

2. Outline of Survey

1. Explanation of Survey

(1) Legal Basis

The survey was taken in conformity with the regulation for the execution of the Basic Survey on Wage Structure (Ministry of Labour Order No. 8 of 1964), as the Designated Statistics No. 94 according to the Statistics Law.

(2) Purpose

The survey aims at obtaining a clear picture of the wage structure of regular employees in major industries i.e., wage distribution by type of workers, occupation, sex, age, school career, length of service and occupational career, etc.

(3) Area

Japan

(4) Industry

- 1) Mining
- 2) Construction
- 3) Manufacturing
- 4) Electricity, Gas, Heat supply and Water
- 5) Information and Communications
- 6) Transport
- 7) Wholesale and Retail trade
- 8) Finance and Insurance
- 9) Real Estate
- 10) Eating and Drinking places, Accommodations
- 11) Medical, health care and Welfare
- 12) Education, Learning support
- 13) Compound services
- 14) Services, n.e.c.

(5) Establishments

Establishments selected by a uniform sampling method from among the following establishments that are belonged to the industry and the area for this survey.

- 1) Establishments with 10 regular employees or more (private establishments and establishments of public corporations under Specified Independent Administrative Institutions or the Local Public Corporation Labour Relations Law)
- 2) Private establishments with 5-9 regular employees

(6) Workers

Employees selected by a uniform sampling method from among the establishments that were selected for this survey.

(7) Items

- 1) Establishments
 - a) Name and address of establishment
 - b) Name of main products of kind of business activity

- c) Number of regular employees by sex
- d) Total number of regular employees in enterprise to which the establishment belongs
- e) How to take springtime wage-increase into account
- f) Starting salary for new graduates and number of appointment

2) Workers

- a) Code number or name of employee
- b) Sex
- c) Type of worker whether production worker or non-production worker (establishments with 10 employees or more in mining, construction and manufacturing)
- d) Type of employment
- e) Type of work
- f) School career
- g) Age
- h) Length of service
- i) Class of position (enterprises with 100 employees or more) or occupation
- j) Occupational career
- k) Actual number of days worked
- l) Actual number of scheduled hours worked
- m) Actual number of overtime worked
- n) Contractual cash earnings
- o) Overtime allowance
- p) Scheduled cash earnings (excluding overtime allowance)
- q) Commuter allowance, regular attendance allowance and family allowance
- r) Annual special cash earnings

(8) Survey Period

- 1) The survey was conducted as of June 30 (if the end day of payroll period is fixed, as of the last end of payroll period in June) for facts in fixed time such as school career, age, length of service and occupational career.
- 2) This survey was conducted as for June 1-30 (if the end day of payroll period is fixed, as for one month ending the last end day of payroll period in June) for facts continuing for some items such as days worked, scheduled hours worked, overtime worked, contractual cash earnings and over-time allowance.
- 3) Annual special cash earnings such as bonus the survey was conducted for the period January 1 to December 31 in the previous year (as for workers employed in or after the course of the period, the survey was conducted for one year beginning the day of engagement or the period until June 30).

- 4) Survey on how to take springtime wage-increase into account is conducted for the period from January 1 to June 30.

(9) Date of Survey

This survey is conducted every year from July 1 to July 31.

(10) Survey Method

This survey is conducted by staff of Prefectural Labour Bureaus, and is carried out by staff of Labour Standards Inspection Offices and enumerators through field interview.

(11) Tabulation

Tabulation was carried out by the National Statistics Center.

2. History of Survey

The survey on wage structure has been carried out by the Ministry of Labour once a year since 1948. In 1958, the survey was designated according to the Statistics Law as the Designated Statistics No. 94, and in 1964 its name was changed to the existing appellation and has passed up to the present.

Since then, the survey on a large scale had been carried out every three years, and the survey on a small scale in the other years. But since 1982, the survey has been carried out on the same scale every years.

3. Definitions

(1) Industry

Industries are based on the Standard Industrial Classification for Japan.

(2) Size of Enterprise

Size of enterprise is shown according to the total number of regular employees in each enterprise.

(3) Employees

- 1) Employees hired for an indefinite period
- 2) Employees hired for longer than one month
- 3) Employees hired for less than one month or by the day and who were hired for 18 days or more in April and May

(4) Type of Workers

Employees are classified into either 1) production workers or 2) supervisory, clerical and technical workers. This classification is applicable only to mining, construction and manufacturing industries.

Production workers generally include those who engage in operations at production sites or construction sites (including ancillary sections thereof).

Supervisory, clerical and technical workers are those other than the production workers.

(5) Type of Employment

Employment is classified into two types, 1) regular type and 2) temporary type. The regular type covers employees who are employed for an unlimited period of employment. The temporary type covers employees other than regular-type ones.

(6) Type of Work

Type of work are classified into 1) ordinary workers (to whom general scheduled working hours are applied) and 2) part-time workers (regular workers whose scheduled working hours a day or a week are less than those of general workers in establishments).

(7) School Career

An employee's school career means the highest of his/her history of school graduation or its equivalents.

The term "school" used herein means schools specified by the School Education Law and their equivalents.

School career for those employees who are actually learning but have not finished the full course should be based on schools from which they have graduated or courses which they have finished.

The school career is classified into:

- 1) graduates of junior high schools,
- 2) graduates of senior high schools,
- 3) graduates of higher professional schools and junior colleges, and so on
- 4) graduates of universities.

(8) Age

As of June 30.

(9) Length of Service

Length of service denote the number of years during which an employee has worked from a date employed to a date surveyed.

(10) Class of position or Occupation

Class of position and occupation in which surveyed employees engage include five classes of position (director, section manager, chief, foreman and others) and 115 occupations.

(11) Occupational Career

A number of years during which a worker has engaged in the present occupation as of the survey date.

(12) Actual Number of Days Worked

A number of days for which an employee really worked during the survey period. It does not include those days on which he/she did not work, even if they were paid. A day on which he/she worked only for an hour was included in the real working day. If guardsmen, taxi drivers and similar employees in shift systems went to office at 10:00 p.m. and worked till 6:00 a.m. of the following day, the number of days worked was regarded as two (2)

days. If they went to office again at 10:00 p.m. on the same day on which they worked till 6:00 a.m. and then worked till 6:00 a.m. of the day next, the number of days worked was regarded as three (3) days in total.

(13) Actual Number of Scheduled Hours Worked

Actual number of scheduled hours from which overtime working hours are subtracted. This means the number of hours for which an employee really worked from a starting time to an ending time in a working day scheduled by working rules of his/her establishment.

(14) Actual Number of Overtime Worked

A number of hours really worked during hours other than those from a starting time to an ending time in a working day scheduled by working rules of establishments or in holidays determined by the rules.

(15) Daily Actual Number of Scheduled Hours Worked

A number of hours obtained by dividing actual number of scheduled hours worked by actual number of days worked.

(16) Contractual Cash Earnings

Before-tax, not after-tax, amount of cash wages paid of employees, for the surveyed month of June, based on paying conditions and calculating methods specified in advance in labour contract, labour agreement, and/or working rules of establishments.

(17) Scheduled Cash Earnings

Amount of contractual cash earnings, not including overtime allowance.

This amount is composed only of earnings in cash, not of earnings in kind.

(18) Hourly Scheduled Cash Earnings

Amount of cash obtained by dividing scheduled cash earnings by actual number of scheduled hours worked.

(19) Annual Special Cash Earnings

Special wages including bonus and term-end allowance paid in the previous year (in principle, a year from January to December).

Special wages including bonus and term-end allowance include 1) wages which are paid for temporary or unexpected reasons, not based upon agreements or rules established in advance and 2) wages paid in accordance with payment conditions and calculation methods already determined in labour agreements or working rules but paid based on a calculation period exceeding three months. They also include 3) wages paid under reason which are uncertain and 4) wages in back pay under a new labour agreement.

(20) Starting Salary

Amount of wages paid under a payment agreement, not including commuter allowance, to new graduates (persons who graduated in March junior or senior high schools, higher professional schools or junior colleges, or universities under the School Education Law) who have been employed in the year surveyed and are actually working as of the end of June, and the amount should be that which establishments have been determined as starting salary for the year concerned.

(21) Number of Employees

Number of regular employees estimated.

(22) Standard Employees

Standard employees denote those who are employed by enterprises immediately after graduating schools or universities and have been working for the same enterprises.

(23) Dispersion Coefficient

- 1) Quartile dispersion coefficient

$$= \frac{3\text{rd Quartile} - 1\text{st Quartile}}{2 \times \text{Median}}$$
- 2) Decile dispersion coefficient

$$= \frac{9\text{th Decile} - 1\text{st Decile}}{2 \times \text{Median}}$$

4. Sampling Method

(1) The Population

- 1) The population for this survey consists of the establishments with five regular employees or more. There are about 1.4 million establishments in this category and approximately 38 million regular employees nationwide.
- 2) The respective sample frames are taken from Establishment and Enterprise Census 2001 for the establishments and the workers' roster and the wage ledger of the sampled establishments for regular employees.

(2) Sample Design

- 1) Sampling method
 - a. The sampling method consists of stratified 2-stage sampling where the establishments are the primary sampling unit while the employees are the secondary sampling unit.
 - b. The establishments are stratified by prefecture industry and size of establishment (500 employees or more, 300 to 499, 100-299, 30-99, 10-29 and 5-9).
 - c. The desired precision is based on an average scheduled cash earnings of a regular employee. And considering the importance in the utilization of the survey results, the standard error rates are 3% for prefecture,

industry and size of enterprise in the national scale statistics.

2) Sampling ratio

- a. The sampling ratio for establishments are set by prefecture, industry and size of establishment.

The sampling ratio for the employees are determined in accordance with industry and size of the establishment for the establishments with 500 employees or more, while in accordance with size of the establishment for the establishments with 499 employees or less.

- b. Number of the establishments and the employees sampled.

The number of the establishments sampled is about 71,000 while the number of the employees sampled approximately 1.63 million.

5. The Form of Questionnaire

Separately attached.

Basic Survey on Wage Structure Questionnaire for Establishments (June 2004)

Ministry of Health, Labour and welfare

Prefecture Code	Establishment Number							Industry Code			Establishment Size

(1) Name and Address of Establishment	
(2) Name of Main Products or Kind of Business Activity	

(3) Number of Regular Employees by Sex

	Number of Regular Employees	Sampling Ratio	Number of Sampled Employees
Male		<u>1</u>	
Female			
Total			

(4) Total Number of Regular Employees in Enterprise to Which the Establishment Belongs

8	7	6	5	4	3	2	1
5~9	10~29	30~99	100~299	300~499	500~999	1,000~4,999	5,000~

(5) How to Take Springtime Wage-Increase into Account

1	Springtime wage-increase was decided and is taken into account of contractual cash earnings in questionnaire for employees
2	Springtime wage-increase was decided, but is not taken into account of contractual cash earnings in questionnaire for employees
3	Springtime wage-increase has not been decided yet
4	Springtime wage-increase is 0 this year

(6) Amount of Starting Salary for New Graduates and Number of Appointment

①

	Non-production Worker				Production Worker			
	Male		Female		Male		Female	
	Starting salary	Number of appointment	Starting salary	Number of appointment	Starting salary	Number of appointment	Starting salary	Number of appointment
Junior High School								
Senior High School								
Higher Professional School or Junior College								
University	Literary							
	Technical							

Mining, construction and manufacturing industries are applicable to production worker.

② Whether the Starting Salary for New Graduates Decided or Not

1	Decided this year
2	Not decided yet because springtime wage-increase has not been decided, etc.

**Basic Survey on Wage Structure
Questionnaire for Employees (June 2004)**

Prefecture Code		Establishment Number					

Ministry of Health, Labour and welfare

(1) Serial Number					
(2) Code Number or name of Employee					
(3) Sex	1. Male 2. Female				
(4) Type of Worker	Establishment with 10 employees or more in mining, construction and manufacturing is applicable. 1. Production 2. Non-production				
(5) Type of Employment	1. Regular 2. Temporary				
(6) Type of Work	1. Ordinary worker 2. Part-time worker				
(7) School Career	1. Junior High School 2. Senior High School 3. Higher Professional School or Junior College 4. University				
(8) Age					
(9) Length of Service	Years				
(10) Class of Position or Occupation	Class of Position- establishment with 100 employees or more is applicable Occupation- all establishments				
(11) Occupation Career (Including Experience in Other Enterprises)	1. Less than 1 year 2. 1 ~ 4 years 3. 5 ~ 9 years 4. 10 ~ 14 years 5. 15 years or more				
(12) Actual Number of Days Worked in the Month	Days				
(13) Actual Number of Scheduled Hours Worked in the Month	Hours				
(14) Actual Number of Overtime Worked in the Month	Hours				
(15) Monthly Contractual Cash Earnings	Yen				
(16) Overtime Allowance (including midnight)	Yen				
(17) Scheduled Cash Earnings (15) - (16) = (17)	Yen				
	Basic wage, age wage, length of service wage, regional allowance, commuter allowance, regular attendance allowance, family allowance, service allowance, price allowance, etc.				
(18) Commuter Allowance of (17)	Yen				
(19) Regular Attendance Allowance of (17)	Yen				
(20) Family Allowance of (17)	Yen				
(21) Annual Special Cash Earnings of Last Year	Yen				
Remarks					