

Job Satisfaction and Employee Engagement of Work Style Reform in Japanese Companies

Takashi Aoki*

Abstract

Recently, as work styles have diversified due to the corona crisis, there is a growing interest in improving employee loyalty and engagement. There are concerns that remote work will weaken the bonds between employees and reduce job satisfaction. Therefore, companies are implementing their own work style initiatives, providing support and devising ways to enable employees to work in an environment that suits their wishes, whether at home or in the office. This paper examines the sense of belonging, motivation, and engagement of employees, including their life career, in the sense of working at a company. Employee health and happiness are related to company performance (stock price rise, ROE), productivity and creativity.

When employees feel a sense of belonging, they become more attached to the company and less likely to leave the company. The retention rate will improve if employees who are attached to their work for a long time increases. The result is a stable work environment that increases employee belonging, motivation, and engagement. You can have an attachment to wanting to work in that workplace.

Key Words

work style reform, job satisfaction, employee engagement, well-being, health management

I. Introduction

What is job satisfaction? The Ministry of Health, Labor and Welfare is developing measures for the era of 100-year lifespans, but working will occupy the majority of life. There are various reasons for working, but the motivation for this article is to think about job satisfaction in the corona crisis.

In Japan's work-style reform, the government has set a goal of realizing a society in

* あおき たかし：大阪国際大学経営経済学部准教授（2023. 7. 7 受理）

which all 100 million people are actively engaged, and from April 2019, laws related to work-style reform have been enforced (targeting large companies and small and medium-sized enterprises). Behind this is the fact that Japan has faced a decline in the working-age population due to the declining birthrate and aging population, and the diversification of work styles has progressed as black companies (unpaid overtime, power harassment, etc.) have become a social problem. I can point it out. The work-style reform-related laws aim to enable workers to choose from a variety of work styles and to have better prospects for the future. Specifically, it calls for the correction of long working hours, fair treatment regardless of employment status, and promotion of employment for the elderly and women.

Due to the impact of the new coronavirus, many companies have introduced remote work recommended by the government. The introduction of remote work has advantages and disadvantages. Benefits include cost reduction, acquisition and retention of excellent human resources, and ensuring business continuity. Disadvantages include a decline in employees' sense of belonging and motivation, and remote work alone does not improve productivity as expected. There are differences depending on generation and company size, and there is a polarization between those who go to the office and those who work remotely, and consideration is being given to the actual situation of work style reform and its impact on productivity. Some companies have moved their employees to places where they can commute by plane or Shinkansen, and are developing employee well-being¹ through new work-style systems. Specifically, the aim is to improve engagement², which indicates motivation and job satisfaction. Workation (Work + Vacation) is attracting attention as a way to explore work styles that are not bound by location.

Due to the change in values due to the corona crisis, remote work has become popular in companies, and more and more people are rethinking their own way of working. On the other hand, lack of communication and mental health problems have been pointed out. Health management recommended by the Ministry of Economy, Trade and Industry is a new initiative, and interest in corporate health has increased. This paper examines job satisfaction and employee engagement of work style reform in Japanese companies. Specifically, we consider why people work, and consider job satisfaction and employee engagement based on Herzberg, Frederick Irving theory of motivation and hygiene. Next, we will review the results of a survey of work style reforms and consider the current state of well-being in Japan. Examine employee engagement in health management and present findings and remaining issues.

II. Reasons Why People Who Think in Business Administration Work

People eat, sleep and live. If you work, it occupies a large proportion of your 24-hour life.

Working takes up most of my life. Work has a lot to do with motivation. The question of why people work can be explained by the following four points from a management perspective. (1) to earn living expenses and income to live, (2) to build good human relationships, (3) to satisfy the desire for self-realization, and (4) to pursue psychological success and happiness.

The reason for (1) is to earn money, which can be considered as an economist model in business administration. To give a representative example, Taylor, Frederick Winslow devised a scientific management method as an economist model and raised the question of how to make work more efficient from the standpoint of a factory manager. Here we can see the birth of American business administration. One of the features of the scientific management method is discriminatory piece rate pay. This is a mechanism that pays different wage rates to workers who meet their quotas and those who do not. While it was an incentive to achieve the quota, there was a penalty for failing to achieve it, resulting in a loss of motivation for the workers. As an unintended result, a functional organization divided into field and management functions has become a structure that creates conflict between blue-collar and white-collar. Therefore, it was pointed out that the perspective of workers' psychology and humanity was lacking because it seemed that workers were regarded as robots³.

(2) is the adult model, and according to Mayo, George Elton, job satisfaction is the human relationship of the organization. The results of the Hawthorne Experiment, conducted at Western Electric's Hawthorne plant, showed that physical working conditions and compensation had little effect on productivity.

Rather, he pointed out that human emotions and workplace relationships have a large impact on productivity. Specifically, the greater the degree of freedom employees have in determining the conditions of their working environment and setting goals, the higher their job satisfaction. This is what happened. Job satisfaction and work efficiency depend more on the cooperation and sense of value among employees than on working conditions. It became clear that it is important to increase the motivation of This has led to the relevance of motivation, leadership, job satisfaction, recognition, social outcomes, and emotional reasons in business administration⁴.

Maslow, Abraham Harold's hierarchy of needs theory can be used to satisfy the self-actualization needs of (3). The point that if you choose a job just because the salary is high, you cannot reach the desire for self-actualization, it means that motivation will not increase no matter how much you stimulate the desire once it is satisfied⁵.

(4) can be considered as a happy person model because it pursues psychological success and a sense of happiness. Happiness means a satisfying state of life. It is the feeling of accomplishment, fulfillment, and pride that comes from achieving important goals in life. According to Maeno and Maeno (2022), happy employees are three times

more creative than unhappy employees, are 30% more productive, and have lower absenteeism and turnover rates⁶. The idea is that happy employees are more engaged, more resilient, and move up the ladder faster, and that focusing on employee happiness over short-term gains leads to long-term gains.

In recent years, in various ways of working, diversity management has been considered and introduced at actual company sites. To summarize the definition of diversity by the Ministry of Economy, Trade and Industry, it means a management approach that takes advantage of the diversity of various people. There are various reasons why people work, but what they all have in common is that motivation is essential. It is necessary for managers to change their view of management because they will contribute to the performance of the company if their employees work with engagement while keeping the profitability of the company in mind.

Ⅲ. Job Satisfaction and Employee Engagement Based on Herzberg's Theory of Motivation and Hygiene

I would like to consider Herzberg's theory of motivation and hygiene about what motivates. It should be noted that the motivation-hygiene theory collects data from Herzberg's retrospective interviews with people engaged in various occupations. Herzberg focused on the factors that influence people's motivation at work, and argued that the factors that bring about employee satisfaction and those that lead to dissatisfaction are separate. This logic differs from Maslow's Hierarchy of Needs, because it is important to work with the factors that bring about satisfaction in motivating people. Table 1 shows job satisfaction and employee engagement from the perspective of Herzberg's theory of motivation and hygiene. For example, when looking at the hygiene factor, wages are increased for unsatisfactory events at work. For those who feel that their salary is low, their dissatisfaction decreases as their salary rises, but it is not a factor that leads to satisfaction. Taylor's scientific management method was based on the premise that wages lead to motivation, but Herzberg argued otherwise. Factors that increase motivation are motivating factors, and it is important to give employees work that gives them a sense of accomplishment and fulfillment. Motivation depends on how well you can enhance factors such as job achievement, recognition, and job responsibility⁷.

Work-style reform is a reform focused on the quantitative aspects of work aimed at reducing working hours and increasing wages. According to Sendo (2022), work style reform has the potential to create great value from the perspective of making it easier to work, but points out that it is inadequate from the perspective of job satisfaction⁸. Sendo (2022) is focused on the importance of job satisfaction. It is said that there is a possibility to create vitality and enthusiasm in the work of employees by considering jobs and work

styles that can acquire engagement and well-being, which will lead to the creation of value for the organization.

Table 1 Job Satisfaction and Employee Engagement from the Perspective of Herzberg's Theory of Motivation and Hygiene

Hygiene factors		Motivators	
< Common Dissatisfaction Events > • Company policy • Relationships with supervisors • Working conditions, salaries, bonuses • Relationships with colleagues • There were many factors such as relationships with subordinates		< Common events that made me feel satisfied > • A sense of accomplishment at work • Approval from others • Responsible work • There were many factors such as challenging work • Promotion and growth	
Hygiene factors reduce dissatisfaction when conditions improve, but do not create satisfaction.		Motivational factors feel a strong sense of satisfaction, but if they decrease, they are not the factors that lead to dissatisfaction, but a state of lack of satisfaction.	
Work Style Reform <Focus on Quantitative Part of Work>		Job satisfaction <quantitative aspects of job satisfaction>	
• Correction of long working hours • Fair treatment regardless of employment status • Employment promotion for the elderly and women, etc.		• Employment Engagement • Wellbeing • Health management	
attributes of money	Attributes related to indirect compensation	job attributes	Attributes related to affiliation
salaries, bonuses, etc.	Social Security, Welfare, Retirement Plan, etc.	Self-efficacy, self-growth, work engagement, etc.	A sense of belonging, loyalty, attachment, etc.

Source: Created by the author.

IV. Work Style Reform Survey Results

Since 2020, the Deloitte Tohmatu Group and the General Incorporated Association at Will Work have been jointly conducting the "Work Style Reform Fact-Survey" (fact-finding survey on work style reform) targeting Japanese companies⁹. The survey period is from January 14, 2022 to February 28, 2022, and the number of valid responses is 321 companies.

According to the status of work style reform initiatives, 94% of companies responded that they are implementing or planning work style reforms, which is higher than the results of the previous survey, making it clear that this is an essential initiative for companies.

According to the purpose of work style reform, the purpose of work style reform was more diversified compared to the previous time, and compliance measures decreased relatively. On the other hand, there has been an increase in the number of companies that have set their own and essential goals, such as reforming the way work is done and improving productivity, which have become necessary to respond quickly due to changes in the environment.

According to the overall perception of the effects of work style reforms, 85% of respondents felt that work style reforms in general had some effect. Of these, 19% felt an overall effect, and it is considered to be a leading company in work style reform.

Next, we will look at changes in work styles based on a survey report by the Japan Productivity Center (2022)¹⁰. The survey results report of the Japan Productivity Center (2022) surveyed 1,100 people employed by companies and organizations aged 20 and over (employees = workers excluding self-employed people, family workers, etc.), and the survey period is from April 11 to 12, 2022.

According to whether working from home improved efficiency, when asked about efficiency improvement for working from home, which accounts for the majority of telework, 60.4% (63.3% last time) answered that efficiency improved or slightly increased (the highest ever).

In terms of whether they are satisfied with working from home, the total percentage of respondents who are satisfied or rather satisfied with working from home reached a record high of 84.4%. In the May 2020 survey, 57.0% of employees were satisfied with working from home, so the improvement in satisfaction over the past two years is noteworthy.

V. Current State of Well-being in Japan

The government is implementing measures aimed at realizing a society in which people can experience well-being. In June 2021, well-being appeared on the second page of the growth strategy implementation plan announced by the government every year, and the phrase "realization of a society where people can feel well-being" appeared. On February 19, 2021, she became the second minister in the world to fight loneliness and isolation after the UK. This is because the number of suicides among women and young people has increased due to the corona disaster, and the seriousness of social isolation has been highlighted.

In September 2021, the Nikkei Well-being Symposium was held, and discussions on the realization of well-being were held by government, business people, and experts. In Japan, 2022 is being called the first year of well-being, and with the corona crisis, well-being is becoming a standard for value judgments that refers to the satisfaction and fulfillment of life. However, Japan does not have a sufficient working environment in

which people can work in ways that suit their individual circumstances. Therefore, there is a view that well-being in Japan has not penetrated. As we enter a period of transition, well-being in Japan may have just begun.

Well-being is not just about being happy as an individual, but we should think about what it means to be in a state where the individual, society, and the entire planet are in a state of complete satisfaction. Well-being should be understood as the standard of values for achieving the SDGs (Sustainable Development Goals). Based on the principle of leaving no one behind on earth, the SDGs aim to create a society in which the economy, society, and the environment are well-balanced. The well-being of the entire planet lies ahead of the achievement of the 17 goals, with no poverty, access to quality education, no inequality between people and countries.

Well-being brings the following three benefits to management. (1) improvement of productivity, (2) securing of human resources, and (3) improvement of corporate value. (1) If employees are healthy both physically and mentally, and each and every one of them can work enthusiastically, it will lead to an increase in the productivity of the company. It is possible to prevent the outflow of human resources (related to the turnover rate) and secure excellent human resources. We invest in companies that care. Social includes elimination of gender disparities, protection of workers' rights, diversity, and ensuring work-life balance, and social overlaps with well-being in some respects.

VI. Employee Engagement in Health Management

Health management is attracting attention as a management strategy that supports the physical and mental health of employees and creates a foundation for highly productive human resources. Companies need to consider employee health management from a management perspective and implement it strategically. Efforts by companies to promote health management are called health investments. Improving employee health is expected to improve productivity and maintain motivation, revitalize organizations, improve corporate performance, and raise stock prices.

According to the health management of Rohto Pharmaceutical Co., Ltd., employees are encouraged to wear sneakers and backpacks to work, walk, and quit smoking¹¹. In the case of the birth of a child or nursing care of a family member, we have introduced short working hours, telecommuting, and a flextime system as a system for continuing to work within a reasonable range.

According to Ajinomoto's Health Management, in May 2018, the Ajinomoto Group Health Declaration was formulated and health management is being implemented with self-care at the core¹². Every year, individual interviews are held with industrial physicians and health staff for employees, and self-care guidance tailored to each employee, as well as visualization and quantification of the degree of self-care, are being

promoted. As a result of these efforts, in fiscal 2017 sales increased by 5% from the previous year and working hours were reduced by 74 hours¹³.

A point to be noted is that women's specific health issues reduce work productivity, and it is necessary to take measures to deal with the fact that some women give up on promotions, jobs with heavy responsibilities, or the careers they desire. (1) measures to maintain a healthy state of mind and body, (2) sense of belonging to the company and department, and good human relations, and (3) creation of an environment where employees can work with high motivation. Specifically, we support the promotion of health and productivity management, reduce stress, reduce physical burdens, and implement events and projects that create a sense of affirmation and attachment to the organization. Compensation must be carried out.

It is also important for companies for employees to feel pride and job satisfaction in their work, work proactively, and work with vitality. According to Kuroda, Yamamoto, Shimazu, and Schaufeli (2019), in major retailers, the higher the work engagement, the higher the sales¹⁴. According to the Nihon Keizai Shimbun on May 10, 2022, it is reported that the higher the work engagement of employees in listed companies, the higher the return on sales, return on equity, and return on net assets.

Ⅶ. Concluding Remarks

In this paper, I have examined job satisfaction and employee engagement in work style reforms in Japanese companies. Job satisfaction and employee engagement were classified into motivational factors using Herzberg's theory of motivation and hygiene. Motivation factors were subdivided into attributes related to work and attributes related to affiliation. On the other hand, hygiene factors include salaries, bonuses, social security, welfare programs, and retirement plans, but they are positioned like Herzberg's logic.

In promoting health and productivity management, it is effective to develop a work system that supports corporate support, reduces stress, and reduces physical burdens, and to implement events and projects that will instill a sense of affirmation and attachment to the organization. Organizations need recognition and rewards that make them feel recognized. Since corporate investment in health leads to the management and maintenance of employee health, it is necessary for managers to change their management perspectives. It is also necessary to develop flexible working systems and improve work styles, such as taking annual leave. The length of service of employees who feel job satisfaction increases, leading to employee engagement. It has been emphasized that they lead to cyclical activation of the organization, improvement of productivity, and improvement of corporate performance.

The following four points are key points in efforts for well-being. (1) creating a good communication environment, (2) promoting health, (3) reviewing the working environment,

and (4) sharing a vision.

For (1), it has been pointed out that workplaces where good human relationships are built are more productive than those where they are not. It is important to create opportunities and places for better communication, introduce communication tools for employees, and create an environment where everyone can speak freely.

For (2), it is important to be physically and mentally healthy in order to work with a sense of purpose. Health checkups, vaccinations, stress checks, consultations with industrial physicians, fitness facilities, and other health facilities are effective. Rohto Pharmaceutical has an in-house massage room, an athletic facility, and full-time counselors and nurses.

For (3), it is essential to rectify long working hours, and create a work environment that allows for flexible working styles, such as creating an atmosphere that makes it easy to take annual leave and childcare leave, as well as work styles such as various times and places that suit the job and individual. There is a need to.

For (4), as work styles and organizations continue to diversify, it is necessary for managers to actively communicate their company's purpose and long-term vision, and to indicate the direction in which they are headed together. For example, the Sony Group's Purpose, Omron, and Kyocera are good examples.

It is thought that the definition of well-being changes with the times. In the era of diversity, the state of being satisfied varies from person to person. It is essential to respond flexibly to changes in the times and individual circumstances as we move forward, rather than working with preconceived values. Since well-being means a state in which an individual is physically, mentally, and socially satisfied, the idea is that the gathering of individuals leads to the well-being of the company to which they belong and of society as a whole. Today, as we enter a period of change in values, well-being initiatives have the potential to solve problems that have hitherto stalled and create new value. For going concern or sustainable management, companies need to improve while working on well-being.

Notes

- 1 Well-being means being in good physical and mental health. Health is defined not only as a state of good physical health, but also as a state of mental and social satisfaction. It is a concept that expresses being in a healthy state, feeling happy, and maintaining a good state in all aspects such as physical, mental, and social. The term "well-being" does not exist in laws related to work style reform.
- 2 Engagement means attachment, loyalty, and a tendency to immerse oneself in one's work. Takashi Maeno studies the relationship between employee happiness and corporate performance. For other research on work engagement (a state in which all three of vitality, enthusiasm, and devotion are present), see Iwasawa (2016) pp.72-90 and Ministry of Health,

- Labor and Welfare (2019) pp.171-189.
- 3 See Okubayashi, Kambayashi, and Hirano (2014), Kambayashi (2015), Kambayashi, Zushi, and Morita (2018), Yashiro (2019).
 - 4 See Okubayashi, Kambayashi, and Hirano (2014), Kambayashi (2015), Kambayashi, Zushi, and Morita (2018), Yashiro (2019).
 - 5 See Okubayashi, Kambayashi, and Hirano (2014), Kambayashi (2015), Kambayashi, Zushi, and Morita (2018), Yashiro (2019).
 - 6 See Maeno and Maeno (2022).
 - 7 See Okubayashi, Kambayashi, and Hirano (2014), Kambayashi (2015), Kambayashi, Zushi, and Morita (2018), Yashiro (2019).
 - 8 See Sendo (2022).
 - 9 The “Work Style Reform Fact Survey 2022” can be viewed from the website.
<https://www2.deloitte.com/jp/ja/pages/about-deloitte/articles/news-releases/nr20220419.html>
(accessed August 31, 2022)
 - 10 The “9th Workers’ Attitude Survey” can be viewed on the website.
https://www.jpc-net.jp/research/assets/pdf/9th_workers_report.pdf (accessed August 31, 2022)
 - 11 Rohto Pharmaceutical in numbers can be viewed on its website.
<https://www.rohto.co.jp/ir/investors/number/> (accessed August 31, 2022)
 - 12 The Promise to Stay Healthy (Ajinomoto Group Health White Paper) can be viewed on the website.
https://www.ajinomoto.co.jp/company/jp/nutrition/pdf/ajinomoto_nutrition_whitepaper.pdf
(accessed August 31, 2022)
 - 13 <https://www.ajinomoto.co.jp/company/jp/aboutus/health/> (accessed August 31, 2022)
 - 14 See Kuroda, Yamamoto, Shimazu, and Schaufeli (2019).

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