

Half of big Japanese firms reviewing seniority-based wage systems: Mainichi survey 2020 article from The Mainichi)  
<https://mainichi.jp/english/articles/20200330/p2a/00m/0bu/002000c>

# Half of big Japanese firms reviewing seniority-based wage systems: Mainichi survey

March 30, 2020 (Mainichi Japan)

[Japanese version](#)



Workers are seen on their way home from work in this file photo taken in Chiyoda Ward, Tokyo, on March 26, 2020. (Mainichi/Masahiro Ogawa)

TOKYO -- Roughly half of major Japanese companies recently surveyed by the Mainichi Shimbun are reviewing, or intend to review, their seniority-based wage systems as the principle of paying "equal wages for equal work" regardless of workers' employment statuses will be introduced for large firms from April.

- **【Related】** Japan firms slowly moving away from old recruitment, pay practices
- **【Related】** Editorial: Rushing to abandon 'Japanese-style employment' could harm businesses
- **【Related】** Editorial: Time to guarantee equal pay for equal work

The outcome of the survey shows that the implementation of the new wage policy is spurring changes in Japan's longstanding customary employment practices.

The Mainichi Shimbun surveyed 126 major companies from early to mid-March about their wage systems as the government will introduce the principle that guarantees the same levels of wages for both permanent and non-regular workers. Of these firms, 112, or 89%, responded.

Forty-four companies said they have already reviewed their wage systems. Among them, a major oil company responded that it will abolish its age-based wage system this coming April, under which pay is raised as employees grow older. Major paper manufacturer Nippon Paper Industries Co. said it has changed its working conditions and treatment of employees to better conform with relevant legislation in line with government guidelines.

Fourteen other companies answered that they intend to revise their seniority-based pay systems. Among them, Mizuho Financial Group, Inc. replied that "we would like to realize a structure to treat our employees according to their performances and achievements rather than their positions or seniority."

In contrast, 23 other firms said they had no intention of reviewing their age-based salary system.

Sixty-two firms, or roughly 60% of the respondents, said they expect their total personnel expenses to increase under the new pay system, mainly because they will be required to raise allowances for non-regular workers to the same level as those for permanent employees.

The same pay for same work system is the pillar of laws to reform the way people work, which were enacted in June 2018, along with restrictions on overtime. The system will apply to major companies from this coming April and to small- and medium-sized businesses from April 2021.

(Japanese original by Keisuke Umeda and Ryosuke Abe, Lifestyle and Medical News Department)