanatorium, resort house and physical training room	0 0,	0 0,	0 0,	0 0
	(c) facilities such as a locker room, meeting rooms and a lounge	2 2,	1 1,	1 1,	0 0
	(d) the establishment of a cafeteria	2 1,	1 0,	1 1,	0 0
	(e) others				
4	Estate formation				
	(a) a savings system (an intra-office deposit is contained)	0 0,	0 0,	0 0,	0 0
	(b) an employees' holding system	0 0,	0 0,	0 0,	0 0
	(c) others				
5	Personal needs				
	(a) gift allowances for celebrations and condolences	3 3,	2 2,	1 1,	0 0
	(b) retirement allowance upon sudden death	1 1,	1 1,	0 0,	0 0
	(c) a personal loan system	0 0,	0 0,	0 0,	0 0
	(d) a system for nursing care and child-care leave	2 2,	2 2,	0 0,	0 0
	(e) others				
6	Aged and retiring employees				
	(a) retirement lump sum grant system	2 1,	2 1,	0 0,	0 0
	(b) a company pension system	4 3,	3 2,	1 1,	0 0
	(c) a program to prepare for retirement	4 3,	3 2,	1 1,	0 0
	(d) others				
7	Education and personal development				
	(a) learning support system	6 5,	5 4,	1 1,	0 0
	(b) a support system for acquiring official qualifications	5 4,	4 3,	1 1,	0 0
	(c) a scholarship system	2 1,	2 1,	0 0,	0 0
	(d) others				
8	Others				

c) To reduce or abolish existing benefits in the next two years				
Japan	Sum	Large	Medium	Small
1 Housing				
(a) the provision of company housing or a company dormitory for employees	2	0	0	2
(b) a special income allowance for housing	1	1	0	0
(c) a loan system for the residence fund	0	0	0	0
(d) others				
2 Medical treatment and insurance				
(a) provision of a medical examination provisions for disease prevention (e.g.clinical surveys)	0	0	0	0
(b) support for physical education	0	0	0	0
(c) a support system to help with personal medical expenses	1	0	0	1
(d) a system of group life insurance	0	0	0	0
(e) others				
3 Cultural activities, physical activities, and recreation				
(a) support of recreation and club activities	0	0	0	0
(b) the establishment of a sanatorium, resort house and physical training room	0	0	0	0
(c) facilities such as a locker room, meeting rooms and a lounge	0	0	0	0
(d) the establishment of a cafeteria	0	0	0	0
(e) others				
4 Estate formation				
(a) a savings system (an intra-office deposit is contained)	0	0	0	0
(b) an employees' holding system	0	0	0	0
(c) others				
5 Personal needs				
(a) gift allowances for celebrations and condolences, retirement allowance upon sudden death	0	0	0	0
(b) a personal loan system	0	0	0	0
(c) a system for nursing care and child-care leave	0	0	0	0
(d) others				
6 Aged and retiring employees				
(a) retirement lump sum grant system	0	0	0	0
(b) a company pension system	0	0	0	0
(c) a program to prepare for retirement	0	0	0	0
(d) others				
7 Education and personal development				
(a) learning support system	0	0	0	0
(b) a support system for acquiring official qualifications a scholarship system	0	0	0	0
(c) others				
8 Others				

Britain	Sum	Large	Medium	Small
1 Housing				
(a) the provision of company housing or a company dormitory for employees	1	1	0	0
(b) a special income allowance for housing	0	0	0	0
(c) a loan system for the residence fund	0	0	0	0
(d) others				
2 Medical treatment and insurance				
(a) provision of a medical examination	1	1	0	0
(b) provisions for disease prevention (e.g.clinical surveys)	0	0	0	0
(c) support for physical education	0	0	0	0
(d) a support system to help with personal medical expenses	0	0	0	0
(e) a system of group life insurance	1	1	0	0
(f) others				
3 Cultural activities, physical activities, and recreation				
(a) support of recreation and club activities	0	0	0	0
(b) the establishment of a sanatorium, resort house and physical training room	0	0	0	0
(c) facilities such as a locker room, meeting rooms and a lounge	0	0	0	0
(d) the establishment of a cafeteria	0	0	0	0
(e) others				
4 Estate formation				
(a) a savings system (an intra-office deposit is contained)	0	0	0	0
(b) an employees' holding system	0	0	0	0
(c) others				
5 Personal needs				
(a) gift allowances for celebrations and condolences	0	0	0	0
(b) retirement allowance upon sudden death	0	0	0	0
(c) a personal loan system	0	0	0	0
(d) a system for nursing care and child-care leave	0	0	0	0
(e) others				
6 Aged and retiring employees				
(a) retirement lump sum grant system	0	0	0	0
(b) a company pension system	0	0	0	0
(c) a program to prepare for retirement	0	0	0	0
(d) others				
7 Education and personal development				
(a) learning support system	0	0	0	0
(b) a support system for acquiring official qualifications	0	0	0	0
(c) a scholarship system	0	0	0	0
(d) others				
8 Others				

(4) Existence or non-existence of the association and so on

As for the existence or non-existence of the association of a health insurance society, a labor union, a mutual aid association, and so on, it is as follows.

Japan	Sum	Large	Medium	Small
* There is an association and so on.	22	10	8	4
(Kind of association: a health insurance society 5, a labor union 1, a consumer cooperative 1, mutual aid association 15)				
* There is not an association.	20			
* The existence or non-existence of the benefits in the association.				
There are benefits.	22			
(The contents of the benefits: gift allowances for celebrations and condolences, financing system, traveling for study and training, recreational traveling, sanatorium management [by direct control and by contract], sports events, new year's meetings, year-end parties, welcome parties, health guidance)				
Britain	Sum	Large	Medium	Small
* There is an association and so on.	16	12	4	0
(Kind of the association: a labor union 12, mutual aid association 4)				
* There is not an association.	15			
* The existence or non-existence of the benefits in the association.				
There are the benefits.	7			
(The contents of the benefits: The use of the recruitment facilities, health care, the legal aid service, lending facility, insurance service, discount systems for use of partner organizations' facilities)				

(5) Cafeteria plans

The results to the question about the cafeteria plan, recently a popular topic, is as follows.

Japan	Sum	Large	Medium	Small
* Knowledge degree of the cafeteria plan				
Knowledge of the system	10	6	3	1
No knowledge of the system	31			
* Interest about the cafeteria plan				
There is an interest.	14	5	5	4
There is not an interest.	26			
* About the effort status when there is an interest				
It is under consideration.	0			
We plan to consider it in future.	12	5	4	3
Preparations are currently being made.	0			
* About the relation between the degree of knowledge and interest				
Knowledge and interest	5	3	2	0
Knowledge but no interest	5	4	1	0
No knowledge but interest	9	2	3	4
No knowledge and no interest	22	6	9	7

Britain

* Knowledge degree of the cafeteria plan

	Sum	Large	Medium	Small
Knowledge of the system	22	22	4	1
No knowledge of the system	9			
Unclear	4			
* Interest about the cafeteria plan				
There is an interest.	15	13	2	0
There is not an interest.	20			
Unclear	1			
* About the effort status when there is an interest				
It is under consideration.	2	2	0	0
We plan to consider it in future.	10	8	2	0
Preparations are currently being made.	2	2	0	0
* About the relation between the degree of knowledge and interest				
Knowledge and interest	12	10	2	0
Knowledge but no interest	15	12	2	1
No knowledge but interest	3	3	0	0
No knowledge and no interest	5	1	2	2

(6) Recent trends of outsourcing employee benefit programs

The results to the question about outsourcing (the service of outsourcing business and employee benefit programs) are as follows.

Japan

* Recognition degree of outsourcing employee benefit programs

	Sum	Large	Medium	Small
It knows of service.	14	9	5	0
It doesn't know of service.	28			
* The interest about outsourcing employee benefit programs				
There is an interest.	14	6	6	2
There is not an interest.	28			
* About the effort status when there is an interest				
It is under consideration.	2	0	2	0
We plan to consider it in future.	10	4	4	2
Preparations are currently being made.	0			
It is being implemented at present.	1	1	0	0
* About the relation between the degree of the knowledge and interest				
Knowledge and interest	9	5	4	0
Knowledge but no interest	5	4	1	0
No knowledge but interest	5	1	2	2
No knowledge and no interest	23	5	8	10

Britain

* Recognition degree of outsourcing employee benefit programs.

	Sum	Large	Medium	Small
It knows of service.	30	23	6	1
It doesn't know of service.	5	3	0	2
Unclear	5	5	0	0
* The interest about outsourcing employee benefit programs.				
There is an interest.	10	9	1	0
There is not an interest.	25	17	5	3
Unclear	5	5	0	0
* About the effort status when there is an interest				
It is under consideration.	0	0	0	0
We plan to consider it in future.	3	2	1	0
Preparations are currently being made.	3	3	0	0
It is being implemented at present.	4	4	0	0
* About the relation between the degree of the knowledge and interest				
Knowledge and interest	10	9	1	0
Knowledge but no interest	20	14	5	1
No knowledge but interest	0	0	0	0
No knowledge and no interest	5	3	0	2

(7) Monthly welfare expenses

The amount of data was insufficient, as only several companies responded.

(8) Requests to the government, the local government and the same industrial group

Japan

To the government

- increase amount that can be considered a loss
- serviceable expansion of rest facilities on main road
- nursing insurance system implementation
- reconsideration of the surplus welfare

To the local government

- establishment or addition of the health management facilities, sport facilities and the leisure facilities
- public relations and information service activity
- clinic support

To the same industrial group

- creation of association programs that have independence
- an increase in the discount rate for use of tie-up facilities
- increase in subsidy percentage for medical checkup
- establishment of a health management center
- advertisement and public relations activity

Britain

As to the question of requests to the country, the local government and the same trade organization concerning welfare benefits, it wasn't specifically raised.

(9) About facilities or systems which can be used in cooperation with other companies or associations

Japan

As for the existence or non-existence of facilities which can be used jointly with the other companies or associations, the most common responses were "the facilities in the affiliated company (the controlling company) can be used" and "the related facilities of the cooperative and the facilities of the health insurance society can be used", and "the same industrial group facilities can be used".

Britain

As for the existence or non-existence of the facilities which can be used jointly with other companies or associations, one company had a travel and vacation insurance system it could use jointly.

IV Summary

Conclusions to be drawn from the above survey results.

(1) The mandatory retirement age

In Japan the usual mandatory retirement age is 60 years old, though it is possible for part-timers in some companies to work until 65. In Britain, meanwhile, the mandatory retirement age of most companies is 65 years old. There are also companies that do not set a mandatory retirement age.

In the case of Japan, there are companies that have only recently made their mandatory retirement age 60 years old, after administrative guidance from the government. In the future, however, in order to take advantage of experienced older workers as well as to delay the time to begin receiving pension payments, the retirement age should be moved to 65 as in Britain.

(2) The purpose of the employee benefits system

As to the purpose of the employee benefits system, there were variations between Japan and the United Kingdom. (multiple responses)

In Japan, as the purpose of the benefits system is "to maintain and improve the employees' will to work" (78.5%), and "to maintain and improve employees' rate of retainment" (47.6%). In Britain, "to secure talented people" is 82.5% [being 26.2% in Japan] and "to maintain and improve employees' rate of retainment" shows 60%, a high ratio.

In the case of Japan, perhaps because of a felt need to complement the social security system, many companies responded "to improve employees' lifetime financial stability" (40.4%), and "to fulfill the social responsibility of the enterprise" (40.4%). On the other hand, in Britain, the response for "complementing the social security system" was 0% and "to improve employees' lifetime financial stability" was 22.5 %, a significantly lower rate. This would seem to reflect a more comprehensive social security system in Britain than in Japan.

As for the answer about "The most important reason", in Japan 47.6% of companies responded with "to maintain and improve the employees' will to work". In Britain, the response "to secure talented people" was 40.0%, compared to 7.1% in Japan, and "to maintain and improve the employee's rate of retainment" was 25.0%, compared to 9.5% in Japan.

While the difference in Japan and Britain as regards "human resource securing" is understandable, the high response "to

maintain and improve employees' rate of retainment" is an interesting answer given the high job change percentage in Britain.

(3) The contents of the employee benefits

(the first figures refer to full-time employees, the second to part-time)

a) Employee benefits which are established at present.

The top five benefits in Japan are as follows. The 1st is "provision of medical examination provisions for disease prevention (e.g. clinical surveys)" [95.2%, 38.0%], the 2nd is "gift allowance for celebrations and condolences, retirement allowance upon sudden death" [95.2%, 38.0%], the 3rd is "a system of group life insurance" [76.1%, 16.6%], the 4th is "facilities such as a locker room, meeting rooms and a lounge" [73.8%, 45.2%] and there were two benefits tied for 5th place: "support of recreation and club activities" [54.7%, 23.8%] and "a company pension system" [54.7%, 9.5%]. On the other hand, in the case of Britain, it is as follows. The 1st is "a company pension system" [95.0%, 70.0%], the 2nd is "a support system for acquiring official qualifications" [82.5%, 62.5%], the 3rd is "a system of group life insurance" [72.5%, 52.5%], the 4th is "the establishment of a cafeteria" [65.0%, 47.5%] and the 5th is "learning support system" [57.5%, 45.0%].

As for the contents of employee benefits, in Japan an emphasis is placed on health management, while in Britain the emphasis is on the pension and capacity building.

b) New benefit plans or expanding present ones in the next two years.

As for new benefit plans or expansion of present ones in the next two years, 17 companies (40.4%) have plans to establish 16 items in Japan. On the other hand, in Britain 13 companies (32.5%) have plans to establish 15 items. Specifically, in the field of "Education and personal development", 6 and 5 companies plan to establish items in "learning support systems" and "a support system for acquiring official qualifications" respectively. Both Japan and Britain are putting effort into employee capacity building.

c) To reduce or abolish existing benefits in the next two years.

As for reducing or abolishing existing benefits in the next two years, in Japan, 2 companies plan the abolition of the provision of company housing or a company dormitory for employees". The reason is "the obsolescence of the building" and "securing housing for employees has become easier".

In Britain, 3 companies plan a reduction or abolition of about 3 items: "the provision of company housing or a company dormitory for employees", "provision of a medical examination", "a system of group life insurance, others".

It seems that Japan and Britain are both considering a reduction or abolition of "Housing". The reduction or the abolition of "provision of a medical examination" in Britain is interesting, compared with its importance in the Japanese system.

(4) About the existence or non-existence of the association, etc.

As for the existence or non-existence of an association (a health insurance society, a labor union, mutual aid association), in Japan, 22 companies (52.3%) have some association. As for the breakdown, there was a health insurance society at 5 companies, a labor union at 1 company, a consumer cooperative at 1 company, with the others being mutual aid associations.

The benefits from the association comprised "gift allowances for celebrations and condolences", "support of recreation and club activities" and "recreational trips". These include elements complementing the welfare benefits provided by the company. Therefore, there are many companies which seek to maintain the present situation concerning the welfare associations into the future.

On the other hand, in Britain, as for the existence or non-existence of an association, there are a labor union and mutual aid association at 16 companies (40.0%). 12 companies have "trade unions" and 4 companies have a "committee and association".

As for the contents of the welfare benefits that the association provides, there is legal aid service at 4 companies. The others are

recruitment facilities, health care, lending facilities, an insurance service, and discount systems for use of partner organizations' facilities. In future, as for the maintenance of the welfare system in the association, 4 companies chose "maintenance of the present situation", and the others are unclear.

There are many unions in Britain but the welfare benefits of associations do not differ greatly from those in Japan.

(5) About the cafeteria plan

In examining the degree of knowledge about the cafeteria plan, which became popular in America for improving efficiency against the background of the rapidly increasing welfare costs in the second half of the 1970s and for satisfying the diversifying and advancing employees' needs, the following results were obtained.

10 companies in Japan showed knowledge of this plan. The survey also showed that 14 companies have an interest and 12 companies answered "We plan to consider it in future". Out of the 14 companies that have an interest 9 didn't know of this plan.

On the other hand, as for the degree of recognition in Britain, it was as follows. 27 companies knew of the plan, 15 companies have an interest and 4 companies answered "It is under consideration" or "Preparations are currently being made". 12 companies of the remainder answered "We plan to consider it in future". In total, the survey showed that 14 companies look positively on the plan. Of the 15 companies that have an interest, 3 companies did not know of the plan.

In order to maximize efficiency and satisfy the diversifying and advancing employees' needs, more thought should also be given to this plan in Japan.

(6) Concerning recent trends of outsourcing employee benefit programs

The interest in the out-sourcing of welfare benefits is rising due to increased costs. In Japan, 14 companies knew about out-sourcing, and in 14 companies there was an interest. It is being carried out at present by 1 company. It is under consideration at 2 companies, and 10 companies have plans to consider it in future. Of the 14 companies that have an interest, 5 companies did not know of this system.

On the other hand, the number of companies that knew of out-sourcing in Britain was 30. 10 companies showed an interest. 4 companies are already out-sourcing and 3 companies responded that "Preparations are currently being made", 3 companies of the remainder said "We plan to consider it in future". There was not a company that did not know of out-sourcing out of the 10 companies that expressed an interest.

At the time of the investigation of actual conditions in Japan, it seems that neither the term, out-sourcing, nor its meaning was well understood. Since then, the degree of knowledge has risen, as out-sourcing has been introduced in other departments to rationalize management. As a result of the interviews conducted in this survey and for other reasons, dependence on out-sourcing will no doubt increase in Japan and Britain in the future.

(7) About the monthly welfare expenses

Due to insufficient data received, this category is omitted.

(8) Request to the government, the local government and the same industrial group

As for requests to the government, the local government and the same industrial group concerning welfare benefits, the results were as follows:

In Japan, "a request about the taxation system", "the serviceable expansion of rest facilities on main road", "the reconsideration of the surplus welfare" were made to the national government. "The establishment of or addition to the health management facilities, sport facilities and the leisure facilities", and "The public relations and information service activity" were made to the local

government. “The creation of association programs that have independence”, “An increase in the discount rate of tie-up facilities”, “advertisement and public relations activities” were made to the same industrial group. On the other hand, in Britain specific requests were not made. This seems to show a different perception between the two countries regarding welfare.

(9) About facilities or systems which can be used in cooperation with other companies or associations

In Japan, as for the existence or non-existence of facilities which can be used jointly with other companies or associations, the most common responses were “the facilities in the affiliated company (the controlling company) can be used” and “the related facilities of the cooperative and the facilities of the health insurance society can be used”, and “the same industrial group facilities can be used”. On the other hand, in Britain, as for the existence or non-existence of the facilities which can be used jointly with other companies or associations, one company had a travel and vacation insurance system it could use jointly.

There were not many facilities and systems that could be used jointly with other companies in either Japan or Britain.

Under the present economic conditions in Japan and Britain, increasing facilities to use jointly should draw more attention as a cost-cutting measure.

V Afterword

I did an investigation of actual conditions about employee benefits in Japan and Britain from 1998 to this year and was able to obtain valuable data. As for the contents, it is as already described. The survey pointed out existing differences between Japan and Britain. The background includes a difference in social systems, such as the nature of the social security system. Also, the relationship between employees and the company seems to differ between the two countries. In the case of Japan, there are many social security benefits. On the other hand, in Britain, individual capacity building is given more weight.

In the future, policies in Japan should be actively adopted that not only augment the social security system, but also support individual capacity development. Given the current severe economic conditions, qualitative improvement of employees abilities are of major importance for the company.

Although the present survey comprised only an analysis of limited data between Japan and Britain, in future I plan to continue the collection of more data and to conduct a comparison with the employee benefits to be found in the United States of America.

Academic Survey Concerning Employee Benefits

Chuo Gakuin University

Investigation date , ,2001

1 name of the enterprise		
2 type of industry	3 capitalization	
4 location of the enterprise	telephone number	
postal code	fax number	
5 employee number(excepting part-time employees)	total	male female
6 name of interviewee	position	

Q1 Employee Age and Gender Distribution

ages	under20	20 - 29	30 - 39	40 - 49	50 - 59	over60
total						
male						
female						

Q2 How many workers are employed part-time by your enterprise?

What are the main reasons for employing part-time workers?

ages	under20	20 - 29	30 - 39	40 - 49	50 - 59	over60
total						
male						
female						

The reason of the part-time employee acceptance...

Q3 1) Does your enterprise have an age-limit system for retirement?

a. Yes b. No

2) If so, what is the age limit?

_____ years old

3) Are there plans to change the age limit in the near future?

a. Yes b. No

If so, why, and to what age will the limit be changed?

_____ years old

main reason.....

Q4 1) Which of the following reasons describe your company's decision to support employee benefits?

- 1 to improve the image of the enterprise
- 2 to secure talented people
- 3 to maintain and improve the employee's will to work
- 4 to improve employees' lifetime financial stability
- 5 to maintain and improve the employee's rate of retainment
- 6 to stand out from other enterprises
- 7 to keep up with other enterprises
- 8 to fulfill the social responsibility of the enterprise
- 9 to complement the social security system
- 10 to smooth labor-management relations
- 11 others

2) Choose one to which special importance is attached?
 the most important reason ... ()

Q5 Questions regarding your current employee benefits. Also, please note where such benefits also apply to part-time employees.

		Fulltime	Parttime
1 Housing	the provision of company housing or a company dormitory for employees		
	a special income allowance for housing		
	a loan system for the residence fund		
	others		
2 Medical treatment and insurance	provision of a medical examination		
	provisions for disease prevention (e.g. clinical surveys)		
	support for physical education		
	a support system to help with personal medical expenses		
	a system of group life insurance		
	others		
3 Cultural activities, physical activities, and recreation	support of recreation and club activities		
	the establishment of a sanatorium, resort house and physical training room		
	facilities such as a locker room, meeting rooms and a lounge		
	the establishment of a cafeteria		
	others		

4 Estate formation	a saving system (an intra-office deposit is contained)		
	an employees' holding system		
	others		
5 Personal needs	gift allowances for celebrations and condolences		
	retirement allowance upon sudden death		
	a personal loan system		
	a system for nursing care and child-care leave		
	others		
6 Aged and retiring employees	retirement lump sum grant system		
	a company pension system		
	a program to prepare for retirement		
	others		
7 Education and personal development	learning support system		
	a support system for acquiring official qualifications		
	a scholarship system		
	others		
8 Others			

Q6 What plans do you have for implementing new benefit plans or expanding present ones in the next two years? Are part-time employees to be included?

		Fulltime	Parttime
1 Housing	the provision of company housing or a company dormitory for employees		
	a special income allowance for housing		
	a loan system for the residence fund		
	others		
2 Medical treatment and insurance	provision of a medical examination		
	provisions for disease prevention (e.g. clinical surveys)		
	support for physical education		
	a support system to help with personal medical expenses		
	a system of group life insurance		
	others		
3 Cultural activities, physical activities, and recreation	support of recreation and club activities		
	the establishment of a sanatorium, resort house and physical training room		
	facilities such as a locker room, meeting rooms and a lounge		
	the establishment of a cafeteria		
	others		

4 Estate formation	a saving system (an intra-office deposit is contained)		
	an employees' holding system		
	others		
	<hr/>		
5 Personal needs	gift allowances for celebrations and condolences		
	retirement allowance upon sudden death		
	a personal loan system		
	a system for nursing care and child-care leave		
	others		
<hr/>			
6 Aged and retiring employees	retirement lump sum grant system		
	a company pension system		
	a program to prepare for retirement		
	others		
<hr/>			
7 Education and personal development	learning support system		
	a support system for acquiring official qualifications		
	a scholarship system		
	others		
<hr/>			
8 Others			

What are the primary reasons for establishing new benefits or expanding existing ones?

()

Q7 What plans, if any, do you have to reduce or abolish existing benefits in the next two years?

1 Housing	the provision of company housing or a company dormitory for employees		
	a special income allowance for housing		
	a loan system for the residence fund		
	others		
<hr/>			
2 Medical treatment and insurance	provision of a medical examination		
	provisions for disease prevention (e.g. clinical surveys)		
	support for physical education		
	a support system to help with personal medical expenses		
	a system of group life insurance		
others			
<hr/>			
3 Cultural activities, physical activities, and recreation	support of recreation and club activities		
	the establishment of a sanatorium, resort house and physical training room		
	facilities such as a locker room, meeting rooms and a lounge		
	the establishment of a cafeteria		
others			

4 Estate formation	a saving system (an intra-office deposit is contained)	
	an employees' holding system	
	others	
5 Personal needs	gift allowances for celebrations and condolences	
	retirement allowance upon sudden death	
	a personal loan system	
	a system for nursing care and child-care leave	
6 Aged and retiring employees	retirement lump sum grant system	
	a company pension system	
	a program to prepare for retirement	
	others	
7 Education and personal development	learning support system	
	a support system for acquiring official qualifications	
	a scholarship system	
	others	
8 Others		

What are the reasons for reducing or abolishing such benefits?

(

)

Q8

a) Are there associations such as a health insurance society, a labor union, a mutual aid association, and so on in your enterprise?	
1 ... Yes, there are.	2 ... No, there are not.
What kind of the association is it? (name ...)	
b) Does the union provide its members with benefits?	
1 ... Yes, it does.	2 ... No, it does not.
What benefits, if any, are provided?	
c) What is the ratio of the union expenditures on benefits in relation its total expenditures?	
d) Will the union's benefit system continue into the future? What problems are there, if any?	

Q9 A cafeteria plan system, which the employee may choose as one benefit among others (housing allowance, child care allowance, education allowance, etc) depending upon his or her needs.

a) Do you know this system?

1 ... Yes

2 ... No

b) Are you interested in instituting this kind of cafeteria plan in your enterprise?

1 ... Yes

2 ... No

c) If you are interested, note at which level your plans are at for instituting the cafeteria plan.

1 ... It is under consideration.

2 ... We plan to consider it in future

3 ... Preparations are currently being made. 4 ... Others.

Q10 Concerning recent trends of outsourcing employee benefit programs:

a) Are you aware of these trends?

1 ... Yes

2 ... No

b) Are you interested in outsourcing benefit programs of your enterprise?

1 ... Yes

2 ... No

c) If you are interested, note at which level your plans are at for outsourcing your programs.

1 ... It is under consideration.

2 ... We plan to consider it in future

3 ... Preparations are currently being made. 4 ... Others.

Q11 How much does your enterprise bear in benefit costs per employee per month/ per year?

welfare fee (mandatory) ... £ _____

welfare fee (non-mandatory) ... £ _____

total amount of benefits ... £ _____

total amount of salary ... £ _____

Q12 Do you look for assistance in providing benefits from the following ?

the government ...

the local government ...

the same industry group ...

Q13 Are there facilities or systems which can be used in cooperation in other companies or associations ?

What are these facilities or systems and where are they located?

Are there plans for establishing new facilities or systems which may be used cooperatively?

Thank you very much for your cooperation.