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JAPANESE AND BRITISH TELECOMMUNICATIONS SYSTEM:
A COMPARATIVE INDUSTRIAL RELATIONS ANALYSIS

M. Litt. . Dissertation, May 1977

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ACKNOWLEDGMENTS

It had not been possible to complete this study without the kind assistance and advice of many people. I should like to give my thanks to Mr. B. T. Wright, Mr. M.G. Huggins and Mr. D.A.L. Stevenson of Telecommunications Headquarters, the Post Office. Especially I am grateful to Mr. B.T. Wright who provided me with various information. I must acknowledge the generous provision of information from Mr. P. Shaw, Research Officer, Post Office Engineering Union.

Acknowledgement is also due to Professor L. C. Hunter and Dr. A.W.J. Thomson of the University of Glasgow, who supervised me in this study.

Finally I must thank Mrs. Connelly and Miss Halliday who typed this dissertation.

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SUMMARY

This is a comparative study of industrial relations between NTT⁽¹⁾ and the telecommunications side of the P.O. R.P. Dore⁽²⁾ made point-by-point comparisons on industrial relations between Japan and Britain taking two private firms, i.e. HITACHI and English Electric and characterises the differences as 'organisation-oriented' Japanese system and 'market-oriented' British system. The aim of this study is to make clear not only the differences between NTT and the P.O. but also the differences between the public and private sectors by fitting NTT and the P.O. onto the scale showing the differences Dore found between HITACHI and English Electric. However it is not possible to give a total picture of industrial relations in NTT and the P.O. as Dore did because this study is concentrated on institutional and material differences.

Firstly, the organisation of telecommunications in Japan and Britain is taken up and five important features which will be relevant in the later discussions are extracted. They are (a) scale, (b) monopoly positions, (c) technological uniformity and changes, (d) government control and (e) centralisation.

Then the industrial relations of NTT and the P.O. are compared on five aspects, i.e. (a) employment system, (b) wages and other conditions of work, (c) union structure and membership,

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- (1) NTT (Nippon Telegraph and Telephone Public Corporation) deals with the inland telecommunications services in Japan.
- (2) R.P. Dore, British Factory - Japanese Factory; the origin of national diversity in industrial relations. George Allen & Unwin, 1973.

(d) management organisation for industrial relations and (e) collective bargaining structure. In order to show the differences not only between NTT and the P.O. but also between the public and private sectors, a four point spectrum for each of the thirteen most important features on five aspects mentioned above is created and given explanations as follows:

(1) Dore contrasted the low mobility of HITACHI workers to the high mobility of English Electric workers. Although the P.O. workers show higher mobility than NTT workers, the turnover rates of NTT and the P.O. workers are lower even than those of HITACHI workers.

(2) Dore found that while there is not a clear-cut difference in status between staff and manual workers in HITACHI, there are considerable differences between them in English Electric. However, there is not a clear-cut difference between them in both NTT and the P.O.

(3) Dore contrasted systematic recruitment of HITACHI to less systematic recruitment of English Electric. Recruitment of NTT is more formal and systematic than that of HITACHI but that of the P.O. is, like English Electric, less systematic than that of the Japanese firms.

(4) Dore found that while HITACHI provides to its employees continuous in-service training at its own vocational training schools, English Electric does not. However, both NTT and the P.O. provide more continuous in-service training at their own vocational training schools.

(5) According to Dore main factors in determining wages of HITACHI is the comparability with other firms in the same business but those of English Electric are the same as market rules. However, both NTT and the P.O. attach great importance to comparability with the private sector, although the latter takes some market factors into account.

(6) Dore found that while principles governing the distribution of wage/salary bill in HITACHI have no relation to market situations, wages and salary are distributed on differentials in English Electric. Those of NTT is more Japanese-like than those of HITACHI excluding sex and merit and those of the P.O. move to some extent towards Japanese ones because of the incremental scales.

(7) Dore contrasted indirect and multiform monetary incentives to indirect ones of English Electric under piecerate system. However, monetary incentives in both NTT and the P.O. are only through promotion.

(8) Dore found that while HITACHI provides to its employees all-embracing welfare services, English Electric does not. Welfare services offered by NTT are better than those of HITACHI but the only significant welfare service of the P.O. is pensions.

(9) Dore found that while HITACHI Union is an 'enterprise' union, there are several fragmented unions in English Electric which have members beyond the boundary of the firms. NTT union is also an enterprise union. Although there are several unions according to job grades in the P.O., most of them are organised within the P.O.

(10) Dore contrasted centralised organisation of HITACHI Union to fragmented organisation of English Electric unions. However the unions organised in both NTT and the P.O. are very much centralised.

(11) Dore found that membership subscription of HITACHI Union is considerably higher than that of English Electric unions. This contrast also holds true between NTT union and the P.O. unions.

(12) Dore found that while the time of wage bargaining of HITACHI is periodical, that of English Electric is unpredictable. The time of wage bargaining in both NTT and the P.O. is periodical although the pay review dates of the P.O. are fragmented throughout the year according to unions.

(13) Dore contrasted the centralised collective bargaining structure of HITACHI to fragmented structure of English Electric. Collective bargaining structure of both NTT and the P.O. are centralised although the P.O. negotiates separately according to unions.

From these it is clear that while the industrial relations system of NTT shares the features of the Japanese system and in certain respects it embodies the Japanese features in more extreme patterns than that of HITACHI, that of the P.O. approaches to some extent towards the Japanese system although it obviously still has some features of the British industrial relations system. This is largely due to the five features pointed out earlier.

Apart from the points mentioned above, NTT and the P.O. share such important features as (a) positive union attitudes towards rationalisation, (b) established consultative machinery and (c) government control on pay bargaining all of which can be explained by the same five features.

Through these discussions the important role of technology and the form of management, i.e. public or private, in the formation of industrial relations system can be clearly understood.

Abbreviation

CBI	Confederation of British Industry
CHŪRITSU-RŌREN	CHŪRITSU RŌDŌ KUMIAI RENRAKU KAIGI (the Federation of Independent Unions)
COPOU	Council of Post Office Unions
CPSA	Civil and Public Services Association
DENDEN-IRŌ	DENSHIN DENWA IRYŌ RŌDŌ KUMIAI (Telegraph and Telephone Medical Workers Union)
DENDEN-RŌSO	DENSHIN DENWA RŌDŌ KUMIAI (Telegraph and Telephone Workers Union)
DENTSŪ-KYŌTŌ	DENKI TSŪSHIH SANGYŌ RŌDŌ KUMIAI KYŌTŌ KAIGI (Telecommunications Workers Unions Joint Committee)
DŌMEI	ZEN NIPPON RŌDŌ SŌ DŌMEI (the General Confederation of Japanese Labour Organisations)
IPCS	Institution of Professional Civil Servants
KŌRŌ-HŌ	KŌKYŌ KIGYŌTAI TŌ RŌDŌ KANKEI HŌ (Government Enterprises and Public Corporations Labour Relations Law)
KŌRŌ-I	KŌKYŌ KIGYŌTAI TŌ RŌDŌ IIN KAI (Government Enterprises and Public Corporations Labour Relations Commission)
KŌRŌKYŌ	KŌKYŌ KIGYŌTAI TŌ RŌDŌ KUMIAI KYŌGI KAI (Government Enterprises and Public Corporations Unions Joint Committee)
MNAOA	Merchant Navy and Airline Officers Association
NFSP	National Federation of Sub-Postmasters
NTT	NIPPON DENSHIN DENWA KŌSHA (NIPPON Telegraph & Telephone Public Corporation)
P.O.	Post Office
POEU	Post Office Engineering Union
POMSA	Post Office Management Staff's Association

SCS	Society of Civil Servants
SHINSANBETSU	ZENKOKU SANGYŌBETSU RŌDŌ KUMIAI RENGŌ (Congress of Industrial Unions)
SŌHYŌ	NIPPON RŌDŌ KUMIAI SŌ HYŌGIKAI (The General Council of Japan Labour Unions)
SPOE	Society of Post Office Executives
SPOM	Society of Post Office Managers
TCOA	Telephone Contract Officers' Association
TUC	Trade Union Congress
UPW	Union of Post Office Workers
ZENDENTSŪ	ZENKOKU DENKI TSŪSHIN RŌDŌ KUMIAI (All Japan Telecommunications Workers Union)
ZENTEI	ZEN TEISHIN RŌDŌ KUMIAI (All Japan Posts and Telecommunication Workers Union)

CHAPTER 1 GENERAL INTRODUCTION

A. Introduction; Origin and Object of the Study

This study arose out of the author's background in NTT and an interest in the comparative structure and culture of NTT when compared with the firms engaged in ^{the} telecommunications business in European and American countries. In particular, the author is interested in whether the relationship between NTT and ZENDĒNTSŪ (All Japan Telecommunications Workers Union), virtually the only union in NTT, is unique or is reflected to any significant extent in other countries. However, some further explanation is necessary. As is fairly common among many Japanese youths, the author had a sense of yearning towards the life in European and American countries and when the author was told at the beginning of August, 1974, that he was lucky enough to pass the examination to select staff to be sent to Britain under the Japanese government scholarship programme which entitles officials from various government departments for two years of postgraduate study at British Universities, he was overjoyed. This raised the issue as to what should be studied in Britain. Although it might sound strange to some people, it was really a great problem to be solved.

As will be explained later, it is a tacit understanding of the Japanese employment system that once one takes up a job (strictly speaking, begins to work) in a particular firm one will continue to work for the firm until one reaches normal retirement age of 55. The author himself began to work for NTT in April, 1970 just after graduating from a university, in accordance with the practice of

so-called life-long employment. After the period of training for the first three years, the author was appointed to a post of KAKARICHŌ (sub-section chief) at one of the telegraph and telephone offices.

The opportunity of postgraduate study in Britain was offered after serving at the post for two years. Although there was no instruction from NTT and the author was told that he was quite free to choose the subject of the study of his own will, the logic of the situation suggested a subject which would be of great help in working for NTT for the rest of his working life.

During the period of initial training, the author has had an opportunity to be trained in the Personnel Bureau of the Head Office of NTT which deals with industrial relations matters. That experience gave the author great interest in, and some understanding of, industrial relations especially the comparative study of industrial relations system between Japan and European and American countries. As will be mentioned in the following chapters, the management of NTT has been facing an annual spring demand for pay increases together with better working conditions from ZENDEENTSŪ. This claim for a pay increase constitutes a part of the pay settlement process called SHUNTŌ (Spring Labour Offensive). ZENDEENTSŪ, which is one of the leading members of KŌRŌKYŌ (Government Enterprises and Public Corporations Workers Unions Joint Committee) formed by Unions organised in Government Enterprises and Public Corporations, has played a significant role in SHUNTŌ.

Through the high-rate growth period since the 1960s, unions have come to demand higher and higher wages every year. One of the main slogans of ZENDEENTSŪ is the acquisition of pay and working

conditions which are as good as European and American levels. The Union argues that this claim is based on the fact that NTT has grown through successive five year plans into one of the largest firms in the world in^{the} telecommunications field and the technological level of NTT can be said to be one of the most advanced in the world. It is not easy for NTT to deal with this kind of claim from ZENDENTSŪ not only because it has not got in its possession enough data concerning pay and working conditions in other countries but also because the Japanese industrial relations system is greatly different from the system in other countries. Therefore it is necessary to have some knowledge of the comparative study of industrial relations to deal with this kind of claim.

This is one of the reasons why the author has come to have an interest in comparative study of industrial relations and it is the author's hope to reconsider the relationship between NTT and ZENDENTSŪ in the light of the relationship found in the telecommunications field in other countries.

Although it is certain that the author shall be transferred from job to job every two or three years, all jobs would have a kind of industrial relations element. It is hoped that this study would be of some help in performing jobs in the future. The opportunity of a period of study in Britain meant that the author could choose a subject of his study that would satisfy both his own interest and his obligation as a manager of NTT.

As the British P.O. deals with both ^{the} postal and telecommunications businesses, it might not be appropriate to make a comparative study between NTT and the P.O. But as will be shown later the two businesses are run fairly independently from each other in the P.O. Therefore it will not cause any fatal short-coming even if the comparative study is made between NTT and the telecommunications side of the P.O. assuming the latter as a quasi-independent firm.

B. Framework and Methodology; Major Objective to Compare and Contrast NTT and the P.O.

1. The scale drawn from R.P. Dore's study.

In doing research, of course, one needs perspectives and hypotheses to be used as a framework of the study. R.P. Dore's "British Factory - Japanese Factory"⁽¹⁾ provides such a framework for the study (a) because of the comparative framework it gives of the two private firms (or at least representative firms) and then the opportunity to compare two similar firms in the public sector, and (b) because it also provides a methodological framework. Although Dore took up only two firms, i.e., HITACHI and English Electric in one sector, i.e., engineering industry, his point-by-point comparisons between the two firms succeeded in exploring real differences between Japanese and British industrial relations systems. The scale showing the main differences Dore found between them is provided below.

(1) George Allen & Unwin, 1973.

	HITACHI	English Electric
I. The Worker		
(1) mobility	life-long employment	relatively high mobility
(2) status differences between staff and workers	no clear-cut difference	considerable differences
(3) recruitment		
range of intelligence distribution	upper	whole
method	systematic	less systematic
work roles for which recruited	general range	quite specific
(4) training		
in-service training	continuous	no
vocational training school	has	no
cost of in-service training	firm	public authority
method	more bookish	more practical
aim	to impart attitude and moral principle	to heighten working competence
II. Wage System		
(1) main factor in determining wages	comparability with other firms in the same business in Japan	market situation
(2) principles governing the distribution of wage/salary bill	<ul style="list-style-type: none"> * educational level * age * sex * merit as rated by superiors * family responsibility * function currently performed in the firm 	<ul style="list-style-type: none"> * demand for labour * intrinsic complexity of jobs * cost in time and money of training

(3) monetary incentives	*identical for every type of employee *indirect *of longer term *quite consequential *multiform with assessment	*salaried managers promotion merit increase *wage worker direct (piecework)
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III. Union organisation and bargaining structure

(1) Unions

membership	employees of HITACHI	fragmented
white collar workers	highly organised and belong to the same union as blue collar	less organised and belong to different union
grass roots organisation	branches based on workshop	dual (residential branch (informal workshop unit
subscription	more and higher	less
organisation	formal and bureaucratic	custom and practice

(2) wage bargaining

time	periodical (*spring labour offensive (*summer bonus (*winter bonus	less frequent and less predictable
sectional interest	younger/older	skilled/unskilled
individual pay	work performance and supervisors' subjective assessment	wage drift

(3) work shop conflict

frequency	seldom	very often
regulation	detailed contract	less formal

(4) relation between management and the union	greater degree of consensus	little consensus
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IV. The Enterprise as Community

(1) welfare

sick pay	better	no
retirement pension/ gratuities	better	no
services	*housing *educational loans for workers' children *medical services *transport subsidies *sport and social facilities	no
membership	automatic	voluntary
personal issues	work superior	informal assistance of workmates or specialised welfare officer
union attitude	positive towards material benefits	indifferent
(2) management attitude towards the morale of employees	greatly concerned	not concerned
(3) employees' family	peripheral members of the enterprise family	no relation
(4) employees' attitude towards a firm	sense of identity	no identity

V. Authority, Function and Status

(1) management organisation

directors	elder of a corporate community	specialist in management
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organisation	pyramidal arrangement of team	more flexible
responsibility	assigned to groups	individual
principle	co-operation between managers	clarification of responsibility, performance checks and sanction on individual
(2) foremen		
function	leader of the team	supervisory
role	*less specific *more diffusely extending	more specific
sociability with the subordinate outside work situation	frequent	less frequent
(3) work disciplines		
	rules reinforced by exhortation designed to recall workers to the path of their original virtue	rules reinforced by formal sanction
work effort	more disciplined and sustained	less disciplined
work prescription	minute and formal	less minute and formal
attitude toward ^s work	pride in work	to regard as a system of exploitation
attitude toward ^s managerial authority	acceptance with willingness	resistance

It is clear that these represent two different patterns of industrial relations. Partial objective of this study is to fit NTT and the P.O. onto this scale as well as to evaluate structural and other qualitative differences between the two. Before going into the comparison between NTT and the P.O. it will be helpful to summarise Dore's findings and to examine whether HITACHI and English Electric are reasonably representative of the differences in industrial relations systems between Japan and Britain because, as stated above, they will be used as a framework of comparison in this study.

2. Summary of Dore's findings.

The main aspects on which Dore made comparisons can be summarised under five headlines, i.e. (a) the worker, (b) wage system, (c) union organisation and bargaining structure, (d) enterprise as community and (e) authority, function and status.

(a) The worker.

The first main context under which Dore made comparisons is 'the worker', where he found differences in four aspects. First of these is the difference in mobility. While Japanese workers are less oriented toward^s job-changes under the shelter of life-long employment system, British workers change their jobs relatively frequently in order to better themselves.

Secondly, he found a difference in the status of employees. Whereas there is not a clear-cut difference in status between staff and workers in Japan, there are considerable differences in status between staff and workers in Britain.

Thirdly, he found the difference in recruitment as follows; while, in Japan, employees are recruited from upper range of intelligence distribution through systematic selection for a more general range of work, in Britain, they are recruited from the whole range of intelligence distribution through less systematic selection and the recruitment is for quite specific work roles.

Fourthly, he found differences in training. Whereas the Japanese firm provides continuous in-service training at its own vocational training schools and, therefore, public authority contributes less towards the cost of in-service training, the British firm does not have its own vocational training school and eventually provides less in-service training and the cost of in-service training is borne by the public authority. Furthermore, while the curricula of training in Japan are more bookish and aim to impart attitude and moral principles desirable to the firm, British training is more practical and aims only to heighten working competence.

(b) Wage system.

The second main context under which Dore made comparisons is wage system, where three differences were pointed out. Firstly main factor in determining wages in Japan is the comparability with other firms in the same business, but wages in Britain are determined by a 'market situation', i.e. labour market more or less determines a price for a particular skill.

Secondly, while not all of the principles governing the distribution of wage bill in Japan are directly derived from market rules, British

principles are the same as market rules. In Japan such factors as educational level, age, sex, merit as rated by superiors, family responsibility and function currently performed in the firm are taken into account. In Britain the relative levels of demand for labour, the relative intrinsic complexity of different jobs and cost in time and money of training are main factors.

Lastly, while Japanese monetary incentives are (1) identical for every type of employee, (2) almost exclusively contingent rather than direct, (3) of longer term, (4) quite consequential and (5) multiform with assessments by superiors, those of the British are in two forms. For salaried managers promotion and merit increase work as incentives and for workers there is a direct incentive under a piecework system.

(c) Union organisation and bargaining structure.

The next context Dore is concerned with is union organisation and bargaining structure. First of all union organisation is different in five points. The first point is that Japanese union membership is limited to only the permanent employees of a firm and there is generally only one union per firm, but British unions are organised beyond firms' boundaries and there are many fragmented unions within a firm according to crafts. Secondly, Japanese white collar workers are highly organised and normally belong to the same union as blue collar workers, but British white collar workers are less organised and even when they are organised they generally belong to different unions from blue collar workers. Thirdly, the grass roots basis of Japanese unions are formal union branches based on workshop in contrast to British unions characterised by dual structure formed by official union branches based on residential

areas and informal workshop organisation represented by shop stewards. Fourthly, Japanese unions have greater financial resources than British unions because they collect more and higher subscriptions than British unions. Finally, whereas the organisation of Japanese unions is considerably formal and bureaucratic, that of British unions is flexible and many things are left to 'custom and practice'.

Then, there are three differences in bargaining structure. Firstly, the time of wage bargaining in Japan is quite periodical, that is, basically they negotiate three times a year concerning annual base-up in Spring, Summer and Winter bonuses, but bargaining in Britain is less frequent and less predictable. Secondly, sectional interests to be reconciled in wage demand in Japan are between younger and older, but they are between skilled and unskilled in Britain. Thirdly, in Japan individual pay is determined by such factors as work performance and superiors' subjective assessment, but, in Britain, it is determined through a complicated process called wage drift.

Furthermore, workshop conflicts are different in their frequency and regulation. In Japan they are very rare and regulated through detailed contractual regulations. In Britain, on the contrary, they break up very often and there is no detailed regulation concerning the settlement of conflicts.

Finally, there is a marked difference in the relationship between management and union. Whereas there is a greater degree of consensus between Japanese management and union, the consensus between them is less common in Britain.

(d) The Enterprise as Community.

The fourth context is explained under the headline 'the enterprise as community'. Firstly, Japanese firms provide all-embracing welfare services to their employees but the welfare services provided by British firms are insignificant. Some of the other differences found about welfare services are as follows; (1) Japanese firms offer better retirement pension and gratuities than British firms, (2) Japanese firms provide such wide-range services as housing, educational loans for workers' children, medical services, transport subsidies and sport and social facilities, but British firms do not and the burden is borne by the state, (3) membership to these welfare services in Japan is automatically acquired with entry to the firm, but it is voluntary in Britain even where some services are offered, (4) personal issues in Japan are dealt with by superiors, but, in Britain, they are dealt with by informal assistance of workers or a specialised welfare officer, (5) while Japanese union attitude towards welfare services provided by the firm is positive in the sense that unions are interested in material benefits, British unions are indifferent to the welfare services provided by firms.

Secondly, Japanese management is greatly concerned with the morale of employees, but British management shows little concern.

Thirdly, while an employee's family is considered as a peripheral member of the enterprise family in Japan, the British counterpart has no relation to the firm.

Fourthly, Japanese employees have a sense of commitment towards their firm, but British employees frequently have no such sense.

(e) Authority, Function and Status.

The last context of the differences is mentioned under the heading 'authority, function and status'. Firstly, Dore took up management organisation and found the following differences; (1) while many of the directors of Japanese firms are elders of a corporate community, British directors are mainly specialists in management, (2) the organisation of Japanese firms is characterised by pyramidal arrangement of teams but that of the British is more flexible, (3) in Japan responsibility is normally assigned to groups but in Britain it is assigned to individuals, (4) whereas the principle concerning management organisation in Japan is co-operation between managers, in Britain, clarification of responsibilities, performance checks and sanctions on individuals are functioning as organisational principles.

Secondly, Dore found three differences about foremen; (1) the function of Japanese foremen is mainly as leaders of the team and, therefore, they take a direct part in the team's work, but that of foremen in Britain is as supervisors, (2) the role of foremen in Japan is less specific and more diffusely extending but that of British foremen is very much more specific, (3) sociability with the subordinates outside the work situation is very frequent in Japan, but less frequent in Britain.

Lastly, Dore found some differences in work disciplines. Firstly, while the basis of work disciplines in Japan is rules reinforced by exhortation designed to recall workers to the path of their original virtue, in Britain, it is rules reinforced by formal sanctions. Secondly, work effort is more disciplined and sustained in Japan than in Britain.

Thirdly, work prescription in Japan is minute and formal but it is less minute and formal in Britain. Fourthly, while Japanese workers have a pride in work, British workers tend to regard it as a system of exploitation. Finally, Japanese workers accept managerial authority with willingness, but British workers often resist it.

3. Explanation of the differences.

On the basis of these detailed comparisons, Dore characterises the differences as 'organisation-oriented' Japanese system and 'market-oriented' British system. Then he explained these differences partly by cultural differences between Japan and Britain. The main cultural differences given by Dore are as follows:-⁽²⁾

(2) R.P. Dore, op.cit., pp. 297-298.

Cultural Differences between Japan and Britain.

JAPANESE

less individualists, more inclined
to submerge their identity in some
large group to which they belong,
and more likely to be obsessed by a
sense of duty

less self-confident and more
neurotically preoccupied with
relating the good opinion of others

more introverted

less men of principle than the
British

imitative

more ambitious

BRITISH

more selfish, more
irresponsible, more inclined
to tell Jack that they
personally are all right

more apt to be dogmatic
and aggressive, less
sensitive to the feelings
of others

less hesitant about imposing
their views and feelings on
others

less willing to forgo the
pleasures of self-assertion
in the interests of social
harmony

complacently fail to take
opportunities to learn
from others

have less concern with
self-improvement

JAPANESE

more submissive to superiors

more slavishly diligent

care less about what happens outside their own group, and have less sense of social responsibility to correct abuses in their own society

more childishly naive

BRITISH

more inclined to resent authority by virtue of its existence and irrespective of its functional necessity

more afraid of hard work

more given to busybodying, less willing to live and let live

more suspicious and cynical, less good humoured and cheerful

Dore claims that these differences in attitudes and values clearly had something to do with the differences in industrial relations system. On top of this, 'late development effect'⁽³⁾ worked to diversify the Japanese industrial relations system from that of the British. As Japan began its industrialisation at the time when Britain had fully completed its own industrialisation, Japan was faced with different structure of economic opportunities and constraints and this led to the formation of the industrial relations system which is greatly different from the British one.

Although Dore did not try to make clear which of these two factors played a dominant role in forming the Japanese industrial relations system, it is clearly a great leap forward from the conventional wisdoms which gave too much importance to cultural differences and virtually ignored the difference in stages of the development of world economy under which each country began its industrialisation. However, it is not the aim of this study to evaluate the factors having contributed to the forming of different industrial relations systems in different countries.

4. Are HITACHI and English Electric representative of the differences in industrial relations between Japan and Britain?

As Dore noted, the features which make up the so-called Japanese employment system are generally shared only by Japanese large firms.⁽⁴⁾ Many economists characterise the Japanese economy as a 'dual' economy in which a number of small firms do exist as subcontractors or subsidiaries

(3) R.P. Dore, op.cit., pp.375-420.

(4) Ibid., p. 301.

of a fairly limited number of large firms. This dual economy under which large firms have been able to adjust flexibly to the general economic situation in spite of the life-long employment system has surely been a key contributing factor in the high-rate growth of the Japanese economy. From the industrial relations point of view, there are quite a large number of differences between large and small firms.⁽⁵⁾

But as Dore duly claims the importance of the 'system' is to be measured not only by the large firms' gradual absorption of a large proportion of the Japanese labour force, but also by the influence they have as a normative model for the rest of society,⁽⁶⁾ it will not be improper to understand the features of industrial relations in large firms as characteristic of the Japanese industrial relations.

Furthermore, fortunately, the two firms the author is going to take up, i.e. NTT and the P.O. belong to the largest group of larger firms. Again, this makes it appropriate to use Dore's findings as a framework of this study.

Nevertheless, some people might doubt if Dore's conclusion carries general validity because his study is based on only two firms in one sector of national economy. Therefore, it is necessary to examine the positions of the two firms in the whole system of industrial relations of both Japan and Britain.

As far as the Japanese side is concerned, as Dore duly proved, it is appropriate to consider HITACHI as a typical Japanese enterprise.⁽⁷⁾

(5) R.P. Dore, op.cit., p. 302.

(6) Ibid., p. 305.

(7) Ibid., pp. 301-337.

In the case of English Electric, it can be said that it shares the features of the British industrial relations system with other firms. According to the Report of the Royal Commission on Trade Unions and Employers' Associations, the British industrial relations system is characterised by its dual structure,⁽⁸⁾ that is, there are both formal and informal systems. The formal system is composed of official institutions of employers' associations and trade unions. Typically, there exists industry-wide collective agreements as to pay, hours of work and other conditions of work. But recently the role of informal system has become increasingly important. For example, there is a wide difference between actual earnings and the rates laid down in official agreements because of piecework or incentive earnings, company or factory addition to basic rates and overtime. These are all decided on workshop basis through the negotiations between managers and shop stewards. Official trade unions and employers' associations have no real control over the bargainings at grass roots level. As a result, pay structure has become 'chaotic'. On the other hand, most matters are left to custom and practice at grass roots level. This is one of the reasons why workshop conflicts have increased. Furthermore, so-called multi-unionism gives other sources of conflicts especially on demarcation problems.

This is the picture of British industrial relations system the Report gave. Of course it is true that the power of the employers' association in the engineering industry has been traditionally strong and industry-wide agreements still hold some validity. But on the other hand new development such as productivity agreements and incomes policy has emerged in the last

(8) Cmnd. 3623, 1968, pp. 12-37.

decade. Therefore, it is more appropriate to consider English Electric as a reasonable example of the industrial relations system of large British manufacturing companies.

5. The positions of NTT and the P.O. on the scale drawn from Dore's study.

Accepting that HITACHI is a typical Japanese large firm and English Electric is a reasonable example of British industrial relations system, it will be appropriate to use the findings of Dore's study as a framework of this study.

However, the two firms the author is going to study are both public corporations. There could be differences between them conditioned by the differences in the national industrial relations system, but differences between the public and private sectors are also to be expected.

Although basic aims of firms are the same in the sense that they are designed to provide goods and services, there are many differences between the private and public sectors. One of the main features of the public sector is that its range of activities are legally determined and the day-to-day management is more or less under government control simply because they are publicly owned. Even industrial relations cannot be free from this control. For example, as will be described in detail later, the management side of NTT has no real power in determining wages of its employees because its budget including pay must be approved by both Houses of Parliament. This kind of government control tends to give impact on both management and union and will lead to the different kind of industrial relations system from that found in the private sector.

The second feature of ^{the}public sector is that companies are

normally considerably larger than private companies in size and often have a 'monopolistic' power. The need to manage large corporations universally throughout a country will lead to both centralisation and formalisation of their organisation. This will again influence the industrial relations system in the public sector and help to make it different from that in the private sector.

Thirdly the public sector is normally not profit-oriented in contrast to the private sector which is run on a commercial basis. The main role of the public sector is to provide goods or services efficiently to the people, in some cases regardless of the cost involved. This tends to demoralise both management and union and the attitudes of management and union in the public sector might be different from those found in the private sector.

Because of these three factors, the industrial relations system in the public sector might be different from that in the private sector. On the other hand, owing to the common features as public corporations, the industrial relations system of NTT and the P.O. might have some common characteristics. Furthermore, some common features based on the character of telecommunications with which both NTT and the P.O. are concerned would be found. Some of these common features might be out of the range of the scale drawn from Dore's study. It is hoped that by fitting NTT and the P.O. on to the scale drawn from Dore's findings not only the differences between NTT and the P.O. but also the differences between the public and private sectors will be made clear and the hypothesis

is that on many aspects the firms concerned would be fitted on to the spectrum as shown in Chart 1-1.

Chart 1-1; Expected positions on the spectrum

NTT HITACHI the P.O. ENGLISH ELECTRIC



But some of the differences shared by NTT and the P.O. would be out of the scope of the spectrum. Following chapters will see if this is true or not.

Although Dore made his comparisons on almost all aspects of industrial relations, this dissertation will concentrate on a limited number of features. This study will not be able to give a total picture of industrial relations in the two firms as Dore did. Only institutional and material differences will be taken up.

6. Basis of Information and Method of Research.

Now that the framework and object of the study have been given, the actual method of the research must be explained. As stated earlier, the author has been working for NTT for some years and has been involved in a job which is closely related to industrial relations matters. In addition to his direct experience, the author has been able to obtain specific information and documents from NTT for the research. Therefore, as far as NTT is concerned, what was needed was an analysis of this material in the light of the framework given earlier in this section.

However, the author knew little about the British P.O. when he started this study. Therefore, it was indispensable to arrange several interviews with the management and unions of the P.O. in order to collect information and documents. Firstly, the author had an interview with the Head of the Industrial Relations Division of the Telecommunications Headquarters of the P.O. who was kind enough to give the author some explanations on the industrial relations in the P.O. and to supply him with various information. The interview was carried out on the basis of the framework of this study and the list of questions that the author had drawn up prior to the interview.

Secondly, the author had a similar kind of interview with the Research Officer of POEU who was also so kind as to provide the author with detailed explanations of the Union activities and various information and documents. This interview was also based on the framework of the study and a list of questions prepared in advance.

These interviews and information and documents obtained as a result of these were the main sources of the research on industrial relations. However, in the course of the study, many questions on the information and documents supplied were naturally raised and it was necessary to get some further information. Therefore the author was involved in continuous communication with both the management and unions of the P.O.

As the time available for this study made it impossible to consider detailed interviews with the management at local level and rank and file union members, this study is open to the criticism that it does not take into account the detailed working of the employment and industrial relations systems. However, because this study will be concentrated on institutional and material differences it is hoped that this will not prove a fatal shortcoming.

The author hopes that he will be able to do more extensive research including the study of actual attitudes of average workers in the near future. This would make the study of comparative analysis of industrial relations in the telecommunications field more complete.

C. Outline of Other Chapters.

This study is made up of seven other chapters. The aim of chapter 2 is to provide a general comparison of the two organisations studied, i.e. NTT and the telecommunications side of the P.O. and to find out the features which would give explanations to the differences in the industrial relations system. First of all some figures including operating statistics, productivity indices and financial records will be given. It is hoped that they will give some help in understanding the scale, monopoly positions and technological features of the two organisations which surely form a background basis for the industrial relations system. Then the history and development of the two organisations will be described respectively. Here, two points should be stressed. Firstly, the technological changes in the telecommunications industry have been very rapid. Secondly, both NTT and the P.O. were formerly one of the government departments and although both of them were later reorganised into public corporations, they are still under the tight government control. As for the present organisation, it is interesting that the organisation of both NTT and the P.O. is characterised by high centralisation and pyramidal shape of their substructure with the headquarters at the top. This fact that NTT and the P.O. are very much similar as far as organisational structure is concerned would be important in making comparisons with the private sector.

The next two chapters are concerned with the labour economic side of the study. Chapter 3 will deal with employment systems. Such matters as mobility, status, job grades, recruitment and training will be taken up. As for mobility, it will be made clear that the employment

system of NTT is an extreme pattern of the life-long employment system, and that the workers of the P.O. show less propensity to leave their employment comparing those in the British private sector.

In the case of status and job grades, two points will be made clear. Firstly, there is not such a clear-cut difference in status among the employees of both NTT and the P.O. as in the British private sector. Secondly, although the job grades system of the P.O. is not so systematic as that of NTT, it is working effectively as a basis for determining wages in contrast to the system of NTT which has become a mere formality.

As for recruitment, it will be made clear that NTT adopts more formal and systematic ways than the P.O. (even than HITACHI). The fact that NTT uses open examination for recruitment purposes illustrates this.

Finally, in the case of training, three points will be mentioned. Firstly, both NTT and the P.O. provide their employees with continuous in-service training at vocational training schools. Secondly, the P.O. still has a kind of apprenticeship system. Thirdly, NTT attaches more importance to general education and morale than the P.O.

In chapter 4 wages and other conditions of work will be compared. Firstly, the approach to wage determination will be taken up and three points should be stressed; (1) both NTT and the P.O. attach great importance to the comparison with the private sector, (2) in distributing wage/salary bills, NTT excludes the elements of sex and merit which play significant roles in HITACHI, and the P.O. attaches considerable importance to age by applying incremental scales, (3) the only effective monetary incentive is through promotion in both NTT and the P.O.

Secondly, the wage system of NTT and the P.O. will be taken up respectively. Here, one of the important points is that while the wage system of NTT is a typical seniority wage system, that of the P.O. is basically a job-related system, although it adopts incremental scales based on age. The other point to be mentioned is that, while NTT offers various allowances based on the special situation of its employees, the allowances paid in the P.O. are based on the differences in duties and responsibilities. Then the conditions of work other than pay will be compared and two points will be made clear. Firstly, while NTT regulates the conditions of work uniformly to all its employees regardless of job grades, the P.O. has separate provisions according to job grades. Secondly, while NTT provides its employees with all-embracing welfare services, the PO does not.

The next three chapters are concerned with industrial relations side of the study. Chapter 5 will be focused on union structure and membership. Firstly, the history and development of ZENDENTSŪ and POEU and other unions in the P.O. will be described respectively. Then the outline of membership and present organisation will be given. Here, it will be made clear that while ZENDENTSŪ has developed as an enterprise union, POEU and other unions in the P.O. have been organised along the jobs and some of the clerical unions are organised largely outside the P.O. and have members across the Civil Service. On the other hand, a common feature in the sense that union organisations in both NTT and the P.O. are highly centralised will also be pointed out.

Then, union finance will be examined and a major difference here is that ZENDENTSŪ collects more and higher subscriptions than POEU.

The third point to be examined is goals of unions and their political attitudes. Here, the main difference is that although both ZENDE^{tsu} and POEU have strong links with political parties, the political activities of ZENDE^{tsu} are directly aimed at the reformation of the society, and those of POEU are to supplement industrial actions.

As for attitudes toward rationalisation, both of them seem to be co-operative with management. Here, the role of technological changes in telecommunications will be stressed.

Chapter 6 will take up management organisation for industrial relations. Here, the main emphasis will be put on the similarity found between NTT and the P.O. Management organisation of both NTT and the P.O. is highly centralised and bureaucratically organised.

Chapter 7 is concerned with collective bargaining structure. Firstly, one common feature and one difference will be presented. Negotiations concerning pay and other conditions of work are highly centralised in both NTT and the P.O. But while bargainings in NTT are quite periodical because they negotiate mainly three times a year, i.e. spring, summer and at the end of the year, those of the P.O. are scattered throughout the year according to unions.

Furthermore, the extent of government control will also be taken up. In the case of NTT, the legal constraint on the pay settlement of NTT is very strict and, as a result, pay settlement is through a third party called KÖRÖ-I (Government Enterprises and Public Corporations Labour Relations Commission). In the case of the P.O., the influence of incomes policy will be taken up.

In the final Chapter (Chapter 8), firstly, the main points of the findings will be fitted onto the spectrum drawn from Dore's study and the hypothesis put forward in the last section will be examined. Explanations will be given mainly on the basis of such factors as scale, centralisation, monopoly positions, government control and rapid technological changes.

Secondly, prospective changes in the future will be taken up. Here, the main points to be mentioned are the right to strike, the review of the P.O. and industrial democracy.

CHAPTER 2 ORGANISATION OF TELECOMMUNICATIONS IN JAPAN AND BRITAIN

A. General Comparison between NTT and the P.O.

The telecommunications business in which NTT and the P.O. are engaged is one of the fastest-growing industries of the contemporary age. Since telegraph and telephone services appeared toward the end of last century these services, especially the telephone service, have grown rapidly in both quantity and quality through successive technological innovations. Furthermore with the development of electronics and the reduction of real costs, new telecommunications services such as data communications, facsimile, picture communications have become possible. Many people envisage telecommunications as one of the leading industries in the 'information-oriented society'.

The outbreak of the war in the Middle East in 1973 brought so-called 'oil crisis' and created a new awareness of limited natural resources and energy in the world. Many people began to advocate the encouragement of energy saving industries based on knowledge and information giving a further boost to telecommunications.

In the telecommunications field both NTT and the P.O. are among the leading firms in the world and the scale of their organisation deserves the word 'huge'. As shown in Table 2-1, they are amongst the largest firms in the world. Taking such factors as number of employees, fixed assets, income, investment, it is clear that they have no equal in their respective private sectors, although NTT is bigger than the P.O. reflecting the difference in size between Japan and Britain. The characteristic of sheer size is one of the

important background factors in this study.

Table 2-1 The Two Corporations

as of 31.3.1975

	N.T.T.	the P.O.
Transformed into public corporation	1952	1969
Employees	310,000	247,000
Fixed assets	4,513,442 ¥m(8,680£m) ⁽¹⁾	4,439 £m
Fixed assets per employee	14.6 ¥m(28 £000)	18.0 £000
Income	18,820,000¥m(3,619£m)	1,389 £m
Expenditure	20,573,000¥m(3,956 £m)	1,583 £m
Loss	175,300 ¥m(337 £m)	195 £m
Exchange connections	28,870 ⁰⁰⁰	12,689 ⁰⁰⁰
Exchange connections per 100 population	26.1	22.7
Construction investment	1,340,500¥m(2,578 £m)	788 £m

Sources: Denshim Denwa Jigyō Hōkokusho 1974-5, NTT

Post Office Report and Accounts 1974-5, the P.O.

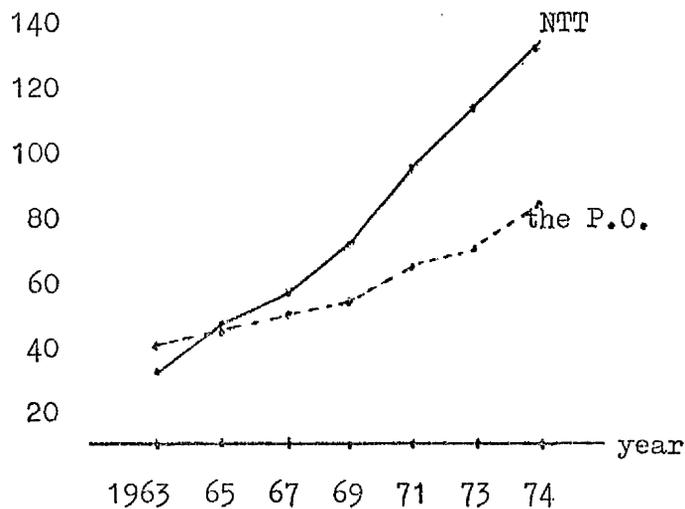
(1) Throughout this study, Yen is converted into pound at the rate available at the time of writing, i.e. ¥520 = £1.

The second fact to be noted is that both NTT and the P.O. are legally given the monopoly positions. YŪSENDENKITSŪSHIN-HŌ (Wire Telecommunications Law) 1953 provides the monopoly of inland telecommunications by NTT and Section 24 of the P.O. Act 1969 gives the P.O. 'exclusive privilege' with respect to telecommunications. Thus they offer very much similar services. However there are two minor differences. One is that while the P.O. is engaged in both inland and international telecommunications services, the field of activity of NTT is restricted to only inland telecommunications. In Japan international telecommunications service is offered by a separate private company called KOKUSAI DENSHIN DENWA Co. Ltd. NTT holds about twenty per cent of its shares. The other difference is that while the P.O. is mainly concentrated on the telegraph¹ and telephone services, NTT is making considerable efforts in data communications services. It is now operating more than thirty systems including the National Banking System.

The third point to be mentioned is the technological features of the telecommunications industry. As the telecommunications network covers the whole of each country, the technology utilised in the industry must be uniform and integrated. For example, telephone exchanges in both Japan and Britain are very much standardised. Therefore, employees working in different offices are equipped with similar skills. This makes an important contrast to many of the other sectors, where even products are different according to factories.

the
 Furthermore, telecommunications industry is characterised as a capital intensive industry, where investment in equipment rather than manpower plays a dominant role. Therefore, with the rapid technological innovations, the productivity in NTT and the P.O. has risen very much as shown in figure 2-1, although NTT surpasses the P.O. in productivity as is clear from table 2-2. The technological uniformity and integration and the constant rise in productivity are also amongst the background factors of this study.

Figures 2-1; number of telephones per employee



Source: Denshin Denwa Jigyō Hōkokusho 1974-5, NTT

21.

Table 2-2; productivity indices
as of 31.3.1975

	NTT	the P.O.
exchange connections per employee	93.1	51.4
income per employee	116.7 ^{£000}	56.2 ^{£000}

Sources: Denshin Denwa Jigyō Hōkokusho 1974-5, NTT

Post Office Report and Accounts 1974-5, the P.O.

The financial record of NTT and the P.O. which reflects the extent of government control is given in Table 2-3. Although both NTT and the P.O. formerly showed fairly good performance reflecting rapid technological innovations, they recorded losses in recent years because of severe inflation in both countries which exceeded the improvement in productivity. The P.O. recorded losses in the financial years from 1973 to 1975 which were mainly due to the price-restraint imposed by the government. The P.O. succeeded in having several increases in tariffs approved in 1975 and produced considerable profit in the financial year ending March, 1976 and is likely to record larger profit in the following years. In the case of NTT the bill to increase charges for telegraph and telephone services scraped through both Houses of Parliament in 1976 after having been presented several times. The problem of government control will be taken up in the following sections.

Table 2-3; financial record

£m

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Income	958.5	1146.3	1347.1	1556.5	1840.0	2136.2	2409.4	2812.5	3278.9	3619.2
Expenditures	890.8	1100.4	1301.5	1544.8	1788.5	2101.5	2417.9	2794.2	3238.5	3956.3
Profit (loss)	67.7	45.9	45.6	11.7	51.5	34.7	-8.5	18.3	40.3	- 337.1
Income	404.0	441.8	485.1	568.2	652.2	785.7	884.1	1002.3	1160.5	1388.6
Expenditure	364.7	404.1	449.8	518.1	590.9	692.2	826.1	1012.0	1221.9	1582.2
Profit (loss)	39.3	37.7	35.3	50.1	61.3	93.5	58.0	-9.7	-61.4	-194.6

Sources: Denshin Denwa Jigyō Hōkokusho 1974-75, NTT
 Annual Report and Accounts 1974-75, the P.O.

B. History and Development : NTT

1. History of the telecommunications service in Japan. (2)

The wire telegraph invented by Morse was first introduced to Japan by Perry in 1854. In 1868 the newly formed MEIJI Government decided to construct a nationwide telegraph network as one of the ways to modernise and industrialise Japan. The main inland telegraph network had been completed by 1881 as one of the state businesses.

The first telephone service was introduced for the government and police in three cities including Tokyo in 1878. With the adoption of the cabinet system in 1885, TEISHIN-SHŌ (Ministry of Posts and Telecommunications) was established and the postal and telegraph services were offered by the same body. The ministry opened telephone exchanges in Tokyo and Yokohama as the first stage of the Japanese telephone service in 1890.

With the development of the Japanese economy after the Sino-Japanese War of 1894 the demand for ^{the} telegraph and telephone services increased rapidly. Accordingly, the government made several expansion plans and the services were considerably expanded, but many applications for telephone installation were unfilled.

Because of World War II, the telecommunications network were badly damaged. At the end of 1945, the number of subscribers decreased to 540 thousand, about half of the pre-war peak. Therefore,

(2) This section owes very much to NIHON DENSHIN DENWA KŌSHANŌ GAIYŌ, 1974, NTT.

the first step after the war was to reconstruct the network. The number of subscribers recovered the pre-war level in 1949 and reached 25 million at the end of 1973.

The period which followed the reconstruction has been that of rapid technological changes. Through successive five year plans beginning in 1955, the telegraph and telephone network has been very much modernised. The automating of telephone exchanges has been almost completed. NTT is now introducing electronic exchanges to replace cross-bar exchanges. To deal with growing traffic large-capacity transmission devices such as co-axial cable were introduced. The services offered were also diversified. New types of telephones such as push-button telephones and small size key telephones (home telephones) have emerged. Various new services including data communications and facsimile were also introduced. This rapid technological development should be noted as one of the background factors of this study.

2. The formation of NTT

During World War II most of the telecommunications facilities and factories producing telecommunication equipment were destroyed. Following the instruction of the GHQ of the Occupation Force TEISHIN-IN (TEISHIN-SHŌ from July 1946) set out to reconstruct the telecommunications system. As will be shown in Chapter 5 the Japanese labour movement was extremely militant after the liberation of the movement by the GHQ.

Although the general strike of 1st February 1947 was banned by General MacArthur, the public sector unions again planned a nation-wide strike in March 1948. Again, the GHQ suppressed the strike. Throughout this period ZENTEI (All Posts and Telecommunications Union) played an important role together with National Railway Union and other public sector unions. In July 1948 following the letter of General MacArthur, the government issued an ordinance No. 201 and the employees of government enterprises and public corporations were deprived of their right to strike.⁽³⁾

At the same time TEISHIN-SHŌ was divided into two separate ministries, i.e. YUSEI-SHŌ (Ministry of Posts) and DENKITSUSHI-SHŌ (Ministry of Telecommunications). Although the officially publicised aim of this was to improve the efficiency of the services, the real intention behind this was to weaken the powerful ZENTEI, which had played a significant part in the labour movement during the immediate pre-war period, by dividing the organisation into two.

In 1949 both Houses of Parliament passed a resolution regarding the reconstruction and promotion of the telecommunications service. Following this resolution, the government set up an investigating committee for the reconstruction of ^{the} telegraph and telephone service, which recommended in March 1950 the transformation of DENKITSUSHIN-SHŌ into a public corporation to introduce some of the advantages of private company structures.

(3) Since then, the recovery of the right to strike has been one of the main objects of the Unions concerned.

42.

In April 1950 the House of Representatives resolved that DENKITSUSHIN-SHŌ should be transformed into a public corporation and in May of the same year the government decided the transformation and asked for the approval of the GHQ. But the plan failed to get the approval of the GHQ because of the outbreak of the Korean War.

In August 1951, the Government Ordinance Committee which was due to examine the laws and orders issued under the occupation advised that telecommunications service should be offered by a public corporation. In April 1952, the Cabinet decided to transform DENKITSUSHIN-SHŌ into a public corporation. In July NIHON DENSHIN DENWA KOSHA-HŌ (NTT Act) passed through both Houses of Parliament. NTT was established on 1st August 1952 succeeding DENKITSUSHIN-SHŌ.

There were three main aims of this transformation: (a) to establish a rational and efficient management, (b) to promote the construction of ^{the} telecommunications facilities, (c) to promote the public welfare through the telecommunications service.

At the time of vesting, the organisation of NTT followed that of DENKITSUSHIN-SHŌ and little was changed. On 1st November of that year, NTT was reorganised to make the management more efficient and to integrate the service at local level. The organisation of NTT thus formed has been changed little since then.

Although NTT was reorganised into a public corporation, it has been under tight government control. The services and tariffs for them are stipulated in KŌSHU DENKI TSŪSHIN-HŌ (Public Telecommunications Law). When NTT wants to introduce a new service, the amendment to the law is required. As will be explained later, the budget of NTT must get the approval of both Houses of Parliament. This fact that

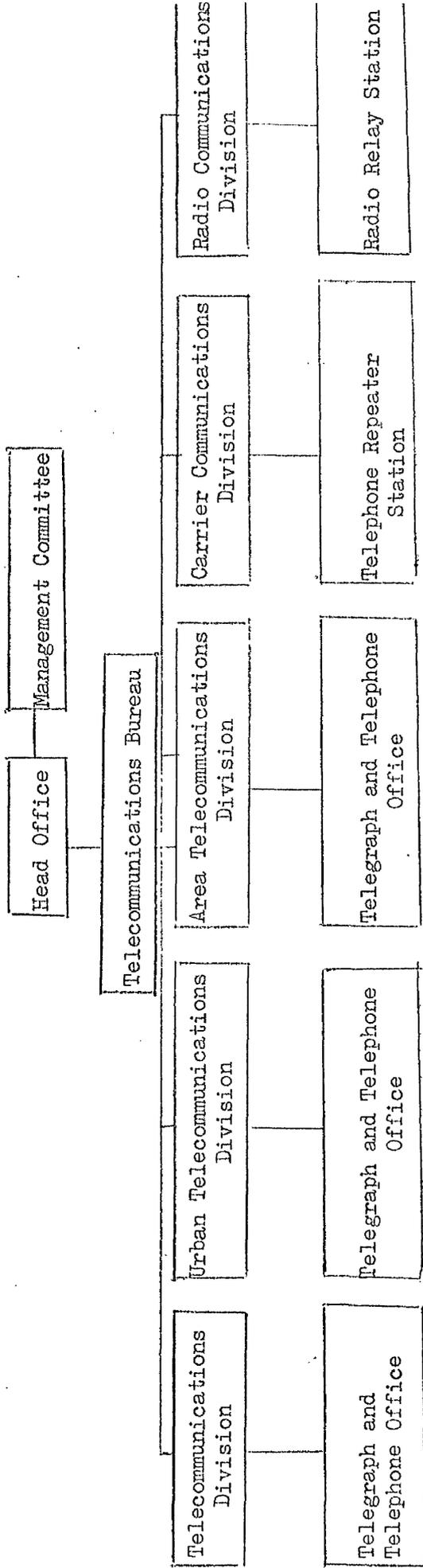
NTT is still under strict government control is also one of the important factors to explain the differences in industrial relations.

4. Present organisation

Present organisation of NTT is characterised by a four-tier system as chart 2-1 shows. Under the Head Office there are eleven Telecommunications Bureaus to cover each of eleven regions in Japan. Under each Telecommunications Bureau, there are several Telecommunications Divisions, Urban Telecommunications Divisions, Area Telecommunications Divisions, Carrier Communications Divisions and Radio Communications Divisions. There are forty-nine Telecommunications Divisions in total and most of these correspond with prefectures, i.e. areas of Japanese local governments. There is an Urban Telecommunications Division in each of eight large cities other than Tokyo and Osaka. There are twelve Area Telecommunications Divisions in Tokyo and Osaka. There are a Carrier Communications Division and a Radio Communications Division under each of the eleven Telecommunications Bureaus except Tokyo to deal with trunk lines and radio network respectively.

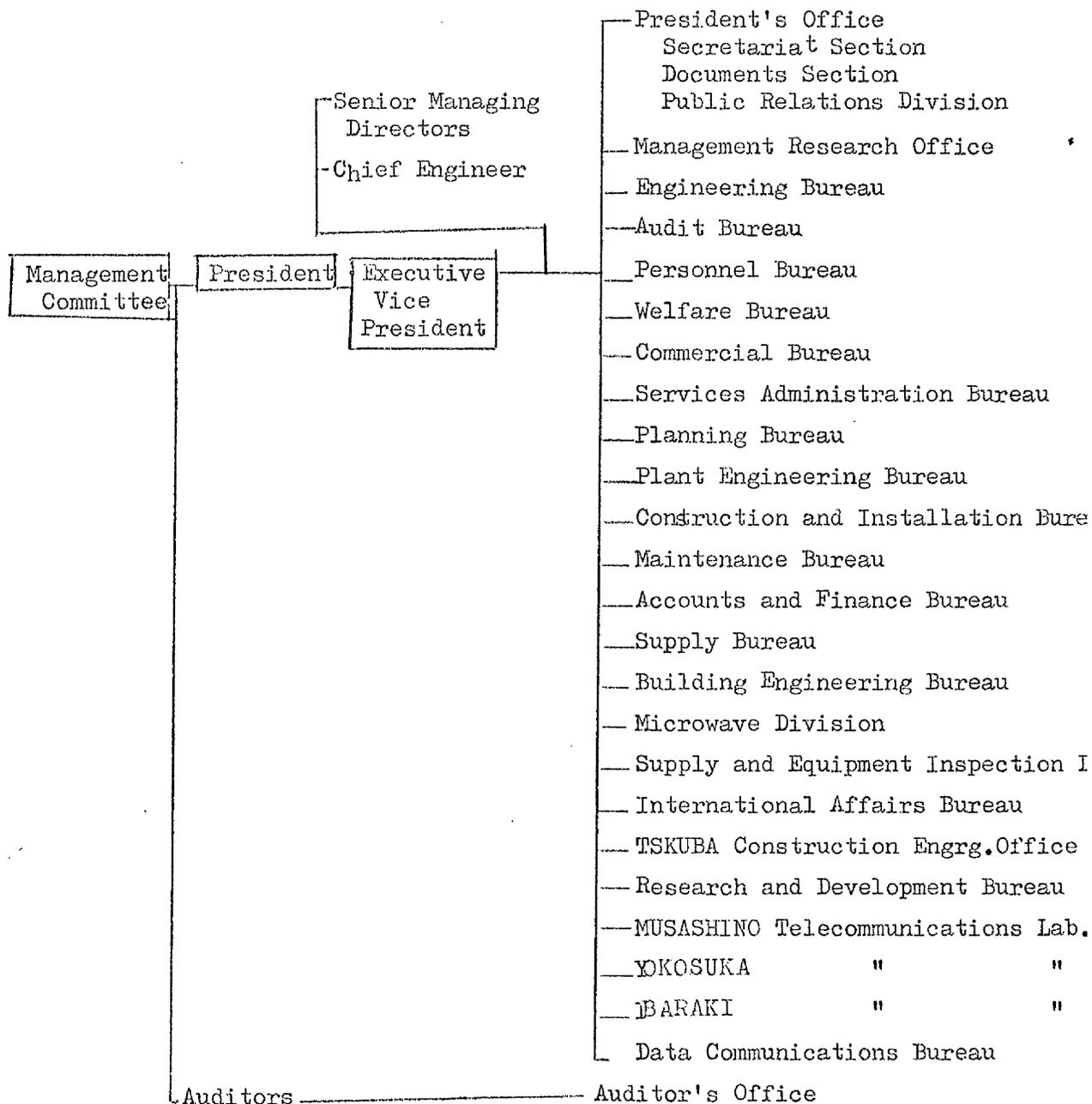
There are Telegraph and Telephone Offices and other local offices under Telecommunications Divisions, Urban Telecommunications Divisions and Area Telecommunications Divisions.

Chart 2-1' Organisation of NTT



Board members ⁽⁵⁾ who are in charge of day-to-day management are made up of a president, a vice president, from five to ten managing directors and two auditors. The president and vice president are appointed by the Cabinet after obtaining the approval of management committee. Managing directors are appointed by the president and auditors by the management committee.

Chart 2-2 Organisation of Head Office: NTT



(5) Section 19-27 of NTT Act.

The main job of the Head Office is that of general policy making affecting NTT as a whole. Such matters as pay, conditions of work, tariffs and budgets are exclusively decided at the Head Office.

Under the Head Office, Telecommunications Bureaus are in charge of co-ordination between Telecommunications Divisions etc. and the adjustment of the policy set by the Head Office to the individual conditions of regions. Recently there has been an effort to make Telecommunications Bureaus as semi-independent management units.

The main function of Telecommunications Divisions etc. is the co-ordination between Telegraph and Telephone Offices. Telegraph and Telephone Offices are first-line organisations offering services to subscribers.

Although there has been an effort to delegate authorities to lower levels of the organisation, the organisation of NTT is very much centralised, which is one of the important background factors in this study.

C. History and Development : the P.O.

1. History of the telecommunications service in Britain⁽⁶⁾

The national telegraph system in Britain was expanded alongside the railways in the 1840's and 1850's. In February, 1870 the telegraph service was taken over by the P.O. and the Engineering Department of the P.O. was founded. Following the takeover, reorganisation of the telegraph service was carried out to separate it from the railway operations.

Telephone services in Britain began in 1877 when trumpet notes were relayed from Southampton to Queen Victoria at Osborne House on the Isle of Wight. When Bell and Edison took out British patent rights and many telephone companies began to be established, the P.O. thought it as a threat to its telegraph service. In December 1880, following the High Court's decision that telephone conversations were telegrams, telephone companies accepted an arrangement with the P.O. The P.O. granted licence to operate and the companies paid the P.O. ten per cent of all gross receipts as a royalty.

When the National Telephone Co. was founded in 1889 through amalgamations of several large telephone companies, basic national telephone network had been completed. At this stage the P.O. controlled trunk lines and local lines in the countryside and London and private companies, the largest of which was National Telephone Co., offered the service to other large cities.

(6) This section owes very much to F. Bealey's 'The Post Office Engineering Union', Bachiman & Turner, 1976

But the growth of ^{the} private telephone services was checked because of the confusion caused by the 1884 Act which regulated that all licences should expire at the end of 1911 and the P.O. would take over the licensee's facilities in 1890, 1897 or 1904. In 1912 the entire telephone service was put under the control of the P.O. and both ^{the} telegraph and telephone services began to be offered by a single organisation.

Although the telephone system was not expanded for several years after the takeover because of World War I, it was developed rapidly after the War being helped by post-war boom. The technological progress in the field of telecommunications was remarkable, but automating of exchanges was little promoted. The P.O. was much criticised for its inefficiency and conservative attitude towards expansion.

Reorganisation of the P.O. was carried out following Bridgeman Report of 1932 to cope with the problem and the telephone service began to show steady expansion and automatic exchange system was expanded. Again this development was hampered by World War II.

After the war it was an urgent necessity to renew the equipment damaged by the war. But capital investment was restricted by the balance of payment crisis in 1947.

The automating of exchanges became stagnant and the number of people on the waiting list for telephones increased rapidly by the mid-1950's.

Following the white paper of 1955 on Post Office Development and Finance⁽⁷⁾, the P.O. got more freedom on its investment and the telephone service was expanded rapidly. STD (Subscribers Trunk Dialling) service was also expanded. Although the investment was not steady because of the government's stop and go policies and price controls, the telephone service continued to develop considerably and the telephone has become familiar with many people. Automating of exchanges was completed by 1976 and the introduction of all-electronic exchanges has begun in large scale.

Thus the rapid technological development which characterises the Japanese telecommunications service, especially during the post-war period is also found to be one of the important background factors in Britain.

2. Reorganisation of the P.O.

With the introduction of the Post Office Act 1969, the P.O. has become a public corporation on 1st October, 1969. Before that the P.O. was one of the government departments.

The aim of the transformation was to operate the business of the P.O. more efficiently on the commercial lines. The proposal to change along this line went back to the Bridgeman Report in 1932. In this report transformation into a public corporation was denied but limited reorganisation was proposed. There were two main points. One was to limit the control of the Treasury over the finance of the

(7) Cmnd 9576, Report on Post Office Development and Finance, 1955.

P.O. The other was the delegation of authority to local organisations to be established. Following the Report, the government allowed the P.O. to use its profit freely for the improvement of its service after paying a certain amount to the Treasury. This system worked from 1933 to 1940, but with the outbreak of World War II it was stopped. On the other hand eight provincial regions were established and the Directors of the provincial regions were in charge of both the postal and telecommunications businesses. Only in London there were separate provincial regions for posts and telecommunications.

In 1955, the government published the white paper on Post Office Development and Finance and the idea that the P.O. may use its profit freely after paying a certain amount to the Treasury was reintroduced. Furthermore it was the responsibility of the P.O. to balance its own income and expenditure since then.

By the Post Office Act 1961, the finance of the P.O. was separated from the Treasury and the financial disciplines similar to those of the nationalised industries began to be applied. But the P.O. was still a government organisation and the minister in charge of the P.O. had to answer to Parliament for its day-to-day operations.

On 3rd August, 1966, the Postmaster General announced the decision that the P.O. should be transformed into a public corporation. On the other hand/^{the} postal and telecommunications businesses were separated and placed under separate administration in 1967. Accordingly Telecommunications Regions were set up in the telecommunications business.

After the report of the Select Committee on Nationalised Industries on the P.O. in February 1967⁽⁸⁾ the transformation was confirmed finally by the white paper on Post Office Reorganisation.⁽⁹⁾ The P.O. act 1969 received the Royal Assent on 25th July, 1969. Following the Act, the P.O. became a public corporation from 1st October, 1969 and was placed under the administration of the Department of Telecommunications. In April, 1974, the Department of Telecommunications was abolished and its business was transferred to the Department of Industry and the Home Office.

In spite of these reorganisations, the P.O. is still under tight government control, especially on its finance. It must make to the Minister concerned an annual report on the exercise and performance by it of its functions. It is also necessary to have its investment programmes approved by the government. Furthermore it has been necessary to get government approval on tariff increases. For example, from 1972 the Conservative Government restricted public sector prices if necessary below economic levels as part of its counter-inflation policies and the P.O. suffered losses in the fiscal years from 1973 to 1975. This kind of tight government control is also one of the main background factors in this study.

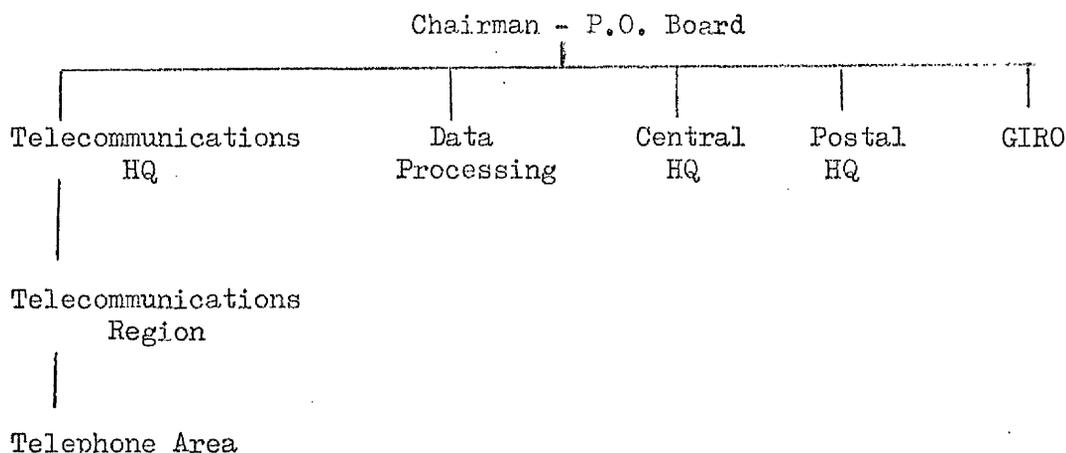
(8) First Report from the Select Committee on Nationalised Industries, 1967

(9) Cmnd 3233, Reorganisation of the Post Office, 1967

3. Present organisation

Present organisation of the P.O. is, as shown in chart 2-3, characterised by a three-tier system. Under the Telecommunications Headquarters there are ten Telecommunications Regions and there are sixty-one Telephone Areas under Telecommunications Regions. Thus the organisation of the P.O. is simpler than that of NTT.

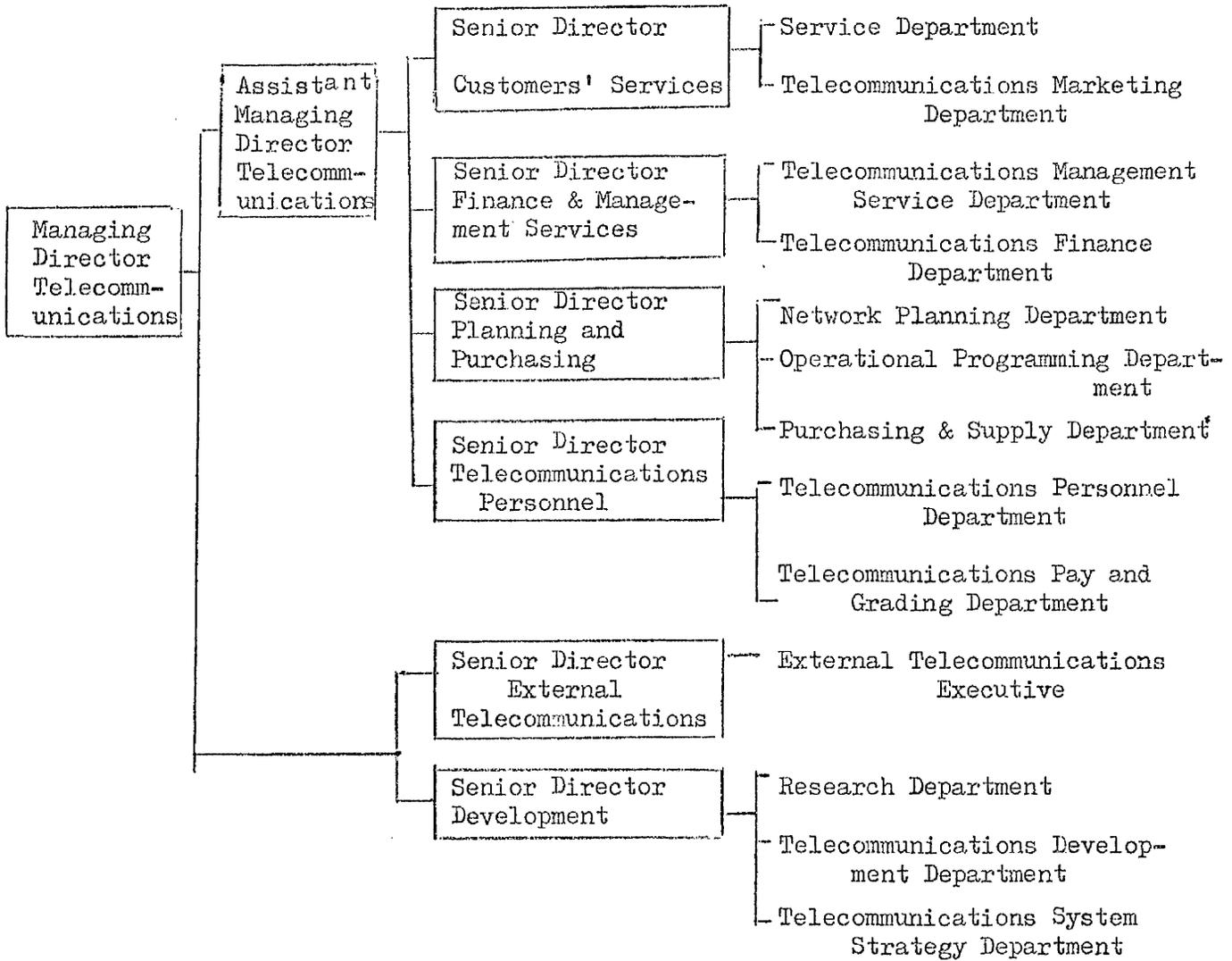
Chart 2-3 P.O. Telecommunications Organisation



The organisation of Telecommunications HQ is given in Chart 2-4. Supreme decision-making machinery of the P.O. is the Post Office Board which is made up of the chairman and six to twelve other members.⁽¹⁰⁾ At present there are nine members (6 full-time and 3 part-time). One of the part-time members is the representative of unions outside the P.O. but the representatives of the Unions organised in the P.O. shall not be the member. The Chairman is appointed by the Minister and the other members are appointed by the Minister after consultation with the Chairman.

(10) Section (6) of the Post Office Act, 1969

Chart 2-4 the P.O. Telecommunications
Headquarters



Telecommunications HQ is in charge of general policy-making and such matters as pay, conditions of employment and tariffs are the responsibility of the HQ. Regional Directors have authority and responsibility for all matters except such ones as mentioned above. Area managers are responsible for day-to-day business except finance and capital scheme within the general control of the budget. They are responsible for such matters as maintenance standards, construction and subcontracting, and expansion. This system is called 'Reserve Power' in the P.O. It would appear that Area managers have more power than the Managers of Telegraph and Telephone offices of NTT reflecting the lack of the counterpart of Telecommunications Divisions in the P.O.

However, generally speaking, the organisation of the P.O. is also very much centralised, which is one of the background factors to explain the differences in industrial relations.

One thing to be noted about the P.O. organisation when compared with NTT is the existence of the P.O. Users' Council.⁽¹¹⁾ There are the National Council and three country councils for Scotland, Wales and Monmouthshire and Northern Ireland. The National Council consists of (a) a chairman appointed by the minister; (b) the chairman of the Country Councils; (c) such other members, not exceeding twenty-six, as the Minister may appoint after consultation with such bodies as appear to him to be representative of the interests of persons likely to be concerned with the matters within the competence of the Council; (d) such other members,

(11) Section 14 of the Post Office Act 1969

not exceeding three, as the Minister may appoint without any such consultation. Each of the country councils consists of a chairman appointed by the Minister and such other members, not exceeding twenty-four, as the Minister may appoint after consultation with the chairman and such bodies in the part of the United Kingdom for which the Council is to be or is established as appear to him to be representatives of the interests of persons likely to be concerned with matters within the competence of the council.

The Minister and the P.O. may each refer to the National Council any matters relating to the services provided by the P.O. and to the Country Councils any matter of local concern. In recent years tariff increases have been much discussed by the Councils.

In summarising this chapter, it would be clear that five important features which will be relevant in the later discussions of industrial relations were found. They are (1) Scale, (2) Monopoly positions, (3) Technological uniformity and changes, (4) Government control and (5) Centralisation. The discussions in later chapters will be mainly based on these five background factors shared by NTT and the P.O.

CHAPTER 3 EMPLOYMENT SYSTEMS

A. Mobility

1. Life-long employment in extreme: NTT

Many writers on the Japanese employment system find one of its peculiarities in SHÜSHIN-KOYÖ (life-long commitment of the worker to only one firm). Hubert Brochier describes it as follows; 'When the new employee, be he labourer, engineer, or salaried employee, enters the service of a firm, he is committing himself to that firm for his whole working life. He knows that the company will not dismiss him, even temporarily, unless he has committed a particularly serious error or under the pressure of exceptional circumstances. He, on the other hand, will not try to leave the company in search of higher pay, for example. Indeed, such an ambition is totally foreign to him and the very idea that he could better his own situation by going from one to another is presently inconceivable to the average Japanese employee'.⁽¹⁾ Dore found the same feature in HITACHI. This life-long employment system takes an extreme pattern in NTT.

Almost all new entrants to NTT are recruited from new school-leavers as from April of each year. Only a negligible number of people among them will quit NTT before retirement. Average age and length of service of the employees of NTT are given in Table 3-1. As most of the new entrants to NTT are recruited at eighteen years of age just after graduating from high schools, the fact that the difference between average age and years of service is about eighteen means that only a few employees

(1) Jon Livingston et al (eds); The Japan Reader 2 Postwar Japan; 1945 to the present, Penguin, 1976, p. 460.

There are four reasons for this. Firstly, the employees of NTT are given legal protection against dismissal. Section 31 of the NTT Act stipulates that any employee of NTT shall not be dismissed or demoted against his will except in a few cases like ill-health or decline in the amount of business. Furthermore there is an agreement between NTT and ZENDEITSŪ that workers shall not be dismissed as a result of rationalisation. Therefore the employees of NTT are in practice free from dismissal.

Secondly, men and women are treated equally in NTT. While many of the private firms in Japan have de facto rules to ask for women to retire when they get married, because women had played a significant part as telephone operators before the automating of telephone exchanges, NTT has not only treated them equally with men but also provided facilities to make it easier for them to continue their work. Such systems as leaves for nursing and part-time work for those who have younger children are by far superior to most Japanese standards.

Thirdly, there is not a custom to employ temporary workers for permanent jobs as Dore found in HITACHI. Although there are subcontractors engaged in construction work and odd jobs such as cleaning, it is a general principle in NTT to use only its own employees for day-to-day works.

Fourthly, there is no official retirement age in NTT. Although some people are advised to retire after reaching a certain age and those who are over sixty years of age are not given annual periodical pay increases, the employees of NTT may continue to work as long as they wish.

Thus the employment system of NTT is an extreme pattern of Japanese life-long employment system. As far as the telecommunications business

has continued to grow, this kind of employment pattern has caused no serious problems. But as the rate of growth slows down necessarily with the expansion of the telephone service, it is certain that some problems like overmanning will appear.

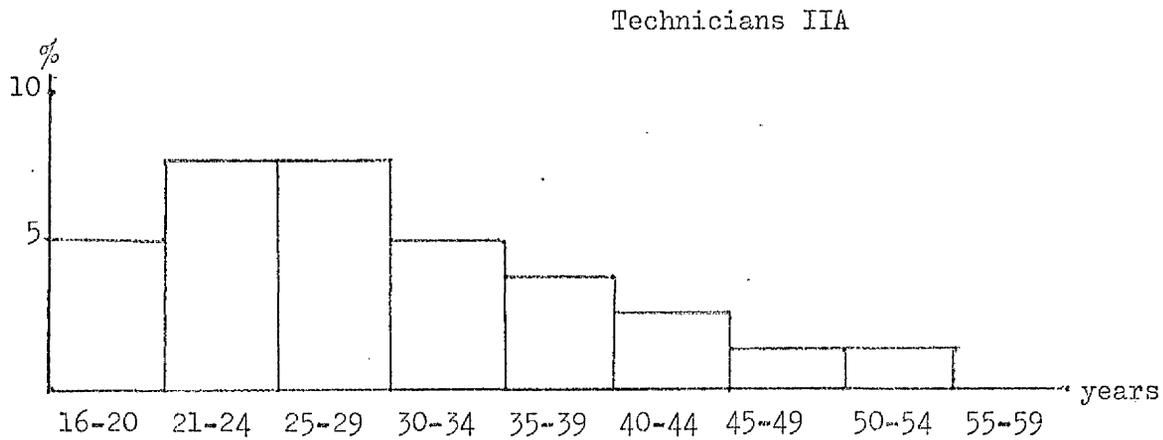
2. Fairly stable employment: the P.O.

As Dore pointed out, the British employment system is characterised by considerable mobility. It is very natural for British workers to try to better their situations by changing jobs. But the employees of the P.O. show a different pattern of behaviour. As shown in Table 3-2 the separation rate of the employees of the P.O. is lower not only than that of English Electric workers but also than that of HITACHI workers. If we exclude telephone operators' grades which show fairly high separation rate (twenty-one percent) the rest of the employees show only 4.6 percent, which is more than three times as high as that of the employees of NTT but less than half that of HITACHI workers.

There are several reasons to account for this. First of these is the special nature of the telecommunications business. As shown in Chapter 2, the telecommunications business has grown constantly, especially after World War II. As a result, there has been little possibility of redundancy which is fairly common among British private firms depending on the economic situation.

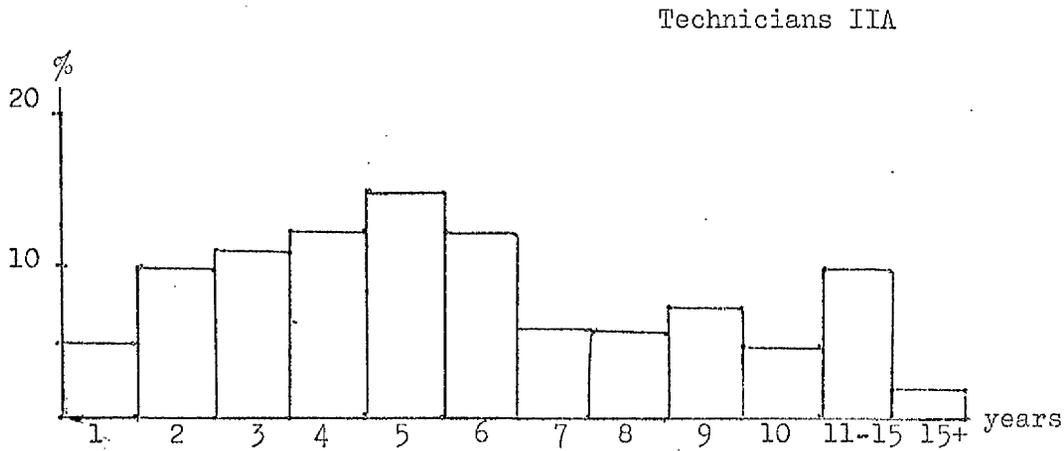
Secondly, for the employees of the P.O. the opportunity of employment in outside industries is very limited because of the uniqueness of the telecommunications technology. This is especially true in the case of engineering grades which recorded a very low separating rate of two

Chart 3-1. Propensity to Leave by Age



Source: Personnel Statistics 74/75, the P.O.

Chart 3-2. Length of Service of Leavers



Source: Personnel Statistics 74/75, the P.O.

percent. Their skill is peculiar to the telecommunications industry. Even if they are highly skilled in the field of telecommunications technology, for example in electronic exchanges, outside industries would rarely accept them as skilled workers. This is one of the reasons which prevent them from changing jobs.

On top of these there are some factors which make it more favourable for them to continue to work for the P.O.

One of these is the fairly large prospect of career promotion and the wage system. Many of them would find their way up to certain grades wide open as their skills improve with experience. If their abilities and performances are proved to be good enough, they have a good chance of further promotion, which will bring better wages. Furthermore, their wages will be increased annually up to maxima of grades even if they stay on one grade because of the incremental scale the P.O. uses. This again makes it advantageous to stay on. This incentive to stay longer is clearly understood from chart 3-1 and 3-2 which show the propensity to leave by age and length of service of leavers of Technician IIA, the largest of Engineering grades. They show a fairly high propensity to leave up to a certain age or length of service but less propensity to leave as they get older and experience longer service.

Other advantages are fairly high rates of increase in their wage and some privileges like pensions. As shown in Table 3-3 the wages of minor engineering grades have risen faster than general wage rates. This is partly because of the productivity agreements the POEU has concluded with the P.O. The POEU is one of the unions which showed an early interest in productivity bargaining and has taken advantage of the gains of

productivity improvement. This has been helped by the rapid technological innovation in the telecommunications industry.

Table 3-3. Comparative index of real wages of minor engineering grades and general real wages 1965-70.

average of 1876-9 = 100

year	Minor Engineering Grades	General Wage Rates
1965	307	207
1966	314	208
1967	342	211
1968	360	216
1969	366	215
1970	387	221

Source: Frank Bealey, op.cit., p. 405.

As for pensions although the system was changed from non-contributory to contributory with the transformation of the P.O. into a public corporation, the P.O. still contributes nine percent of wages compared with six percent contributed by employees. This pension system thus also makes it advantageous to stay on.

However, the fact that even with the low rate of separation, the employees of the P.O. are not so bound to it as the employees of NTT must be explained. One answer can be found in the difference in the employment system of a society as a whole. As employees in outside industries show high mobility, the employees of the P.O. do not regard it strange to change jobs and will not hesitate to quit the P.O. especially at an early stage when they find their jobs inconsistent with their abilities or aspirations or they manage to find better jobs in outside industries.

But as it is normal for the Japanese to stay in a particular firm, the employees of NTT naturally do not have the impetus to change jobs.

The other reason is that the employees of NTT can get more than those of the P.O. by staying with NTT. Annual periodical pay increases given to them until they reach sixty years of age are more advantageous than the incremental scales of the P.O. This difference in the wage system will be explained in detail in the following chapter.

B. Status and job grades.

1. Status.

As Dore found in HITACHI, there is no difference in status between staff and workers of NTT. Actually there is no distinction at all between staff and workers. The nature of the telecommunications industry has led to the virtual absence of manual workers. All the people who are working for NTT are equally treated as SHOKUIN (employees) of NTT. All employees are monthly paid. Such conditions of work as hours of work, holidays, and pensions are uniformly applied to all the employees of NTT. As far as equality is concerned NTT is more advanced than HITACHI. While there are differences in status between permanent and temporary workers and between men and women workers in HITACHI, the employees of NTT are all permanent workers and NTT offers equal conditions of employment regardless of sex.

However, this does not necessarily mean the total absence of differences among groups of the employees of NTT. One clear-cut difference should be found between ordinary employees and KANRISHA (managerial and technical staff). In NTT those who hold the posts of KACHŌ (section-chief) of telegraph and telephone offices and above are called KANRISHA. They are thought to stand on management side on industrial relations and may not join ZENDEITSŪ nor form their own union. Their pay system is designed separately from ordinary employees. In case of disputes with the union they often engage in work as blacklegs. Therefore militant unionists tend to regard them as the people belonging to the other side.

But this distinction should not be over-emphasised. In normal cases

KANRISHA and ordinary employees sometimes enjoy IPPAI (some drinks after work) together. Because even KANRISHA are promoted from ordinary employees and are therefore former union members and the possibility for ordinary employees to be promoted to KANRISHA is not negligible, both KANRISHA and ordinary employees share strong common feelings as employees of NTT. They have not got the 'them and us' feeling often found among British staff and workers. This aspect rather than the differences should be stressed.

In the case of the P.O., it is hard to find such clear-cut differences as Dore found in English Electric. There are not so many manual workers owing to the technological nature of the telecommunications industry. Although some are paid weekly and others are paid monthly and holiday entitlement differs according to job grades, these are not the same kind of differences as Dore found in English Electric. As those who belong to higher grades are normally promoted from lower grades, these are the differences based on ability or length of service rather than those based on status. Although the author had not the opportunity to study actual attitudes of the workers, it can safely be said that there are not significant differences in status among workers of the P.O. Thus it was found that there are not so clear-cut differences in status among workers of both NTT and the P.O. as in the British private industry.

2. Job grades.

All the jobs below KANRISHA level in NTT are classified into forty-five job grades which are put together in thirteen job groups (see Table 3-4). Each of the job grades is divided into one to four job-classes according to skills and responsibilities involved. These divisions

1. Basic groups.

Job Group	Rank		(special)	I	II	III	IV	V
	Job Grade							
General	Planning		1	1	2			
	Special			2	3			
	Construction Engineering					4	2	3
	Clerical					1	2	3
	Data Processing System Designing					1	2	3
						I	II	III
Telecommunications	Telegraph Operating					1	2	3
	Radio Telegraph Operating					1	2	3
	Exchange Engineering					1	2	3
	Computer Engineering Key-Puncher					1	2	3
Telephone Operating						1	2	3
External Engineering						1	2	3
Telegram Delivery						1	2	3

* Arabic Numerals show job classes within each job grade.

2. Other groups.

- Expert skill 6 grades
- Miscellaneous 2 grades
- Maritime 6 grades
- Research 2 grades
- Nursery 3 grades
- Medical skill 10 grades
- Doctor 2 grades
- Pharmacist 1 grade

of job grades and job-classes are based on the job classification criteria which specify the work performed by each job grade or job class. Clerical workers and supervisors are included in General Job Group which forms Basic Job Groups together with Telecommunications, Telephone Operating, External Engineering and Telegram Delivery Job Groups. Although this job grades system is very systematic, there is a question about its effectiveness. The wage system of NTT is officially claimed to be a kind of SHOKUMU-KYŪ (job-based wage system). But there is no considerable difference in wages among job groups and furthermore, answering union pressure, NTT recently introduced a system by which any employee is entitled to the promotion up to General Group II after certain years of service. Thus the job grades system has become just a mere formality as far as ordinary employees are concerned.

The jobs of KANRISHA are classified into thirteen classes based on job evaluation. Each job is to be assessed every year in response to the change in the amount of business or reorganisation. The pay of KANRISHA are strictly based on their job classes. This is in a standing contrast to the system applied to the ordinary employees.

The basic job grades of the P.O. are shown in Table 3-5. They can be grouped together in four, i.e. Engineering, Traffic & Sales, Operating and Commercial. On top of these, there is the Senior Salary Structure for senior management across the P.O. as a whole.

There are several grades within each group. One of the features of this job grade system is the lack of uniformity among different groups. While Engineering Grades are divided into nine grades according to the skills required, clerical grades are divided into just two grades.

Table 3-5. Job Grades of the P.O.

Senior Salary Structure (10 bands)			
Executive Engineer	Senior Telecomms Supt.	Inland Telegraph Superintendent (3)	Higher Executive Officer
Assistant Executive Engineer	Telecomms Traffic Supt.	Overseas Telegraph Superintendent (3)	Executive Officer
Inspector	Senior Sales Supt.	Exchange Supervisory (4)	Higher Clerical Officer
Instructor	Telecomms Traffic Officer	Telegraphist	Clerical Officer
Technical Officer	Sales Representative	Overseas Telegraph Operator	Clerical Assistant
Senior Technician	Telecomms Traffic Officer	Radio Officer	
Technician I		Telephonist	
Technician IIA			
Technician IIB			
Trainee Tech. Apprentice			
Trainee Tech. Improver			
Labourer			

Supervisory Grades and Junior Managers

Basic Grades

Clerical

Operating

Traffic & Sales

Engineering

Furthermore, although Traffic & Sales and Operating grades are divided into several grades, they are based not on the skills but on the kind of work performed. In the case of supervisory grades, they are also divided into three to four grades and it is hard to find uniformity across groups. Only the Senior Salary Structure which is divided into ten bands shows uniformity throughout different departments of the P.O.

Although the job grades system of the P.O. lacks uniformity, it is working effectively as a basis for determining wages in contrast to that of NTT which has become a mere formality as stated earlier. This surely reflects the difference in wage systems. While Japanese wages are based mainly on age or length of service, British wages are based on skills. Where a seniority wage system is dominant, it is natural that even a detailed job grades system has become incompatible with a system of detailed job grades.

C. Recruitment

1. Formal and periodical recruitment: NTT

(a) Manpower planning

Manpower planning in NTT is very much centralised. Annual business and investment plans are made within the framework of the long-term business and investment projects which reflect long-term management policies. On the basis of the annual business and investment plan, the number of staff required is calculated at three levels i.e., NTT as a whole, each job group and each office. The increase in the number of employees is worked out by comparing this figure with the number of staff actually employed at present.

On the other hand, the loss among present employees for the coming year is estimated on past records. The total of estimated increase and loss makes the number of people to be recruited for the year.

(b) Periodical recruitment for general work roles

As is common among Japanese large firms, one of the principles of the recruitment in NTT is to fill its requirement with as many new school-leavers as possible. Japanese firms usually recruit new school-leavers and conclude^a provisional contract of employment during their last year at school. To avoid an unfavourable impact on education, the employers' association sets the commencing date of recruitment activity, which has been October or November in recent years. Those who have got a provisional contract actually start to work just after leaving school in April.⁽²⁾ This kind of recruitment is called TEIKISAIYŌ (periodical

(2) Japanese school year is from April to March next year.

recruitment).

With the growth of the Japanese economy the labour market has become tighter and the recruitment situation has worsened especially in large cities. It has become impossible to fill the number needed only by new school-leavers. As a result the number of recruitment from other sources than new school-leavers has increased steadily to about twenty percent of new entrants.

Similarly to HITACHI, the recruitment in NTT is for a general range of work roles. Only Telephone Operating grade and management entrants are recruited for certain specific roles. In the case of other grades, recruitment is not for specific jobs but for the employees of NTT. New entrants have a possibility of assignment to any job in NTT. In extreme cases, even a commercial high school leaver can be given a job as an exchange engineer. Telephone operators are recruited separately because they are solely female jobs. In the case of management entrants, they are specially recruited as those who shall be promoted to management grades. As is seen from the fact that recruitment in NTT is mainly from new school-leavers, new entrants, including management entrants are classified at the bottom of each grade on their entry to NTT. This reflects the possibility that even a management entrant cannot expect the promotion to higher posts if he fails to demonstrate his ability and even a normal entrant can hope to go up to higher positions depending on his ability. Actually some of the managing directors are not former management entrants.

(c) Educational qualifications and level of recruitment

In NTT educational qualifications and sex for new entrants are

officially laid down for each job grade. (for main grades see Table 3-6). Although some grades are open to middle school-leavers, almost all new entrants are those who finished a high school or a university. In recent years the number of recruitment from university graduates have increased reflecting the general increase in the number of university graduates in the economy. (4)

Table 3-6. Educational qualifications and sex for new entrants.

job grade	educational qualifications	sex
clerical	high school or above	male or female
Exchange Engineering	high school	male or female
Telephone operating	middle or high school	female
External Engineering	middle school or above	male
Telegram Delivery	middle school or above	male
management entrants and executive engineer	university	male or female

All recruitment except for management entrants is the responsibility of Telecommunications Bureaus. Although recruitment in rural regions is fairly easy, it becomes increasingly difficult for those Telecommunications Bureaus which cover large cities to get the required number. Therefore some co-ordination among Telecommunications Bureaus has become necessary. The recruitment of management entrants is the responsibility of the Head Office.

(d) Method of recruitment

The method of recruitment in NTT is more formal than in HITACHI.

(4) In recent years about thirty percent of high school-leavers go to university.

Employees are recruited exclusively by open and fair examination. Even the children of the employees of NTT are not given priority. There are four stages of examinations, i.e. written examination, interview, suitability test and medical examination. NTT concludes a provisional contract with those who passed the examinations after investigating personal information such as family background, bad conduct and political trend. They are normally employed from April on a probational basis. Those who are recognised as being suitable as the employees of NTT after four months of probational period are then confirmed in their employment.

Thus the method of recruitment is very formal and elaborate. The use of written examination is surely the influence of the civil service where only written examination is used to secure fairness. This formality is seldom seen among Japanese private firms where KONE (connection with managers or politicians) sometimes plays a key role. This systematic way of recruitment together with the security of its employment has helped NTT in creaming off the upper range of new school-leavers.

2. Ad hoc recruitment: the P.O.

(a) Manpower planning

The P.O. estimates the number of recruitment in much the same way as NTT. Annual business and investment plans are laid down by the approval of the Board on long-term project and objectives which are formed on certain assumptions such as inflation and expansion. The budget which embodies business and investment plans is then broken down into Regions and Areas. The budget is translated into manpower and staff reflecting the special conditions of each Region and Area. The decision

of the number required is the responsibility of Regions and Areas under the general control of the budget. Thus Regions and Areas of the P.O. have more autonomy than their counterparts of NTT as far as manpower planning is concerned.

(b) Ad hoc recruitment for special work roles

As Dore found between HITACHI and English Electric, one of the differences between NTT and the P.O. is that while NTT recruits for general work roles the P.O. does so for quite special work roles. The P.O. recruits for any of the grades ranging from labourers up to Senior Salary Structure. This is partly because of the differences in the concept of jobs in the society as a whole. While the Japanese think of their jobs in terms of the firm they are working for, the British think in terms of the kind of work they are actually engaged in. On the other hand this is partly due to the turnover throughout working life. The rate of turnover in the P.O. is considerably lower than in the British private firms but much higher than in NTT. Therefore it is necessary to fill up the vacancy caused by this kind of resignation. This means the recruitment for all grades.

Reflecting this, the time of recruitment in the P.O. is extended throughout the year. In some fields there exists some effort to recruit cyclically. One of these is the recruitment of management entrants. The staff in charge of recruitment visits universities and has an interview with those who are interested in the jobs in the P.O. Then the P.O. concludes a provisional contract of employment with those whom it finds suitable. Some of the engineering grades are also recruited at the end of the school-year. But otherwise, the P.O. recruits throughout the year

whenever it becomes necessary. Especially in the case of telephone operating grades continuous recruitment is indispensable because of the high rate of turnover.

(c) Educational qualifications and level of recruitment

As for educational qualifications, there is no official standard such as that found in NTT partly because the P.O. recruits not only new school-leavers but also adults. As far as new school-leavers are concerned some trend is found in their educational levels. (see Table 3-7). But these are not the officially required standards.

Table 3-7. Educational levels of the new entrants to the P.O.

Telephone operating	Average school leavers
clerical	O-level on some subjects
Supervisory	A level
Engineering (Technical Officer, Technician IIA)	
Traffic	
Trainee Technical Improver	
Trainee Technician Apprentice	O level + technical bent
Engineering (Assistant Executive Engineer)	Graduate (ordinary)
Engineering (Executive Engineer)	Graduate (honours)
management entrant	Graduate

Most of the recruitment is done locally except supervisory and junior managers' grades which are centrally controlled. The recruitment of the graduates is the responsibility of the Head Office. This kind of recruitment level is much the same as found in NTT.

(d) Method of recruitment

The P.O. does not have such an established formal method of recruitment as NTF. As is shown in Table 3-8 almost ninety percent of publicity expenditure concerning recruitment is for press advertisement and fifty-four percent of new entrants are recruited through press advertisement. The P.O. normally does not use written examination for selection. The main way of selection is merely by an interview.

Table 3-8. Recruitment Publicity

	Total	Press Advertisement
Publicity Expenditure	£475,520	£426,224 (89.6%)
Number of Recruitment	26,790	14,470 (54.0%)

Source: Personnel Statistics 74/75, the P.O.

Reflecting this, it seems that there is not any intention of trying to recruit from only upper range of intelligence distribution. The P.O. does not mind as far as they can fulfill the responsibility each job accompanies.

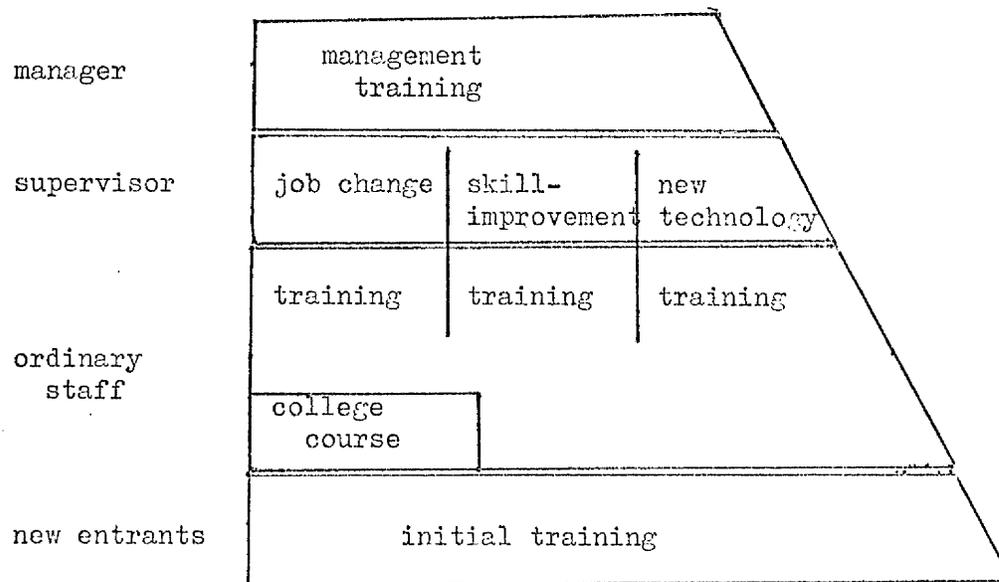
D. Training

1. Continuous in-service training at vocational training schools

The past two decades have been a period of rapid technological changes. Soon after the automating of exchanges by 'SXS', NTT introduced cross-bar exchanges and now is introducing electronic exchanges. The P.O. is also introducing electronic exchanges to replace 'Strowger'. Technological innovation has also been remarkable in the transmission field. These include plastic and aluminium cable, co-axial cable and new cable joining techniques. New services including data communications have become possible owing to the developments in electronics.

To cope with rapid technological changes, both NTT and the P.O. are making considerable effort in the training of their employees. They both have their own training schools. NTT has two central training schools under the Head Office and each Telecommunications Bureau has a local training school. As shown in Chart 3-3, the employees of NTT are given continuous training throughout their career at these training schools or workplace.

Chart 3-3. Training Courses in NTT



The P.O. also has a central training school for engineering grades and each Telecommunications Region has a training school. All employees at various grading levels and in particular hierarchies receive appropriate technical, vocational and general P.O. training to suit their particular needs. Training is thought to be a continuous process throughout an individual's career and the P.O. runs over 600 internal courses which vary in duration from one day to eighteen weeks.

Both NTT and the P.O. partly use written examinations for the assessment of training. This is probably because of rapid technological changes in telecommunications which require not only skills but also wide knowledge of electronics.

2. The remains of apprenticeship: the P.O.

Although both NTT and the P.O. have complete training facilities the P.O. depends partly on public authorities for the training of its employees. A good example of this is TTA (Trainee Technician Apprentices). TTA are recruited from normal school-leavers with O-level and technical bent for three years of apprenticeship. Training for TTA consists of on the job training, a P.O. course and release to a further education course at college. About three thousand students are recruited annually and they are classified as TIIA (Technician IIA) after completing the course.

This course is the remains of the old tradition of securing skilled workers through apprenticeship. It is interesting to find apprenticeship in the telecommunications industry which is characterised by rapid technological change, because the kind of skills utilised in the

telecommunications industry require wide knowledge rather than experience and do not normally agree with apprenticeship.

3. Importance attached to general education and morale: NTT

As is common among Japanese large firms, NTT attaches great importance to general education and morale of employees. The aim of training is not only to improve working competence of employees but also to impart attitudes suitable to NTT. A good example of this is the two years of College Course at Central Training School.

NTT selects some three hundred employees through examination every year. Any employee is entitled to take the examination after two years service. Those who are selected are given the course which is similar to that of a university. The employees who finish the course are given a better chance of promotion than ordinary high-school-leavers. One of the aims of this course is to select and train young and bright employees so that they can fulfil jobs as middle-management. There are many applicants who try to take advantage of the course which is a good hope for young employees who could not afford to go to university for some reason. This surely helps in maintaining the morale among young employees.

Thus it is clear that both NTT and the P.O. are greatly concerned with in-service training, as Dore found with HITACHI, reflecting rapid technological innovation, but that some of the differences Dore found between HITACHI and English Electric hold also true in the case of NTT and the P.O.

CHAPTER 4 WAGES AND OTHER CONDITIONS OF WORK

A. Approach to wage determination

1. Main factors in determining wages

Dore found that "the wages paid in Japanese firms take account of many factors - a man's age, seniority, education, demonstrated 'co-operativeness' and so on - which have little to do with the notion of a 'market price' for skills determined by a balance between supply and demand".⁽¹⁾ This is also true in the case of NTT. Section 30 of the NTT Act stipulates that the pay of the employees of NTT must be determined by taking into account the level of wages in the Civil Service and private industries. As will be explained later the pay increases for NTT have been determined through a third party, KŌRŌ-I (Government Enterprises and Public Corporations Labour Relations Commission) together with other government enterprises and public corporations. As is clear from Table 4-1 the main factor in determining the wages of the employees of NTT is the comparability with the private sector, especially private railways. Therefore market prices for skills have played little role in determining their wages.

Table 4-1 (over)

(1) R.P. Dore, op.cit., p. 74.

Table 4-1. Comparability with the private sector.

Year	Government Enterprises & Public Corporations		Private Railways		Private Industries	
	¥	%	¥	%	¥	%
1969	6,608	(13.9)	6,700	(16.2)	6,865	(15.8)
1970	8,626	(16.0)	8,950	(18.9)	9,166	(18.5)
1971	9,302	(14.9)	9,700	(17.3)	9,727	(16.9)
1972	9,701	(13.6)	10,200	(15.6)	10,138	(15.3)
1973	14,078	(17.5)	14,700	(19.4)	15,159	(20.1)
1974	27,594	(29.3)	28,500	(31.4)	28,981	(32.9)
1975	17,207	(14.1)	17,000	(14.1)	15,279	(13.1)

Source: ASAHI-SHINBUN 21.4. 1976.

On the other hand, it is hard to evaluate how far market situations in come into/determining the wages in the P.O., because the skills required in the P.O. are peculiar to the telecommunications industry and it is difficult to find similar skills in outside industries except a few grades. When the P.O. staff were civil servants, their pay was determined by 'fair comparison' with outside industries. Even after the P.O. became a public corporation comparisons with outside industries have played a significant role.

But some market factors such as recruitment situations and wastage rates have also been taken into account. Therefore it is not easy to find such a clear-cut difference as Dore found between HITACHI and English Electric. Both NTT and the P.O. attach great importance to the comparison with the private sector. Here not the difference but the similarity between NTT and the P.O. should be emphasised.

2. Principles governing the distribution of wage/salary bill

The principles governing the distribution of the wage/salary bill of NTT have little to do with market situations. Instead, such factors as educational qualifications, age (length of service), and family responsibility are taken into account. One marked difference from HITACHI is the exclusion of sex and merit as rated by supervisors as is common among Japanese public employment.

Dore found in English Electric that wages are considered as a market price of a particular job and the distribution of the wage/salary bill is a matter of determining appropriate skill differentials. Although there are considerable differentials among different grades in the P.O., the situation is different from the case in English Electric. While, in the case of English Electric skill differentials are given to it in the labour market, it is difficult to find in the private sector the kind of jobs the staff of the P.O. is engaged in. Therefore the differentials in the P.O. are based mainly on internal comparisons. Furthermore, age plays a considerable role because the P.O. uses incremental scales up to certain ages and the employees of the P.O. have a good chance of promotion to higher grades with the length of service. Thus it is clear that the principles in the P.O. depart from those Dore found in English Electric to some extent more close to Japanese ones. This is due to the technological uniqueness of the telecommunications industry and the organisational feature as a public corporation.

3. Monetary incentives

As for monetary incentives both NTT and the P.O. stand between

HITACHI and English Electric. Dore described the monetary incentives of HITACHI as follows:- '(a) identical for every type of employee, manual or managerial; (b) almost exclusively contingent than direct; (c) of longer rather than shorter term; (d) quite consequential; (e) multiform, with the assessments involved in the different forms recurring at different intervals'.⁽²⁾ In the case of NTT there is no direct incentives at all as far as union members are concerned. Furthermore contingent incentives are limited to those through promotion. The total exclusion of merit increase in wages has caused this situation. Every employee is awarded equally regardless of his performance, which sometimes causes low morale among those employees who do not care about promotion which accompanies transfer to other offices.

Dore found direct incentives in the form of piecerates in English Electric. But as is clear from the wage system of the P.O. mentioned later, piecerate system does not exist in the P.O. except for certain small number of factory workers. Therefore only promotion seems to be an incentive to the employees of the P.O.

Thus, as far as monetary incentives are concerned, there is a common feature between NTT and the P.O., i.e. incentives are only through promotion, which is surely due to the fact that both of them are public corporations with long histories as government departments.

(2) R.P. Dore, op.cit., p. 112.

B. Wage system: NTT

1. General outline of wage system

As Dore found in HITACHI, it is not possible to divide employees into the normal pattern of monthly salaried, weekly salaried, and hourly rated, because every employee of NTT is paid monthly. However, the differences Dore found in status and method of payment between union members and managerial and technical employees take clearer shape in NTT. While union members are paid according to public scales negotiated with the union, the latter's pay is fixed at the discretion of superiors. In HITACHI's case, all union members are subject to superiors' assessment because a part of the pay is determined on merit. In the case of NTT, however, there is no element of merit pay so that the difference between union members and managerial and technical employees is clearer.

The other difference is found in the method of payment. While union members are paid by cash, the salary of managerial and technical employees are paid into a bank account.

One of the striking features of the wage system of NTT is that male and female employees are treated equally. This makes a great contrast to the system of HITACHI where women submit tamely to inferior pay. Equal pay to male and female employees is a common practice among public employment in Japan which is thus a model for the private sector.

2. Composition of earnings

(a) Main components of earnings

The earnings of employees of NTT consist of basic salary, job-class

supplement, miscellaneous allowances, bonuses and retirement gratuities. One of the great differences between HITACHI and NTT is that while in HITACHI merit supplement makes up twenty to thirty percent of an individual's earnings,⁽³⁾ such supplement based on merit does not exist in NTT. Every employee of NTT except managerial and technical staff, is paid according to the scales negotiated with the union which exclude any element of merit assessed by superiors. Under this system every employee is paid equally regardless of his performance. In the past an attempt was made to introduce an element based on merit in bonuses but was soon abandoned because of the union opposition. The reason for this is the weakness of the profit-motive in the public sector which is operated on a budget rather than profit. Where the profit-motive is weak equality naturally overcomes the merit system which is not free from the criticism due to the lack of fair criteria for assessment.

(b) Basic salary

The bulk of the earnings of the employees of NTT is made up of basic salary which is fixed according to the job-grade and job-class of a particular employee (as for job grade system, see Table 3-4). Starting from the recruitment salary determined according to educational qualifications (see Appendix 1), each employee is awarded certain amount of increase in April within the limit of the maximum and minimum salary shown in Appendix 2. The amount of this annual increase is given in periodical increase Table (see Appendix 3).

Although this system is officially claimed to be a job-related

(3) R.P. Dore, op.cit., p. 98.

wage system, in fact, it is a typical seniority wage system. The differentials among job groups are negligible. The pay of every employee is increased with the length of service until his pay reaches the maximum limit or he is sixty years of age.

Another factor which makes the system more like a seniority wage system is that NTF recently introduced an automatic promotion system based on the length of service. On entry every employee is graded as class 3 of each job grade. After three years of service, he is promoted to job-class 2. Although some go up the promotion ladder faster depending on merit, even those who fail to do so are to be promoted to job-class 1 after twenty-two years of service and to General Group Rank II after twenty-five years of service regardless of the duties they are actually performing.

On top of the annual periodical increase, every employee is awarded a base rate increase ('base-up') which is negotiated annually in spring.

(c) Job-level supplement

The de facto absence of differentials in basic salary among different job groups, does not necessarily mean the total absence of the job-related element. To reflect the differences in jobs in salary, job-level supplement is paid to those who are classified as job-class 1 and above. As is clearly understood from the amount of job-level supplement given in Table 4-2 this is quite nominal and fails to reflect the real differences in responsibilities or skills involved. This is because the union has strongly resisted the increase in job-level supplement.

Table 4-2. Job-level Supplement; NTT
per month as of 1.4.1975.

Rank	Amount
general job-group I (special)	¥ 5,700 (£10.96)
general job-group I	4,600 (8.85)
general job-group II	3,500 (6.73)
general job-group III all other groups I	2,400 (4.62)

(d) Miscellaneous allowances

As is common among Japanese firms including HITACHI, NTT offers various allowances to its employees. Those which are important among them are as follows.

(dependent allowance)

This is paid to those employees who have such dependents as a spouse, children of under eighteen years of age or parents of over sixty. The amount of this allowance is shown in Table 4-3. Although the aim of this allowance is to adjust the differences in living expenses, it has become a nominal one in the age of severe inflation.

Table 4-3. Dependent Allowance; NTT
per month as of 1.4.1975.

spouse	¥ 4,000 (£7.69)
one of the children of under eighteen years of age	1,000 (1.92)
other dependent	600 (1.15)

(provisional allowance)

This allowance is the remains of the allowance paid just after World War II to adjust the differences in living expenses among areas caused by the confusion in the economy. Although the reason for the allowance lost its rationale with the growth of the Japanese economy, it has not been abolished yet. At present this is paid monthly to those employees who are working in large cities. The amount of the allowance ranges from ¥1,000 (£1.92) to ¥5,700 (£10.96) according to the basic salary.

(city allowance)

City allowance is paid to those employees who are working in such large cities as Tokyo and Osaka to compensate the high cost of living. The monthly payment of the allowance is from ¥4,600 (£8.85) to ¥7,800 (£15.00) depending on basic salary.

(special duty allowances)

There are some allowances which are paid to those employees who are engaged in special duties such as dangerous work and outdoor work.

(overtime allowance etc.)

Overtime allowance: those who work over normal working hours are paid at the rate of 125 percent of basic salary.

Holiday allowance: those who work on holidays are paid at the rate of 125 percent of basic salary.

Midnight allowance: those who work between 10p.m. and 5a.m. of the

following day are paid at the rate of an extra 25 percent of basic salary on top of the basic overtime allowance.

(housing allowance)

This allowance is paid to those who are renting a house or a room. The maximum amount of the allowance is ¥5,000 (£9.62) per month.

(travelling allowance)

Every employee is paid all the cost of travelling from his home to the office, wherever he lives.

(e) Bonuses

There are four special allowances paid annually, i.e. summer, year-end, productivity and performance allowances. Among these summer and year-end allowances are generally called 'BŌNASU' (bonus). As Dore found in HITACHI, it is a long-established custom for Japanese firms to pay bonuses twice a year. The amount of these bonuses constitutes a significant part of earnings of individual workers. In the case of private firms the amount of bonuses normally fluctuates reflecting business performances. But, in NTT, the amount has been quite constant as it has been fixed in accordance with that of the Civil Service. In 1975, for instance, the employees of NTT were awarded 200 percent of their monthly basic salary as a summer-bonus and 260 percent as a year-end bonus.

As is common in the public sector, the employees of NTT are paid performance allowance at the end of each fiscal year. The amount paid in 1975 was 50 percent of monthly basic salary.

What is peculiar to NTT is the existence of a productivity allowance paid annually in October. Productivity gains for the past year are calculated annually for NTT as a whole and then divided among the employees of NTT on certain criteria. In 1975 54 percent of monthly basic salary was paid. The existence of the allowance reflects the technological changes in NTT and union co-operation in rationalisation.

In all, bonuses amounted to 564 percent of basic monthly salary in 1975.

(retirement gratuities)

As is common among Japanese firms, the employees of NTT are paid retirement gratuities according to their length of service and the basic salary at the time of retirement. The standard for the payment is set in the law together with the Civil Service.⁽⁴⁾ Even a normal high school leaver who ended his career without being promoted to KACHŌ (Section Chief) would receive about seven million yen (£13,500) after thirty years of service. This amount is smaller than that paid in large private firms reflecting better pension systems for public employment.

(f) Hypothetical composition of earnings

Hypothetical composition of earnings of the Exchange Engineering grade, one of the major grades in NTT, is given in Table 4-4. Employees are picked up at three points, i.e. (1) a bachelor with five years service, (2) a married employee having two children with fifteen years service, and (3) a married KAKARICHŌ (sub-section chief) having two

(4) KOKKA KŌMUNINTŌ TAISHOKU TEATE-HŌ (Civil Service and Public Corporations Retirement Gratuities Law).

Table 4-4. Composition of earnings; NTT

composition type	basic salary	job level supplement	dependent allowance	provisional allowance	city allowance	total
a bachelor (5 years service)	(£163.46) ¥85,000 93.6%			(2.31) 1,200 1.3	(8.85) 4,600 5.1	(174.62) 90,800 100.0
a married employee (two children & 15 years service)	(211.92) 110,200 89.3		(10.77) 5,600 4.5	(4.04) 2,100 1.7	(10.58) 5,500 4.5	(237.31) 123,400 100.0
a married KAKARICHŌ (two children & 22 years service)	(259.04) 134,700 88.3	(462) 2,400 1.6	(10.77) 5,600 3.7	(6.15) 3,200 2.1	(12.50) 6,500 4.3	(293.08) 152,400 100.0

* monthly amount

** on top of these yearly bonuses (564 percent of monthly pay) are paid

children with twenty-two years service. It is supposed that they joined NTT just after leaving a high school and that they are working in Tokyo. From this it is clear that, as stated above, the bulk of the wages of the employees of NTT is made up of basic salary although its percentage in the earnings drops with years of service.

C. Wage system; the P.O.

1. General outline of the wage system.

Dore found in English Electric that employees can be divided into three groups, i.e. monthly salaried, weekly salaried and hourly rated based on the method of payment and status. In the case of the P.O. there are only two types of employees, i.e. monthly salaried and weekly salaried. However, as was made clear in Chapter 3, there are not so clear-cut differences in status between them as Dore found in English Electric.

The features which differentiate the P.O. from English Electric are the national uniformity of the wage system and absence of piece rates. In the P.O. pay rates apply nationally except where London weighting allowance is paid. There is no room for wage drift, i.e. extra payment negotiated locally on top of the national rates. This is because both management and union organisation are highly centralised and pay negotiations are carried out only at national level.

2. Composition of Earnings

(a) Main components of earnings.

The wages of the employees of the P.O. consist of basic salary, London weighting allowance, miscellaneous allowances and compensation for additional attendance. They are very simple compared to those of English Electric. Although the composition is thus more like that of NTT, there are some differences between NTT and the P.O. For example, the P.O. does not have bonuses and retirement gratuities. As far as monthly

payment is concerned there is not a great difference between NTT and the P.O. This is partly because the organisation of the P.O. and NTT are both highly centralised and technological uniformity makes it easy for them to have a nationally uniform wage system. The other reason is that both the P.O. and NTT are public corporations and the profit-motive is not so strong as in the private sector.

(b) Basic Salary.

The major part of the earnings of the employees of the P.O. is basic salary which is determined by pay scales for each grade (see Appendix 4 for pay scales for basic grades). It is clear from them that up to a certain stage, pay rates are fixed according to age and after that every employee is awarded an annual increase until his pay reaches the maximum scale. Once it reaches the maximum, pay stands still so long as the employee stays in the same grade. This system is a mixture of Japanese seniority wage system and British job-related wage system.

But there is a clear-cut difference from that of NTT, i.e. while there are few differentials between grades in NTT there are considerable differentials among job grades in the P.O. Furthermore, more than half of the employees are on maxima, which means that more than half the employees in the same grade are paid the same amount. Thus although the system has some elements of seniority wage system, its basic character is that of a job-related wage system.

There are some other differences between NTT and the P.O. Firstly, the employees of NTT are all paid on monthly basis but some lower grades are paid weekly and other higher grades are paid monthly in the P.O.

Secondly, while pay scales for the management are not open in NTT, even scales for senior salary structure are open in the P.O. Thirdly, although basic salary is negotiated annually in both NTT and the P.O., the negotiations are carried out separately according to grades in the P.O. (see Chapter 7).

(c) London weighting allowance

The only element of the pay of the employees of the P.O. which is based on area is the London Weighting Allowance. The present rates of the London Weighting Allowance are given in Table 4-5.

Table 4-5. London weighting allowance as of 1.4.75.

Inner London	£520 p.a.	£9.97 p.w.
Outer London	£310.20 p.a.	£5.94 p.w.

Although NTT also has city allowance, (a counterpart of London weighting allowance) which is paid in many large cities, London weighting allowance is considerable in its amount, reflecting not only the greater difference in cost of living between London and other areas, but also the difficulties in recruitment in London.

(d) Miscellaneous allowances

The P.O. also pays various miscellaneous allowances as shown in Appendix 5. But there is a clear difference between the allowances of the P.O. and those paid in NTT. While the allowances of the P.O. are based exclusively on the differences in duties and responsibilities of each job, some of those paid in NTT are based on the difference in the

individual employees' situation such as family responsibility. Here again it is possible to find the difference in the principles of determining individual pay, i.e., while Japanese wages are based on 'individual', British wages are based on jobs.

(e) Compensation~~s~~ for additional attendance

Compensations for additional attendance are laid down in detail according to grades (see Appendix 6). There are two main differences from those paid in NTT in addition to the higher rates of extra payment in the P.O. One is that while NTT applies the same standards to all job grades, the P.O. offers different compensations to different grades. The other is that the P.O. allows also 'time off' in addition to or instead of extra payment. This also reflects the difference in the principles in determining wages mentioned above.

D. Other conditions of work

1. Hours of work

As shown in Table 4-6 the standard weekly hours of work do not differ much between NTT and the P.O. The employees of both NTT and the P.O. work around 40 hours a week and a considerable number of them are on shift work. But there are two main differences in their application. Firstly, while the provisions of NTT about hours of work are uniformly applied to all employees of NTT regardless of job grades, the P.O. has different provisions according to job grades. Secondly, there is no regional difference in NTT, but the P.O. applies different hours of work in London and provinces to some grades.

2. Holidays and leaves

(a) Annual paid holidays

The number of annual paid holidays is given in Table 4-7 which shows that again there is not a great difference between NTT and the P.O. in the number of days given. But in application there are three main differences. Firstly, while in NTT there is no difference among job grades, the P.O. gives a different number of days between job grades. Secondly, there is a difference in the way the employees take holidays reflecting the difference in the way of life between Japan and Britain. Whereas the employees of NTT take one day or two days of holidays at one time when they should like to, those of the P.O. take two or three weeks consecutive holidays, especially in summer. Thirdly, the P.O. pays holiday supplement for up to three weeks of holidays to certain grades such as Telephonist and Telegraphist but there is no such practice in NTT.

Table 4-6. Hours of work

NTT	The P. O.	
45 hours gross (40 hours net)	Assistant Executive Engineer Executive Engineer Inspector Sales Representative Sales Superintendent Senior Sales Superintendent Senior Telecommunications Superintendent Supervisor (Telegraphs) Supervisor Higher Grade (Telegraph) Telecommunications Traffic Officer Telecommunications Traffic Superintendent	* 41 hours gross (in the London pay area) * 42 hours gross (elsewhere)
	Assistant Supervisor (Telegraph) Telegraphist Telegraphist (R)	43 hours gross
	Assistant Supervisor (Telephones) Chief Supervisor (Telephones) Senior Chief Supervisor (Telephones) Supervisors (Telephones) Telephonist	41 hours gross
	Technical Officer Technician I, IIA and IIB Trainee Technician (Apprentice) Trainee Technician (Improver)	40 hours net

- (a) NTT usually includes time for meals and rest in hours of work.
- (b) In the case of the P.O., where these hours include time for meals they are shown as gross, where time for meals is excluded, they are shown as net.

Table 4-7. Number of Annual Paid Holidays.

NTT	The P. O.	
up to 1 year's service; 10 days after 1 year's service; 20 days	Assistant Executive Engineer Executive Engineer Sales Superintendent Senior Sales Superintendent Senior Chief Supervisor (Telephones) Senior Telecommunications Superintendent Telecommunications Traffic Superintendent Supervisor Higher grade (Telegraphs)	*up to 10 years total service; 4 weeks 2 days *from 10 to 20 years total service; 5 weeks *after 20 years total service; 6 weeks
	Inspector	*up to 10 years P.O. service; 4 weeks 2 days *from 10 to 20 years P.O. service; 5 weeks *after 20 years P.O. service; 6 weeks
	Assistant Supervisor (Telegraphs) Assistant Supervisor (Telephones) Chief Supervisors (Telephones) Supervisor (Telephones) Sales Representative Supervisor (Telegraphs) Technician I Technical Officer Telecommunications Traffic Officer	*up to 5 years P.O. service; 4 weeks *from 5 to 15 years P.O. service; 4 weeks 2 days *from 15 to 30 years P.O. service; 5 weeks *after 30 years P.O. service; 6 weeks
	Telegraphist and Telegraphist (R) Technician IIA and IIB Telephonist Trainee Technician (Apprentice) Trainee Technician (Improver)	*up to 5 years P.O. service; 3 weeks 3 days *from 5 to 15 years P.O. service; 4 weeks *from 15 to 30 years P.O. service; 4 weeks 2 days *after 30 years P.O. service; 4 weeks 4 days

Total service includes the service prior to P.O. reorganisation.

(b) National or public holidays

There is a great difference between NTT and the P.O. in the number of days given. The employees of NTT are allowed days off on each of thirteen national holidays and, furthermore, they are given a week's holiday, the longest holidays, over the period covering the end of the year and the beginning of the following year. But the employees of the P.O. are allowed only nine and a half holidays, i.e. two public holidays, five bank holidays and two and a half days of P.O. holidays. This difference is due to the difference in the number of statutory holidays between Japan and Britain.

(c) Special holidays

One of the differences found about holidays between NTT and the P.O. is that while the former allows days off with full pay on various personal occasions of the individual employees (see Table 4-8) the latter has no such practice. The existence of this kind of holidays shows that NTT pay more attention to the private life of employees than the P.O. and reflects the general concept of the firm as a community.

Table 4-8. Special holidays: NTT

occasion	number of days off
marriage	3 days
funeral of relatives	1-10 days
anniversary of parents death	1 day
loss of the house due to fire or natural calamity	up to a week

(d) Sick leave

In NTT the length of sick leave and the amount of wages paid during the leave differs according to the causes of disease i.e., on duty, tuberculosis or other disease (see Table 4-9).

In the case of the P.O. there is no special provision for sick leave, however, sick pay is paid as shown in Table 4-10. Comparing these two tables, it is clear that the provisions of NTT are better than those of the P.O. This is partly due to the differences in the social security. While Japanese social security is not so advanced as in Britain and firms take over to some extent the responsibility of the state as far as the welfare of the employees is concerned, in Britain, welfare is basically the responsibility of the state and accordingly firms offer poorer welfare services like sick leave.

Table 4-9. Sick leave: NTT

Cause	length of the leave	pay
On duty	whole period necessary for recovery	80 percent of full pay up to a year
tuberculosis	*up to 1 years service; 4 months *from 1 to 5 years service; 1 year *from 5 to 10 years service; 1 year and 6 months *over ten years service; 2 years	* full pay up to a year * 80 percent of full pay for the rest of the period
other diseases	*up to 10 years service; 3 months *from 10 to 20 years service; 6 months *over twenty years service; 1 year	80 per cent of full pay up to a year

Table 4-10. Sick pay: the P.O.

period	pay
up to 6 months	full pay
from 6 months to a year	half the full pay

(e) Maternity leave

In the case of maternity leave, NTT has better provisions than the P.O.

In the case of the P.O. a female staff member who has been continuously employed by the P.O. for a minimum of one year is allowed three months paid maternity leave and payment for the third month, if any, is conditional on an employee having completed after her confinement a further three months effective service. Any female employee of NTT is allowed six weeks paid maternity leave before and after delivery respectively and if she wishes, she is further allowed a leave without pay until her child reaches three years of age. Furthermore, when she resumes work after paid maternity leave, she is allowed time off for nursing twice a day within a maximum of forty-five minutes each until the child reaches a year. These provisions are far advanced by Japanese standards reflecting the important role played by female employees before the automating of telephone exchanges.

3. Termination of employment

As stated earlier in Chapter² employment in NTT is quite secure, owing to both the NTT Act and the agreement with the union, and there is

no fixed retirement age. Therefore the employees of NTT may continue to work for NTT as far as they wish and there is no actual occasion of dismissal except that due to the fault on the part of the employees. According to RŌDŌ-KIJUN-HŌ (Labour Standards Law) which provides the minimum standards of the conditions of work employers must give thirty days of notice or dismissal allowance equal to thirty days wages if they wish to dismiss employees. If there is to be a dismissal in NTT this provision is applied.

The P.O. will give a period of notice as shown in Table 4-11, if it wishes to terminate an employee's service before the normal retirement age of sixty. There are several differences between NTT and the P.O. apart from the fact that the provisions of the P.O. are better than those of NTT probably reflecting the greater possibility of dismissals in the P.O. Firstly, while the employees of NTT are put under direct application of law, the P.O. has its own provisions for its employees. Secondly, although the P.O. applies different provisions to monthly and weekly paid staff, there is no such distinction in NTT. Finally, NTT gives the same days of notice (thirty days) to any employee regardless of the length of service, but the P.O. gives a longer period of notice to employees with longer service.

4. Welfare services

In the case of welfare services, the difference between NTT and the P.O. is very clear. While NTT offers various welfare services to its employees, the P.O. does not. As far as the pensions are concerned, both NTT and the P.O. have better systems than private firms, reflecting their background as government departments. While most of Japanese

Table 4-11. Periods of notice: the P.O.

(1) Monthly paid staff

length of service	periods of notice
less than 26 weeks	1 month
26 weeks but less than a year	5 weeks
6 years but less than 7 years	6 "
7 - do - 8 "	7 "
8 - do - 9 "	8 "
9 - do - 10 "	9 "
10 - do - 11 "	10 "
11 - do - 12 "	11 "
12 years or more	12 "

(2) Weekly paid staff

length of service	periods of notice
less than 2 years	2 weeks
2 years but less than 4 years	3 "
4 - do - 5 "	4 "
5 - do - 6 "	5 "
6 - do - 7 "	6 "
7 - do - 8 "	7 "
8 - do - 9 "	8 "
9 - do - 10 "	9 "
10 - do - 11 "	10 "
11 - do - 12 "	11 "
12 years or more	12 "

private firms do not have any pension system, NTT has a pension system similar to that of the Civil Service which is operated through KYŌSAIKUMIAI (Social Insurance Society) using the fund contributed by both NTT and its employees. The employees with not less than twenty years service are entitled to the pension on retirement from 55 years of age. The P.O. also has a pension system based on the contribution of the P.O. and its employees. Those employees with not less than five years service are entitled to the pension on retirement at or after normal retirement age of sixty. This system is better than that of English Electric which, according to Dore, covers only skilled-manual workers and staff.

But the similarity between NTT and the P.O. ends with the pension system. While the P.O. does not offer any other significant welfare services NTT offers various welfare services directly or through KYŌSAIKUMIAI and KYŌSAIKAI (Mutual Aid Cooperative) - a joint subsidiary of NTT and ZENDENTSŪ (NTT union). The main welfare services offered by NTT are shown in Table 4-12, from which it is clear that NTT offers welfare services covering almost all aspects of its employees' private life.

Table 4-12. Welfare Services offered by NTT.

(1) Housing

- hostels for unmarried employees
- flats or houses for married employees
- special saving and loan scheme to help the employees to have houses
- real estate subdividing

(2) Educational loans for the employees' children

(3) Medical service

- health insurances
- hospitals and clinics

(4) Recreation facilities

sport and social facilities

hotels in resorts throughout the country

(5) Insurance services

(6) General savings and loan scheme

(7) Stores and barbers

5. Main findings concerning conditions of work

Comparing the conditions of work between NTT and the P.O., two major findings should be noted. Firstly, while NTT regulates the conditions of work uniformly to all its employees regardless of job grades, the P.O. has different provisions according to job grades. This can be partly explained by the differences in wage structure.

Where wages are decided according to job grades, it is natural to have different conditions of work according to job grades. The explanation for this can also be found in union structure. As ZENDEITSU organises any of the employees of NTT regardless of job grades, it attaches more importance to equality than to differentials. But as there are several unions in the P.O. according to job grades and negotiations take place separately, conditions of work also tend to be different among different unions. The second point to be noted is the role of firms in the welfare of their employees. While NTT specifies in detail those kind of conditions of work which are based on individual employee's special situation and offers all-embracing welfare services, the P.O. does not take into account the special situation of a particular employee and the only significant welfare service is the pension system. This surely reflects the difference in the attitudes of the firms towards the

employees. While Japanese firms are concerned with the whole character of the employees, British firms are concerned with only the working abilities of the employees. The other cause of the difference is the difference in social security offered by the states. While the Japanese social security system is not so advanced as that of the British and, therefore, firms take over some of the role of the state, Britain has a good social security system and it is not necessary for the firms to offer their own welfare services to their employees.

CHAPTER 5 UNION STRUCTURE AND MEMBERSHIP

A. History and Development : ZENDENTSŪ

As shown in Table 5-1, there are four central organisations of the Japanese trade unions, i.e., SŌHYŌ (General Council of Japan Labour Unions), CHŪRITSU-RŌREN (the Federation of Independent Unions), DŌMEI (the General Confederation of Japanese Labour Organisations) and SHINSANBETSU (Congress of Industrial Unions). While SŌHYŌ and CHŪRITSU-RŌREN organise annual SHUNTŌ (Spring Labour Offensive) and represent the left wing of the Japanese labour movement, DŌMEI represents the right wing. ZENDENTSŪ (All Japan Telecommunications Workers Union), the only effective union in NTT, has played an important role in SŌHYŌ together with other government enterprises and public corporations unions. This union structure is the result of many changes after World War II.

Table 5-1 Central Organisations of the Japanese trade unions.

As of June 1973

	Number of Unions	Number of members
SŌHYŌ	5,470	4,266,835
CHŪRITSU-RŌREN	911	1,392,703
DŌMEI	5,308	2,225,928
SHINSANBETSU	77	72,819

Before World War II, there was no effective labour movement in the field of telecommunications reflecting the social situations in

Japan as a whole. It was only after World War II that a strong union came into being. In order to prevent the future Japan from reappearing as a strong totalitarian state the GHQ of the occupation force adopted various policies to democratise Japan, one of which was the liberation of labour movement. As a result, the Japanese labour movement showed a rapid growth and became militant. The leading unions among it were those of Civil Servants.

At the end of 1946 they strongly claimed a large pay increase. ZENTEI (All Japan posts and Telecommunications Workers Union) which was formed in May 1946 by the employees of TEISHIN-SHŌ (the Ministry of Posts and Telecommunications) took a leading part in this movement. Eventually unions scheduled a general strike on 1st February 1947, which was called off following the order of General MacArthur.

From 1947 the unions again claimed a pay increase because of the severe inflation. Again at the centre of this movement was ZENTEI. In due course CHŪRŌ-I (the Central Labour Committee) intervened and proposed a solution, which was rejected by the unions and they planned a nation-wide strike in March 1948. In view of the crisis, the GHQ ordered the calling-off of the strike. After this event, Civil Servants and the employees of government enterprises and public corporations were deprived of their right to strike by the letter of General MacArthur and the Government Ordinance 201 which followed it.

At that time, the GHQ was in the course of change in its policy, i.e., from the democratisation of Japan to the strengthening

of Japan as a basis against Communist countries. To pursue this policy the militant labour movement at the centre of which were the unions of the Civil Service and public corporations was a great stumbling block. The GHQ thought it necessary to weaken them in order to make the Japanese Union movement as a whole more moderate. Accordingly KŌRŌHŌ (Government Enterprises and Public Corporations Labour Relations Law) was put into effect and the KOKKAKŌMUIN-HŌ (Civil Service Law) was amended to ban the strike in the public sector. Since then the recovery of the right to strike has been one of the main aims of the unions concerned.

During the period which followed, the government adopted nine principles on economic policy to reconstruct the Japanese economy, and the reorganisations of companies and redundancy were carried out drastically. Many militant union leaders especially those who were thought to be members of the Communist party or its sympathisers were the main target of the dismissals called REDDO-PĀJI (Red Purge). On the other hand, MINDŌ (Democratic Alliance) set out for the 'democratisation' of union movement by getting rid of the Communists and formed SŌHYŌ (the General Council of Japan Labour Unions) in 1950, which has been the leading central organisation of Japanese Unions. The telecommunications industry was not free from the process. By getting rid of the Communists ZENTEI was reorganised in 1949.

On the other hand, as stated in Chapter 2, TEISHIN-SHŌ was reorganised into two separate ministries, i.e. YŪSEI-SHŌ (Ministry of Posts) and DENKITSŪSHIN-SHŌ (Ministry of Telecommunications) under the pretext of the promotion of efficiency in June 1949. But the real aim of the reorganisation was to weaken ZENTEI by dividing the

union into separate unions. As it is natural in Japan to have a union within a firm, ZENTEI also divided itself into the two unions in 1950. In DENKITSŪSHIN-SHŌ, ZENDENTSŪ (All Japan Telecommunications Workers Union) was formed and has dominated the labour movement in the telecommunications industry as de facto single union since then. Furthermore with the establishment of SŌHYŌ, ZENDENTSŪ joined it and has played a significant role in it especially after the reorganisation of DENKITSŪSHIN-SHŌ into a public corporation (NTT) in 1952. The activities of the Union which had been restricted by KOKKAKŌMUIN-HŌ got more freedom as the KŌRŌHŌ to be applied to NTT admits the right of collective bargainings.

Two points should be noted throughout the history of the labour movement in the telecommunications industry since World War II. Firstly, there has been only one union organised along the firm, i.e. ZENTEI and ZENDENTSŪ after the establishment of NTT. Secondly, the union has not got the right to strike, except a short period just after the war, the recovery of which has been one of the main aims of the union for a long time.

B. History and Development : POEU and other Unions in the P.O.⁽¹⁾

As shown in table 5-2, there are many unions according to a job grade or grades in the P.O. They form COPOU (Council of Post Office Unions) for joint consultation and negotiation with the P.O. POEU (Post Office Engineering Union) holds the most important position with about 120 thousand members in the telecommunications side of the P.O. especially among engineering grades. The aim of this section is to follow the process of the formation of this structure in the P.O.

Although there is some evidence of the movement from time to time in the 1840's and 1850's to improve their conditions of work, there was no significant movement among linemen until the 1870's when such a movement appeared in Yorkshire. In 1887, the first Conference of the 'Postal Telegraph Linemen's Movement' was held.

In 1895 a Committee of Enquiry under Lord Tweedmouth was set up as a result of parliamentary pressure and staff were invited to give evidence. The spokesmen for the various associations including Telegraph Clerks' Association appeared before the committee as individuals because they were not officially recognised. The leaders of the staff associations recognised the need for action towards a common end and a national joint committee was set up. Co-ordination was carried a step further by the formation of the Referred Pay Committee. As the result of the Tweedmouth Committee being a disappointment, the Association met and agreed joint action for the

(1) This section owes to the data offered by the P.O. and POEU

Table 5-2 : Main Unions in the P.O.

Name	Organised job grades	Membership	
		potential	actual
Civil and Public Services Association (CPSA) Posts and Telecoms. Group	Clerical Officers Clerical Assistant Higher Clerical Officers Typists Secretaries Certain Data Processing Grades	37,000	30,500
Institution of Professional Civil Servants (IPCS)	Restaurant Managers Illustrators Photographers	156	136
Merchant Navy and Airline Officers Association (MNAOA)		59	59
Post Office Engineering Union (POEU)	Technicians Trainee Technicians Technical Officers Instructors Photoprinters Certain Drawing Office Grades	123,500	119,500
Post Office Management Staff's Association (POMSA)	Postal Executives Telephone Supervisors Certain Catering Staff	17,000	16,500
Society of Civil Servants (SCS)	Executive Officers Higher Executive Officers Higher Clerical Officers Information Officers Nurses	6,346	5,737
Society of Post Office Executives (SPOE)	Traffic and Sales Superintendent Executive and Assistant Executive Engineers Inspectors	20,500	18,500
Telephone Contract Officers' Association (TCOA)	Sales Representatives	1,049	1,038
Union of Post Office Workers (UPW)	Postmen Telegraphists Telephonists	20,400	190,200
National Federation of Sub-postmasters (NFSP)	Sub-postmasters and sub-postmistresses	-	-

achievement of free citizen rights, official recognition and better wages and conditions of work. This experience made the formation of the Whitley Councils easier in the 1920's.

In 1901 the original Postal Telegraph Linemen's movement became the P.O. Engineering and Stores Association. On the other hand, the National Society of Telephone Employees was formed in 1905 and it linked up with the female telephone operators in 1909 to form the Amalgamated Society of Telephone Employees. In 1912 the National Telephone Company was taken over by the P.O.

Following the take-over, there was a period of protracted disputes and struggle between the P.O. Engineers and Stores Association and the Amalgamated Society of Telephone Employees, which however, led to the amalgamation of the latter body with the former in 1915. In 1919 the Union adopted the present title Post Office Engineering Union (POEU) and dominated the union movement in the telecommunications.

On the other hand, in 1919, the Postmen's Federation, Postal and Telegraph Clerks' Association, the Fawcett Association and a number of smaller bodies amalgamated to form on the 1st January, 1920 the Union of Post Office Workers (UPW), the largest union in the P.O. Thus the two major Unions in the P.O. i.e., POEU and UPW were formed but there were still other smaller unions and some groups of members of POEU and UPW broke away from time to time to form separate unions. The fragmented union structure in the P.O. has little changed since then, although there have been several amalgamations.

In 1920 the P.O. Engineering, Factories and Supplies Whitley Council and the P.O. Departmental Whitley Council were set up under

the Civil Service National Whitley Council, and had served as machinery for joint consultation and negotiation until the reorganisation of the P.O. in 1969. With the reorganisation of the P.O. into a public corporation Whitley Council ceased their roles and a new form of consultative and negotiating machinery was to be introduced.

Accordingly unions formed the Council of Post Office Unions (COPOU) and the Society of Post Office Managers (SPOM) - later Consortium - and opened the new joint consultative machinery with the P.O. respectively. Following the reorganisation of the P.O. the amalgamation, in particular between unions organised for the same grade or grades, were encouraged. Through several amalgamations the Consortium ceased to exist and COPOU has become a single body for the joint consultation and negotiations with the P.O. in 1972. It should be noted that although POEU and UPW have dominated the scene since their formation, there have been a number of fragmented unions in the P.O. according to a job grade or grades throughout the history of union movement in the P.O.

C. Union membership

1. High membership ratio.

One common feature between NTT and the P.O. is that the employees of NTT and the P.O. are both highly organised. The membership of ZENDENTSŪ has grown with the expansion of the telecommunications business and at the time of 1976 Annual Conference it has about 280 thousand members, which means that more than 99 per cent of the eligible employees of NTT are organised by ZENDENTSŪ.⁽²⁾ Similarly, the high membership ratio is also found in the P.O. Although between 1919 and 1933 the membership of POEU, the dominant union in telecommunications, fluctuated between 15 thousand and 19 thousand, from 1933 it increased steadily until 1947 when it reached 53 thousand. For some time after that it was reduced because of break-away unions. It began to grow again from 1953 with the growth of the telecommunications business, and at the end of 1975 POEU organised more than 127 thousand members, i.e. more than 99 per cent of potential membership. As is clear from Table 5-2 other unions in the P.O. also have high membership ratio.

2. Enterprise Union and Unions based on job grades.

Although the employees of both NTT and the P.O. are highly organised, there is one clear difference in their coverage. While ZENDENTSŪ is a typical Enterprise Union, the Unions in the P.O. are organised according to job grades.

(2) KÖRÖ-HŌ (Government Enterprises and Public Corporation's Labour Relations Law) exempts management and those employees who are engaged in personnel and industrial relations affairs from union membership. In NTT the former means the job of section chief and above and the latter is determined by the agreement with the union.

As Dore found in HITACHI, Japanese Unions are normally organised within the limit of a particular firm and there is only one union within a firm. This kind of unions are called KIGYŌBETSU-KUMIAI (Enterprise Union). ZENDĒNTSŪ also falls into this category. Firstly, ZENDĒNTSŪ limits its membership to the employees of NTT except certain full-time officers of the union. Secondly, although it is operating under an open shop, it is the only effective union in NTT. In NTT although there are two other very small unions, i.e. DENDEN-RŌSO (Telegraph and Telephone Workers Union) and DENDEN-IRŌ (Telegraph and Telephone Medical Workers Union), they have only a few hundred members compared with about 280 thousand in ZENDĒNTSŪ.

On the other hand, there are several unions in the P.O. according to job grades (see Table 5-2). Furthermore some of them, i.e. SCPS and CPSA are organised largely outside the P.O. and have members across the Civil Service even though the P.O. has ceased to be a government department. Although this situation is quite different from that Dore found in English Electric because major unions in the P.O. are composed of only the employees of the P.O., it is a great contrast to that in NTT where only ZENDĒNTSŪ is working effectively.

One more difference in membership should be noted. While in NTT KANRISHA - those who hold the post of section chief or above - are not eligible to union membership, the managers of the P.O. including those who belong to Senior Salary Structure have their own unions.

D. Union organisation

1. Organisation of ZENDENTSŪ

As shown in chart 5-1 the organisation of ZENDENTSŪ is designed to coincide with the various levels of NTT management. Most of the power in the union remains at the Head Office, the organisation of which is shown in chart 5-2. The supreme decision making machinery of ZENDENTSŪ is the Annual Conference convened by the Chairman of the Central Executive Committee in June. Delegates to Annual Conference are elected by secret ballot of members, at the rate of one delegate for every 500 members. The constituency for the election is each SHIBU (Prefectural Council). The Annual Conference examines the activities for the past year and decides the policy for the following year.

Chart 5-1 The Organisation of ZENDENTSŪ

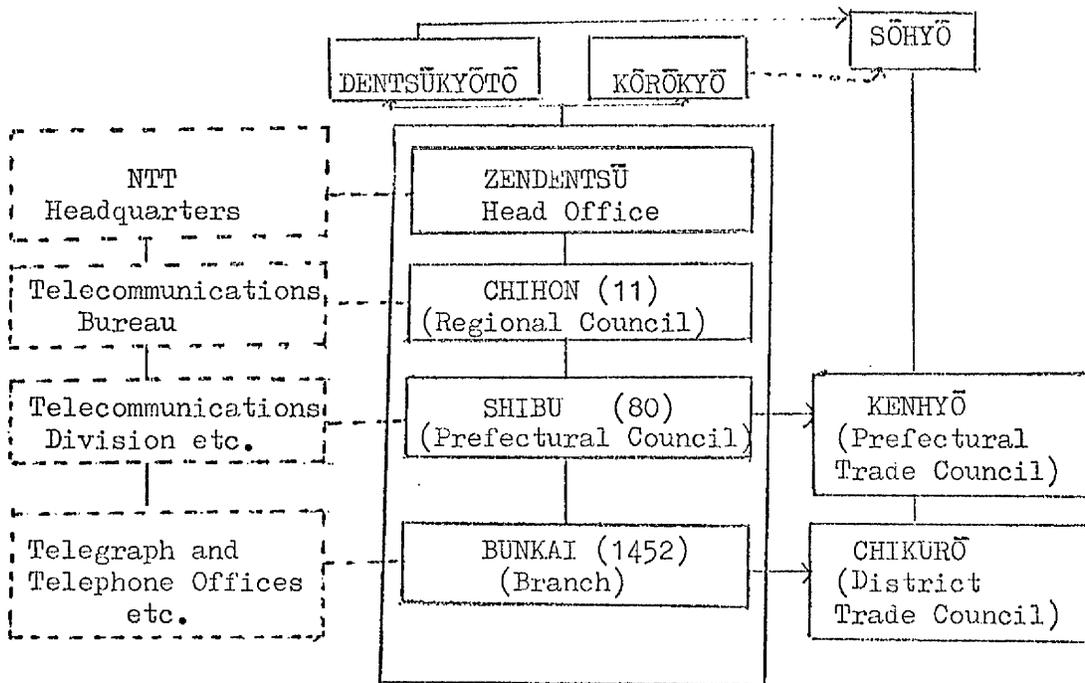
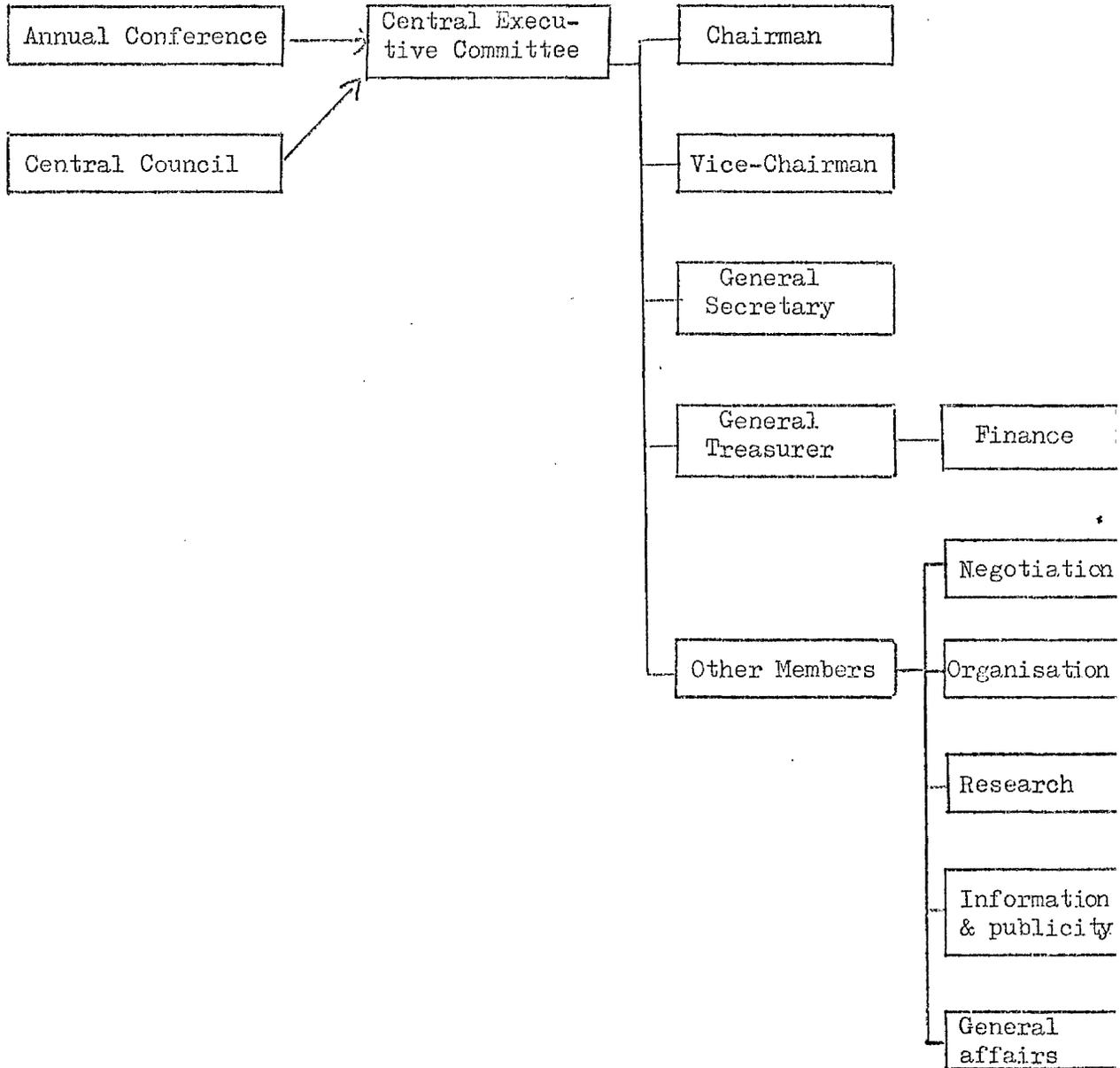


Chart 5-2 The Organisation of the Head Office : ZIENDENTSŪ



Between Annual Conferences, the Central Council to be held at least three times a year decides short-time policy on the decisions of Annual Conference. The Central Council is composed of the members sent from each SHIBU, the members of the Central Executive Committee and the Chairmen and the General Secretaries of CHIHON (Regional Councils).

The implementation of the policies adopted by Annual Conference or the Central Council is the responsibility of the Central Executive Committee (as for its organisation see chart 5-2). The members of the Central Executive Committee including the Chairman, the Vice-Chairman, the General Secretary and the General Treasurer, are all elected at Annual Conference as full-time officers once in every two years.

In practice, they serve on a permanent basis until they choose to retire or to become members of parliament or local councillors. One of the features of ZENDENTSŪ is that all the members of the Central Executive Committee do not hold the qualifications as the employees of NTT. The Union adopts the policy that as many full-time officers of the union as possible should leave NTT in order to be independent of the management. Consequently many officers of the Union including those of the local organisations quitted NTT when they were elected as full-time officers. To ensure this process, the union has tried to make the pay of full-time officers as good as that of the management of NTT.

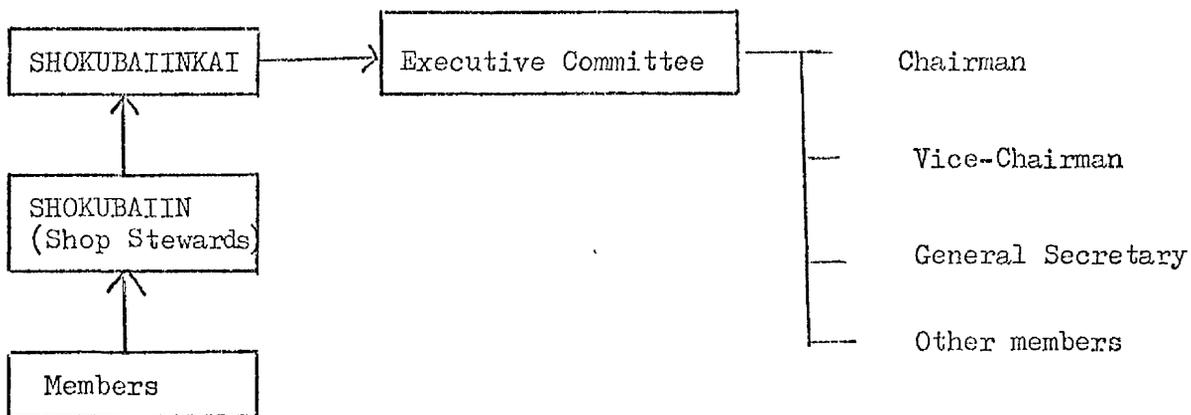
Bargaining about pay increase and conditions of work is carried out exclusively at central level and local organisations of the union are concerned only with the application of general rules to the local situation. Furthermore, it is officially prohibited by the rules of the Union for local organisations to make policies which are not consistent with the policy adopted by the Annual Conference. The organisation of ZENDENTSŪ is, therefore, very much centralised.

Local organisations within the Union are designed to coincide with those of NTT. CHIHON (Regional Council) and SHIBU (Prefectural Council) are responsible for the control and instruction of the lower

level organisations within each Telecommunications Bureau and Division respectively. The organisation of CHIHON and SHIBU is more or less similar to that of the Head Office.

The basic unit of the Union is BUNKAI (Branch) which is organised within the boundary of the Telegraph and Telephone Office. As shown in Chart 5-3, BUNKAI has an Executive Committee composed of a Chairman, a Vice-Chairman, a General Secretary and other members elected by the members of BUNKAI and SHOKUBAIINKAI (Shop Stewards Committee) composed of Shop Stewards selected from each department of the Telegraph and Telephone Office. The relationship between the Executive Committee and SHOKUBAIINKAI is similar to that of the Central Executive Committee and the Central Council. BUNKAI is the first line organisation of the Union which is responsible for the contact with rank and file members of the Union. As BUNKAI is organised on a workplace basis, many of the members actually participate in its activities.

Chart 5-3 The organisation of BUNKAI (Branch) :
ZENDENTSU



As for affiliation to other organisations, the situation is rather complicated. BUNKAI and SHIBU (Prefectural Council) affiliate to CHIKURŌ (District Trade Council) and KENHYŌ (Prefectural Trade Council) respectively, both of which are local organisations of SŌHYŌ (the General Council of Japan Labour Unions). But the activities through these councils are mainly on political matters. ZENDENTSŪ at central level forms DENTSŪKYŌTŌ (Telecommunications Joint Struggle Committee) together with other unions in the telecommunications industry, i.e. unions of KOKUSAIDENDEN and subsidiaries of NTT.

Zendentsu affiliates to SŌHYŌ through DENTSŪKYŌTŌ. Although DENTSŪKYŌTŌ was formed to promote industrial unionism, it has no substantial power. Because 280 thousand of its 300 thousand members belong to ZENDENTSŪ and it is financially supported by ZENDENTSŪ, it is rather another form of activity for ZENDENTSŪ. The most important is the affiliation to KŌRŌKYŌ (the Government Enterprises and public Corporations Workers Unions Joint Committee) formed by the Unions of Government Enterprise and Public Corporations which are affiliated to SŌHYŌ. SHUNTŌ (Spring Labour Offensive) and political activities such as the struggle to recover the right to strike are planned and co-ordinated through KŌRŌKYŌ.

2. Organisation of POEU

Although there are several unions in the telecommunications side of the P.O. other than POEU, only POEU will be taken up in this and the following sections, as they have more or less similar structure to that of POEU and POEU is by far the largest union.

As shown in Chart 5-4, the organisation of POEU is also designed to coincide with the various levels of P.O. management. Most of the power in the union is reserved by the Head Office, the organisation of which is shown in Chart 5-5.

Chart 5-4 The Organisation of POEU

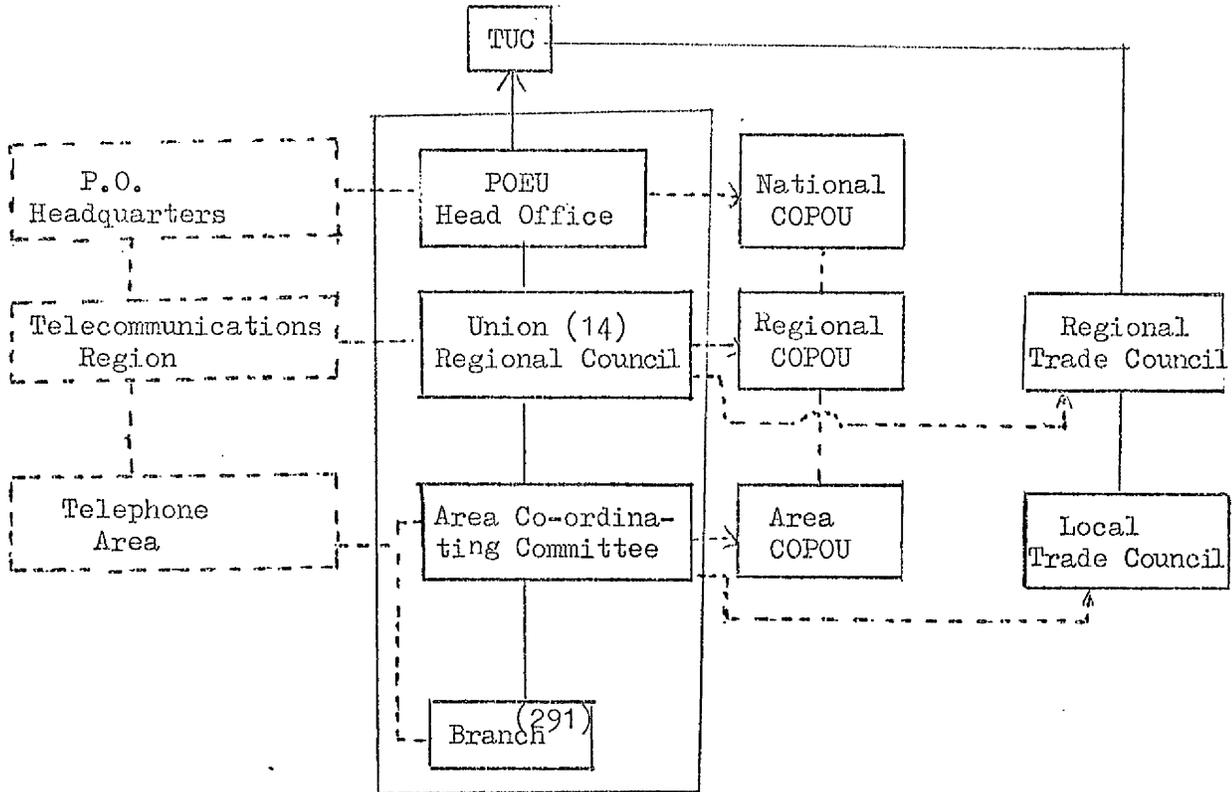
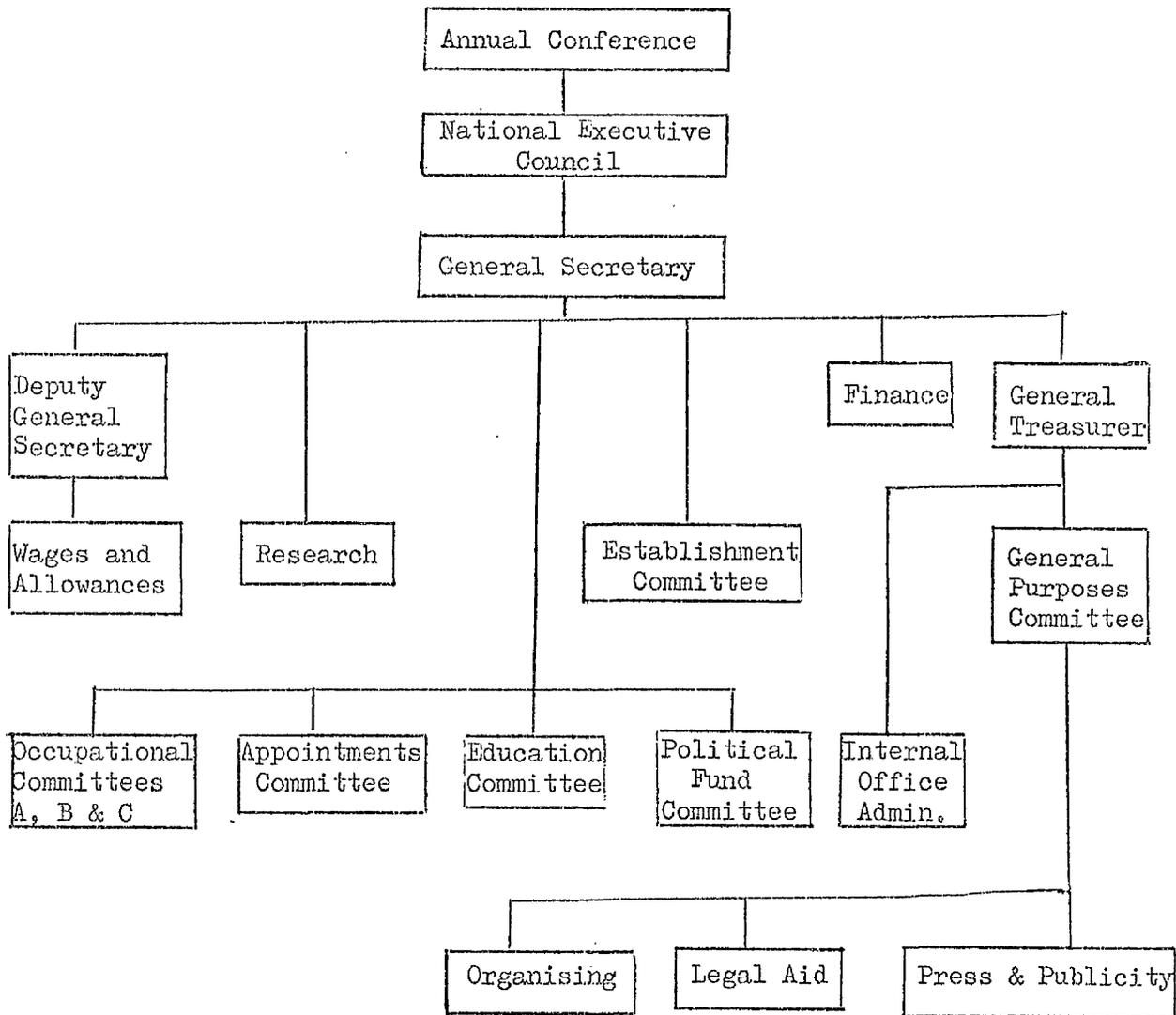


Chart 5-5 The Organisation of the Head Office : POEU



The supreme decision making body is Annual Conference which consists of delegates from Branches. The Annual Report of the National Executive Council on the previous year's activities is examined and new policy for the union as a whole is determined.

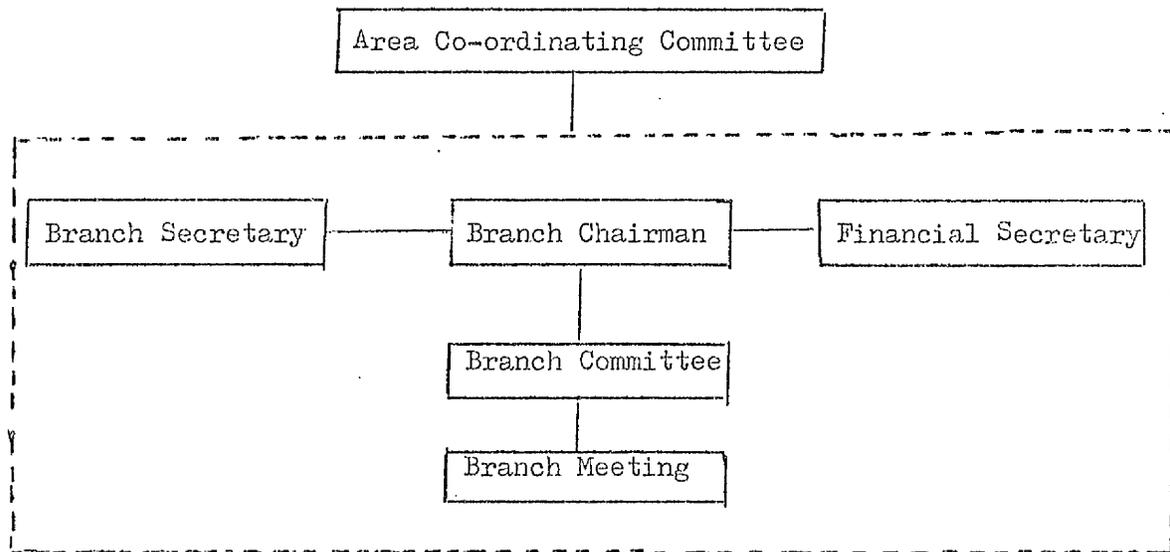
The implementation of the decisions taken at Annual Conference is the responsibility of the National Executive Council which is composed of twenty three members elected at Annual Conference. Eleven members are elected on an occupational basis and twelve members are elected on a regional basis. They are all the employees of the Post Office. There are three main committees of the National Executive Council, i.e. General Purposes, Establishment, and Wages and Allowances. There also are three occupational committees, i.e. A, B and C to deal with particular problems of particular occupational groups. Furthermore there are a number of such other committees as Political Fund, Education to deal with specific functions.

Much of the actual administration of the Union is carried out by full-time officers such as General Secretary, Deputy General Secretary, General Treasurer and Assistant Secretaries. They are appointed by National Executive Council normally on a permanent basis with endorsement by Annual Conference.

There is a Union Regional Council (URC) on which engineering occupational branches and engineering composite branches within a Telecommunications Region are represented. Such occupational groups as Motor Transport, Factory and Supplies have their own occupational councils. URCs and Occupational Councils deal with the matters concerned solely with a particular region or an occupational group.

The basic unit of POEU is the Branch (as for its organisation see Chart 5-6). Majority of the 291 Branches are organised within the geographical boundaries of the Telephone Areas. The number of Branches within a Telephone Area depends on the number of staff

Chart 5-6 Organisations of Branch : POEU



involved and the geographical size of the Area. Branches are organised on composite basis or occupational basis. Composite Branches are formed where the members of the internal and external staff desire to be within the same branch. Occupational branches represent members of a specific occupational group, i.e. internal and external staff. The Union's specialist groups such as Factories, Supplies, and Motor Transport are all within their own occupational branches. All policy decisions are taken at the Branch Meeting, and the Branch Committee made up of representatives of the various groups in the Branch assists the Branch Officers elected at the Branch Meeting to execute the policy decided by the Branch Meeting. Where there are several Branches within an Area, an Area Co-ordinating Committee is formed, but it can take action only when all branches agree.

The organisation of POEU is also highly centralised. The URC and Branches cannot negotiate about pay increase and major conditions of work because they are negotiated only at central level. They are concerned mainly with discipline, manning levels for particular jobs and the implementation of the central agreements.

As for affiliation to other organisations, one of the features of POEU is membership of COPOU (Council of Post Office Unions), formed in 1969 to promote the co-operation between P.O. Unions. COPOU determines policy on all matters that are common to all members of the P.O. The organisation of COPOU is also designed to coincide with the management organisation of the P.O. and Branches affiliate to area COPOU, URCs to Regional COPOU and the Head Office to national COPOU. POEU also affiliates to TUC (Trade Union Congress) and many of the Branches affiliate to local Trade Councils.

3. Main findings

Dore found that Japanese Union Organisation is highly centralised but that of British is characterised by dual structure of formal union organisation and informal workplace organisation represented by shop stewards. These differences do not, however, exist between ZENDE^{TSU} and POEU. Both of them are highly centralised and there is no informal workshop organisation as against Union Branches. The procedures of union activities are both formalised in detail in union

rules. This is due partly to the fact that the organisation of both NTT and the P.O. is highly centralised and union organisation is designed to coincide with the management organisation. The other reason is that the technology utilised in NTT and the P.O. is peculiar to the telecommunications industry and uniformly integrated throughout their organisation. This makes it possible to handle matters mainly at central level.

In spite of this similarity of centralisation, there are some differences between ZENDĒNTSŪ and the POEU. Firstly, the National Executive Committee of ZENDĒNTSŪ and the national Executive Council of POEU are different in their character. While the National Executive Committee of ZENDĒNTSŪ performs itself the function of full-time officers and the responsibilities on day-to-day running of the union are assigned to the members of the Committee, the National Executive Council of POEU appoints full-time officers and leaves day-to-day matters in the hands of appointed officers. The former has the function of both the National Executive Council and full-time officers of POEU.

Secondly, while the organisation of ZENDĒNTSŪ is based solely on regions, that of POEU is based on both regions and occupational groups. As is understood from the differentials in pay among different grades, there is an explicit conflict of interests among different grades in the P.O. Internal (i.e. indoor) staff tend to regard their jobs superior to that of external (i.e. outdoor) staff and other occupational groups have their own interests. In the past, some groups broke away from POEU to protect their own interests.

Therefore it is necessary for POEU to allow some autonomy to occupational groups in order to preserve the unity of the union.

E. Union finance

Membership subscription of ZENDENTSŪ is, as Dore found in the HITACHI Union, decided according to earnings (see Table 5-3). Each member pays monthly from ¥1,950 (£3.75) to ¥2,775 (£5.34) depending on his monthly basic salary. In addition, strike fund and political fund which amount to about £23.85 a year will be collected. In total ZENDENTSŪ collects about 300 million yen (5.8 million pounds) per a year.

TABLE 5-3 Membership Subscription : ZENDENTSŪ as of October, 1976.

Monthly Basic Salary	Subscription (monthly)	
	¥	(£)
Up to ¥100,000 (£192.31)	1,950	(£3.75)
¥100,000 - ¥104,999 (£192.31-£201.92)	2,025	(3.89)
105,000 - 109,999 (201.92 - 211.54)	2,100	(4.04)
110,000 - 114,999 (211.54 - 221.15)	2,175	(4.18)
115,000 - 119,999 (221.15 - 230.77)	2,250	(4.33)
120,000 - 124,999 (230.77 - 240.38)	2,325	(4.47)
125,000 - 129,999 (240.38 - 250.00)	2,400	(4.62)
130,000 - 134,999 (250.00 - 259.61)	2,475	(4.76)
135,000 - 139,999 (259.61 - 269.23)	2,550	(4.90)
140,000 - 144,999 (269.23 - 278.84)	2,625	(5.05)
145,000 - 149,999 (278.84 - 288.46)	2,700	(5.19)
150,000 and over (288.46 ~)	2,775	(5.34)

The dues of POEU are a fixed weekly sum depending on age; this can be contrasted to the English Electric Unions where the dues depend on skill status and ZENDENTSŪ whose dues depend on earnings. Those members who are 21 years and over pay 32 pence per week and those under 21 years pay 20 pence per week. 22 pence of each quarterly contribution is a contribution to a political fund. This amount of dues is less than a third of the subscription of ZENDENTSŪ. In total POEU collects about 1.2 million pounds per year which is about twenty per cent of the amount collected by ZENDENTSŪ. Thus it is clear that ZENDENTSŪ is far more financially equipped than POEU. The difference is reflected on Union activities. Firstly, ZENDENTSŪ has far more full-time officers than POEU; while ZENDENTSŪ has about 880 full-time officers (one for every 318 members) POEU has only about 40 full-time officers (one for every 3,000 members). Secondly, ZENDENTSŪ has a better channel of communication with its members. While it publishes weekly journal sent directly to members' home, POEU publishes its journal only monthly. This kind of difference in union finance is the same as Dore found between HITACHI and English Electric Unions.

F. Goals of Unions and Political Attitude

ZENDENTSŪ is very much politically oriented. According to its platform, there are five main goals of its movement, i.e. (1) to improve working conditions of its members, (2) to prevent war and to preserve world peace, (3) to construct a democratic socialist state in Japan, (4) to prevent the resurgence of fascism, (5) to democratise the Civil Service. As is clear from these, ZENDENTSŪ regards the reformation of society as its principal purpose. Reflecting this its political attitude is very positive. Although it does not affiliate to SHAKAI-TŌ (Japan Socialist Party)⁽³⁾, the largest opposition party, it strongly supports the party together with other SŌHYŌ unions by the decision of Annual Conference. The contribution to the political fund is not obligatory but almost all the members do contribute to the fund which is used to support the party. There are six MPs who are former-member of the Union and over 300 local councillors. During elections members of the union are mobilised towards election campaigns.

This strong orientation towards political activities is common among the unions of Japanese public employment. There are several reasons for this. One is the process of the democratisation of post-war Japan. As stated in Section A, the GHQ freed the labour movement as one of the ways to democratise Japan. But as political parties were not well established reflecting their de facto absence during the war, trade unions often took the role of political parties. This situation has little changed since then. Although SHAKAI-TŌ

(3) Japanese Unions do not affiliate to political parties.

(Japan Socialist Party) has collected over ten million votes in each general election, it has only about fifty thousand members. As a result, the burden including election campaign has been borne by trade unions affiliated to SŌHYŌ.

Secondly, as also stated in Section A, the employees of the public sector have been deprived of the right to strike, except for a short period just after the war by KŌRŌHŌ (Government Enterprises and Public Corporations Labour Relations Law). It has been the long-cherished desire for the unions concerned to recover the right to strike. As this is not the kind of problem to be solved by collective bargaining, the unions concentrate on political activities such as the lobbying to parliament and some have illegally struck to put pressure on the government.

Thirdly, as will be stated in Chapter 7, Japanese public corporations have not got full authority in awarding pay increases to their employees, because the total amount of the salaries are fixed in the budget which must be approved by both Houses of Parliament. The amendment to the budget, as a rule, is not allowed unless KŌRŌ-I (Government Enterprises and Public Corporations Labour Relations Commission) awards a pay increase, and even in that case, the approval of the Treasury is required. Therefore the unions tend to pursue the struggle for pay increases through political pressure.

Thus it is clear that ZENDEENTSŪ is very much orientated towards political activities. POEU is also very much concerned with political activities. Although it has no explicit ideological platform, four main purposes of the union are clear from its publication.⁽⁴⁾

(4) History, Structure, Organisation, POEU, p. 8.

They are as follows: (1) to fight for better conditions, (2) to protect the individual, (3) to act as a voice for its members, with the employer, at Trade Councils, and in Parliament through its sponsored MPs, (4) to become a fraternity to bring members together. Although political purposes are not directly mentioned, POEU is positive in the political field.

Its political activities can be divided into two aspects. One is the parliamentary representation. There are two MPs who are former members of the Union and there is an effort to increase this number.

Secondly, POEU affiliates to the Labour Party and has political fund. The Trade Disputes Act (1927) made it illegal for Civil Service Unions to affiliate to any political party or to hold political fund. The Act was repealed by the Labour Government of 1946, but the Union did not affiliate to the Labour Party until 1964. Increasingly during the 1960's the POEU became aware that it was necessary to supplement the industrial action by political activities. The Political Fund was established on 1 January 1963 with only 21 thousand members and by the 1963 Conference amounted to only £2,700.⁽⁵⁾ The affiliation to the Labour Party was accepted by 1964 Annual Conference. Since then political activities of the Union have been strengthened. At the end of 1975, the number on which it affiliates is about 76 thousand and 183 branches among 291 affiliate to local Labour Party.

(5) F. Bealey, op. cit., p. 355

Over 89 thousand members are contributing toward the Political Fund quarterly by 22 pence. This kind of political activities are not the same as those of ZENDEITSŪ, which are directly aimed at the reformation of the society. The activities of POEU are to supplement the industrial action.

G. Union attitude towards rationalisation and productivity bargaining.

With the reorganisation of NTT as a public corporation, it set out for the rationalisation of the telecommunications network through successive five year plans. The first stage was the mechanisation of telegram network and the automating of telephone exchanges. ZENDEITSU, at first, strongly opposed the rationalisation and carried out many industrial actions. But it gradually came to realise the inevitability of rationalisation and adopted the policy that it would oppose not to technological innovation itself but to the worsening of working conditions accompanying rationalisation. It claims that most efficient way to prevent the worsening of conditions of work is to conclude collective agreements with the management of NTT.

On the other hand, NTT also changed its attitude towards the Union. At first it refused to negotiate with the Union on rationalisation maintaining that this belonged to administrative matters which should not be negotiated with the union under the provisions of KÖRÖ-HÖ and tried to enforce the rationalisation plans without union consent. But it also came to realise that it was necessary to get union agreement and co-operation in order to carry out the rationalisation smoothly. As a result, the agreement on the redistribution of the staff was concluded and then the practice of the prior consultation in the implementation of rationalisation plans was established.

In practice NTT has been able to carry out the rationalisation efficiently through union co-operation and the union in return has been able to improve the working conditions for its members. To

translate union co-operation into pay there is an agreement as to the payment of productivity allowance mentioned in Chapter 4. This kind of allowance does not exist among other Japanese public employment.

POEU is also generally positive towards rationalisation. With the technological innovation including the automating of telephone exchanges, it came to realise the necessity of rationalisation and, in turn, it has tried to better conditions of work for its members. The negotiations on productivity agreement started in the early 1960's and POEU and the P.O. finally reached an agreement in 1965 through long and complicated negotiations. Under the agreement 'the savings in labour costs deriving from increased labour productivity were estimated and distributed between the engineering workers and the P.O. according to a set formula', i.e., 'the increase in productivity was derived from the actual man-hours spent by each Telecommunications Region under all the works orders and headings of man-hour expenditure and this saving in man-hours was converted to a saving in numbers employed' and 'An average total labour cost per man was then estimated, and multiplied by the number of men saved, to give a total figure for gross savings in the period.'⁽⁶⁾ The principles of sharing the saving is fifty-fifty between the POEU and the P.O. In the case of engineering grades the amount to be shared is settled annually at the time of pay negotiations and is consolidated in the basic pay.

(6) Mackersie and Hunter, Pay, Productivity and Collective Bargaining, Macmillan, 1973, p. 90.

One of the problems with this kind of productivity agreement in the multi-union situation is that it tends to distort the pay structure in the long run. POEU has had the productivity agreement for a long time and, as a result, their pay has been raised faster than those who belong to other Unions. The supervisory grades in engineering do not have any productivity agreement and the differentials between them and lower grades became narrower. They were unhappy about this situation and brought the claim to Arbitration which appreciated the loss of differentials. Actually the pay of supervisory grade was pushed up by minor engineering grades. This caused another problem, i.e. differentials between other supervisory grades. But this was an inevitable problem under the multi-union structure.

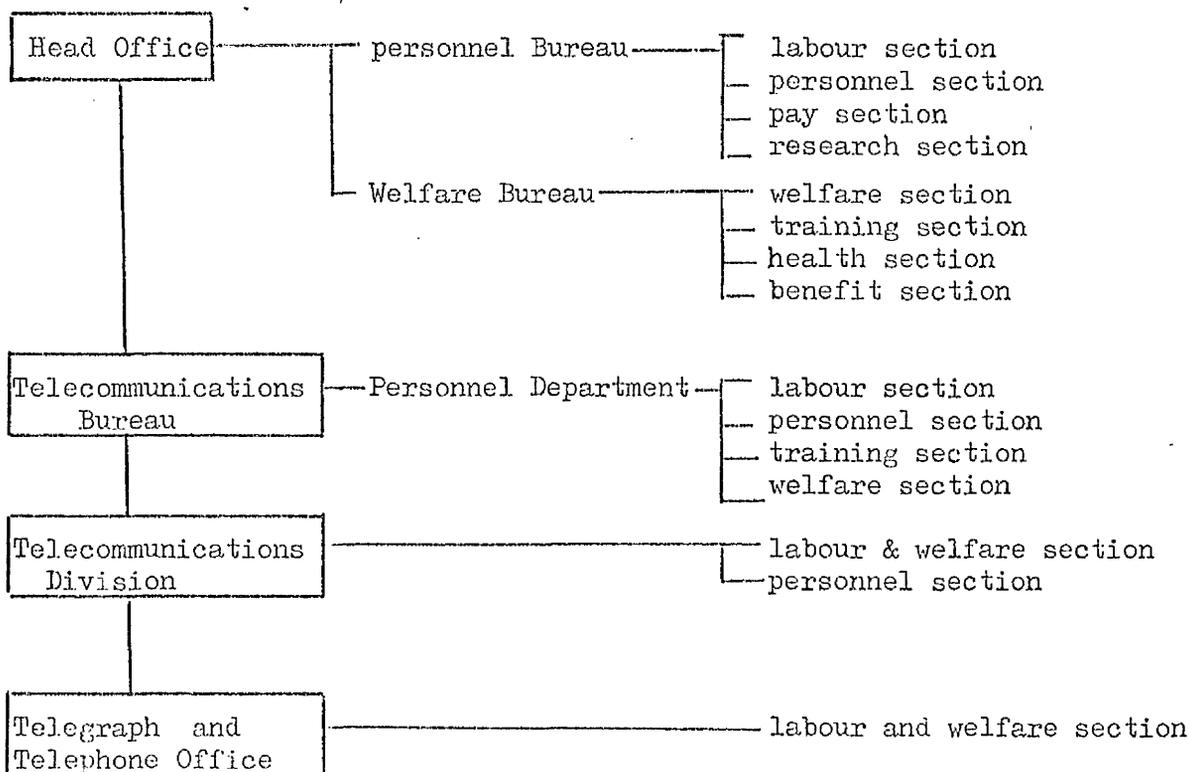
Thus it is clear that both ZENDE^{TSU} and POEU have adopted positive policy towards rationalisation which has been surely conditioned by the rapid technological change in the telecommunications industry. Without this kind of policy neither of the unions could have functioned efficiently.

CHAPTER 6 MANAGEMENT ORGANISATION FOR INDUSTRIAL RELATIONS

1. Management organisation for Industrial Relations : NTT

As shown in Chart 6-1, the management organisation for industrial relations of NTT is bureaucratically formed following the organisation of the Civil Service. The Personnel Bureau and the Welfare Bureau of the Head Office, which consist of four sections respectively, are concerned with policy determination as a whole and are in charge of the negotiations with the Union Head Office. The Head Office collects personnel statistics and information through local organisations and analyses them for policy-making and negotiations with the Union. The decision on pay and conditions of work is the exclusive responsibility of the Head Office and the negotiations on these matters take place only between the Head Offices of NTT and the Union.

Chart 6-1 Management organisation for industrial relations : NTT



The Head Office of NTT makes regulations and written instructions on the collective agreements concluded with the Union Head Office which are sent to Telecommunications Bureaus. The Bureau sets its own policy within the framework given by the Head Office taking its own special situations into account and makes regulations and written instructions to be sent to Telecommunications Divisions. At the lower level, each Telecommunications Division does the same, and finally each Telegraph and Telephone Office applies the regulations and instructions thus given. As the regulations and instructions given from upper level are to be strictly observed, the scope for decision-making at lower level is very much limited. Whenever there are doubts as to their application the lower level simply refers the matter to upper level to seek instruction. Thus the management organisation for industrial relations of NTT is very much bureaucratically centralised.

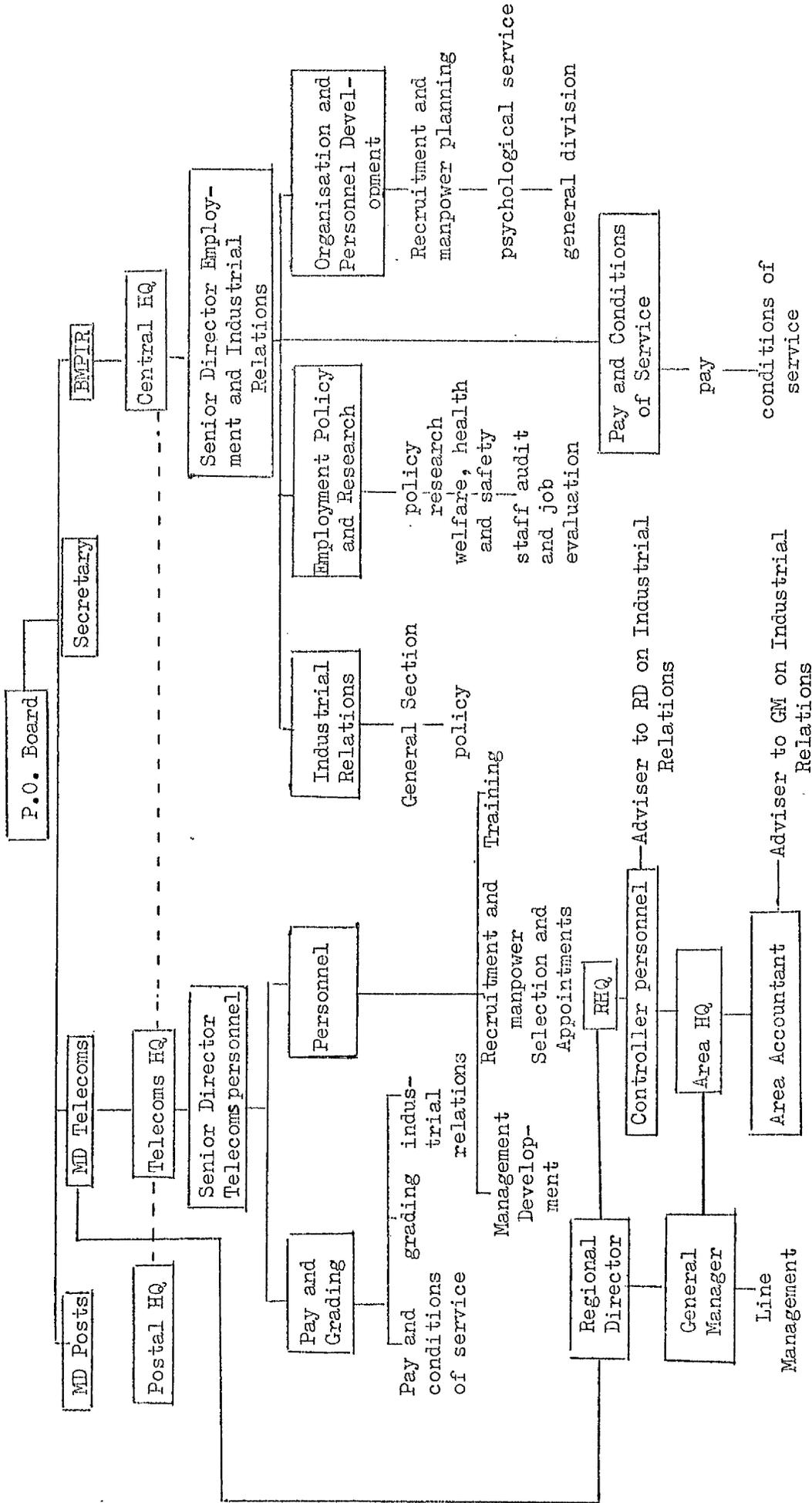
The other feature of ^{the} management organisation for industrial relations of NTT is specialisation. At all levels from the Head Office down to local telegraph and telephone offices, there are special sections in charge of industrial relations. Within each organisation, the specialist section is in the position of giving advice to other management staff on industrial relations matters and is in charge of negotiations with the union. Although some line managers are the members of bargaining committee (see next Chapter), their main role is to give information to the specialist section and they do not have significant authority on industrial relations.

2. Management organisation for industrial relations : the P.O.

The management organisation for industrial relations of the P.O. is, as shown in Chart 6-2, very much centralised. Negotiations on pay and conditions of work are the responsibility of the Head Office. In CHQ (Central Headquarters) there is a Board member for personnel and industrial relations and a Secretary who are responsible for the co-ordination between the telecommunications and postal businesses and the common policy making on such matters as London weighting allowance, leaves, welfare and health.

In THQ (Telecommunications Headquarters), the Senior Director Telecommunications Personnel is in charge of industrial relations in the telecommunications business. As unions are organised according to a grade or grades and negotiations on pay and conditions of work take place according to unions, policy-making and negotiation with the unions on pay and main conditions of work applied only to the telecommunications business are the responsibility of THQ. In fact it is not too much to say that THQ has almost complete autonomy on industrial relations subject to external criteria dictated by the government.

Chart 6-2 Management Organisation for Industrial Relations : the P.O.



Within the telecommunications business decision-making is very much centralised to THQ. Regions and Areas have no authority on pay and conditions of work. They are responsible only for the application of national standards.

One of the differences from the system in NTT is that the management organisation of the P.O. at local level is not as specialised as in NTT. In each Telecommunications Region, there are some advisers to Regional Director on industrial relations under the Controller Personnel. In the case of the Telephone Area, there are some advisers to Telephone Manager on industrial relations under the Area Accountant. But there is not any specialist section in charge of industrial relations. There are professionals on industrial relations only in THQ. Organisationally line management is responsible for industrial relations at local level, although its main role is limited to the application of the policy given by THQ.

3. Explanations for Centralisation; technological uniformity.

The difference Dore found between HITACHI and English Electric does not hold true between NTT and the P.O. While Dore contrasted the centralised organisation of HITACHI to the decentralised organisation of English Electric, the management organisation of both NTT and the P.O. is highly centralised and bureaucratically organised. This can be explained by the technological uniformity of the telecommunications business. The telecommunications network covers the whole of each country and offers a uniform service based on law. The technology used is almost uniform throughout the country. Wherever employees are working, there is not any significant

difference in the actual work content by grade.

This makes it both possible and necessary to centralise the responsibility on industrial relations to the Head Office and to leave only the application of the policy centrally adopted to local situation.

Despite the similarity, however, there is a small difference between NTT and the P.O. as stated in the above sections. This is a difference at the lowest level of the organisation. While NTT has a specialist section even at local telegraph and telephone offices, the P.O. has no such specialist section on industrial relations and the responsibility is borne by line management. This probably reflects the more formality in NTT as indicated by the abundant existence of written regulations and instructions.

CHAPTER 7 COLLECTIVE BARGAINING STRUCTURE

A. Collective bargaining under strict government control: NTT

1. Legal framework

Philosophically, pay and other conditions of employment of the employees of NTT are settled through free collective bargaining between the management and the union. But in the case of NTT, as one of the public corporations in Japan, there are some legal restrictions on the matters to be taken up by collective bargaining and in the way collective bargaining is carried out in order to harmonise the rights of workers with public welfare. While employees in the private sector are guaranteed the basic rights of workers i.e., rights to unite, to bargain collectively and to strike by RÖDÖKUMIAI-HÖ (Trade Union Law), KÖRÖ-HÖ (Government Enterprises and Public Corporations Labour Relations Law), which is applied to NTT, has provisions to restrict or to deprive some of the basic rights because government enterprises and public corporations have close relations to the life of general public and the stoppage of their work could cripple the economy as a whole.

Section 8 of the law excludes administrative matters from the objects of collective bargaining. For example the allocation of staff is such and the management may reject collective bargaining on it. But to implement the rationalisation of the telecommunications industry through successive five year plans, it has been necessary to get union co-operation, and NTT has therefore established consultative machinery on rationalisation separately from collective bargaining.

Section 17 of the law forbids strike action and section 18 of the law provides for penalties including dismissal. As noted in Chapter 5, the recovery of the right to strike has been one of the main aims of the unions concerned. This does not necessarily mean the absence of strikes in NTT. ZENDE^{TSU} (the only effective union in NTT) has gone on strike very often especially in recent years. Until a few years ago the management of NTT penalised severely those who planned or participated in strikes and many union officers were dismissed or suspended from work. But in recent years it changed its attitudes and the penalties have become nominal. The union thus claims that it has got a de facto right to strike.

To compensate the prohibition of strikes, chapter 5 of K^{OR}O-H^O provides for the co-ordination of industrial relations by K^{OR}O-I (Government Enterprises and Public Corporations Labour Relations Commission) which consists of seven members representing the public interest, five representing management and three representing the unions.

There are three stages of the co-ordination by the Commission. The first is mediation which is initiated by either or both of the parties or the chairman of the Commission. The aim of mediation is to promote the voluntary settlement of disputes by offering the chance of mutual understanding.

The next stage is arbitration which begins by the request of either or both sides, the chairman of the Commission or the minister in charge. The award of arbitration does not bind the parties concerned.

The final stage is compulsory arbitration which begins under the

same condition as the second stage. The difference from the second stage is that the award of compulsory arbitration binds the parties concerned and has the same effect as collective agreements except in a case, when the award means an appropriation which is impossible without the revision of the budget it does not bind the government. This kind of award becomes effective only after having got the approval of both Houses of Parliament. For example, pay increases awarded by the Commission in May 1976 had not become effective until the law to increase tariffs for ^{the} telecommunications services scraped through Parliament in October.

2. Machinery for collective bargaining

The machinery for collective bargaining of NTT which is shown in Table 7-1 is very much centralised reflecting the centralised organisation of both management and the union. The supreme decision making machinery is the Central Bargaining Committee under which local bargaining committees, i.e., regional, district and workplace bargaining committees exist. This negotiating avenue corresponds to the organisation of NTT. Following section 9 of KŌRŌ-HŌ which provides that collective bargaining between NTT and the union shall be between those members of the collective bargaining committee representing management and the union, both NTT and the union nominate the members of the committees respectively as shown in Table 7-1. The term of the service of the members is for a year. The matters to be taken up by each committee are those which belong to the responsibilities of the head of each management organisation of NTT. In the case of disagreement, the matters are to be referred to a higher level. But in practice only the Central

Bargaining Committee is responsible for the negotiations on pay increases and other conditions of work and other local committees are concerned only with the implementation of agreements reached at central level.

Table 7-1. Machinery for collective bargaining: NTT

Bargaining Committee	between	number of members (not more than)	
		NTT	Union
Central Bargaining Committee	Head Office (NTT) - Head Office (Union)	30	30
Regional Bargaining Committee	Telecommunications Bureau - CHIHON (Regional Council)	15	15
District Bargaining Committee	Telecommunications Division - SHIBU (District Council)	10	10
Workplace Bargaining Committee	Telegraph & Telephone Office - BUNKAI (Branch)	7	7

3. Actual process of collective bargaining

(a) Pay settlement - SHUNTŌ and the award of KŌRŌ-I

The annual pay increases in NTT are settled through the so-called SHUNTŌ (Spring Labour Offensive). Since 1955 two central organisations of unions, SŌHYŌ (the General Council of Japan Labour Union and CHŪRITSU-RŌREN (the Federation of Independent Unions) have organised SHUNTŌ-KYŌTŌ-IINKAI (the Spring Struggle Co-ordinating Committee) and have demanded pay increases annually in spring through joint action by member unions. The features of SHUNTŌ can be summarised as follows:

(1) it is a struggle concentrated in a special time of the year, i.e.

spring and carried out annually; (2) as many unions as possible in a particular industry organise a series of joint struggles under the schedule set by SHUNTŌ-KYŌTŌ-IINKAI; (3) not unexpectedly, the main aim is to obtain higher pay increases.

ZENDENTSŪ, which is also a member of KŌRŌKYŌ (the Government Enterprises and Public Corporations Workers Unions Joint Committee) formed by the unions of government enterprises and public corporations puts a claim on management in early spring and may repeat several strike actions under the instruction of KŌRŌKYŌ which sets the schedule for government enterprises and public corporations unions in consultation with SHUNTŌ-KYŌTŌ-IINKAI.

Although NTT, as with other public corporations, may conclude an agreement on pay increases, in practice it is deprived of the authority to do so. Its budget must get the approval of both Houses of Parliament and the total amount of the pay of the employees of NTT is fixed in the budget and may not be changed without the consent of the government. Therefore in replying to the union claim, NTT has offered nominal increases within the framework of the budget, which is far from union satisfaction. For example, in 1975, the first offer from NTT was ¥7,070 (£13.60) a month excluding annual periodical increases against the union demand of over ¥36,000 (£25.91). Even the management of NTT privately admits that the first offer was too small, but under the present situation it cannot do better.

Thus it is not possible to settle pay increases by the collective bargaining between management and the union and the matter has been

referred to the third party, i.e. KÖRÖ-I and settled through its compulsory arbitration. KÖRÖ-I in practice has performed the role of collective bargaining machinery as far as pay settlement is concerned. As seven members of KÖRÖ-I representing the public interest are nominated by the government and the numbers of the members representing management and unions are five and three respectively, its decision is, in fact, strongly controlled by the government. Therefore the union does not attach much importance to intra-firm collective bargaining as far as pay negotiation is concerned and puts pressure on the government by repeating joint strike actions of government enterprises and public corporations unions. Since 1965 it has been a custom to give the award of KÖRÖ-I equally to all the unions concerned by taking the pay settlement of the private sector into account, i.e. the comparability with the private sector has played an important role.

This situation is very much different from that of HITACHI Dore investigated. Although the pay increases in HITACHI are also settled through SHUNTÖ, both management and the union reach an agreement exclusively through the collective bargaining between them and the process is free from government control. Both management and the Union of NTT are not happy about the government control and in particular the fact that the award of the compulsory arbitration of KÖRÖ-I is normally given equally to all government enterprises and public corporations unions. ZENDEITSÜ criticise^s the management of NTT for not having real authority on pay settlement. The fact that although the union has been fairly co-operative with

the management in rationalisation in contrast to the reactionary attitudes of other government enterprises and public corporations unions towards rationalisation, it has not been able to get any better pay increases except some extra fringe benefits and a little improvement in conditions of work has caused strong feelings of dissatisfaction among the rank and file members of the union. Therefore, the union strongly claims the establishment of free collective bargaining in NTT.

Although the management of NTT also admits the existence of the problem there is no real prospect of change because it is impossible to improve the situation without amending the laws concerned and the government is not likely to agree to the amendment.

(b) Other Working Conditions

As opposed to the pay settlement the conditions of work other than pay are normally settled through collective bargaining between NTT and the Union. Conditions of work are normally negotiated alongside with pay during SHUNTŌ (Spring Labour Offensive).

4. Consultative Structure

Although administrative matters are excluded from the objects of collective bargaining by KŌRŌ-HŌ, the implementation of some administrative matters is in practice difficult without the understanding and co-operation of the union because they have some impact on the conditions of work. In particular as NTT has promoted rapid rationalisation and modernisation of the telecommunications business, it has been indispensable to get union co-operation.

Therefore NTT has developed consultative machinery separately from collective bargaining. There is an agreement as to the joint consultative machinery for the explanation of annual investment and expansion programme. Joint consultation takes place between the Head Office of NTT and the Union Head Office and between Telecommunications Bureau and CHIHON (Union Regional Council). As for the level below Telecommunications Bureau, there is no particular agreement, but it has been a long established custom to explain the programme and get union understanding.

B. Collective Bargaining: the P.O.

1. Legal Framework

In contrast to NTT, there is no particular labour legislation to control the industrial relations in the P.O. The basic labour rights are thought to be guaranteed on the same basis as the private sector. The right to unite was guaranteed by the Trade Union Act 1871 after the repeal of Combination Act in 1824. The right to negotiate collectively is ensured by Section 11 of Schedule 1 of the P.O. Act 1969 which provides for the establishment of joint consultative and negotiating machinery in the P.O. Finally the right to strike is thought to be guaranteed by Conspiracy and Protection of Property Act 1875 and Trade Disputes Act 1906. The former freed the unions from criminal liability and the latter from civil liability. However, some doubt about the legal standing of strikes by the P.O. workers was raised at the beginning of 1977 because the Court of Appeal granted an interim injunction forbidding the boycott of postal and telecommunications links with South Africa planned by POEU and UPW. This issue will be taken up in detail in Chapter 8.

2. Joint Consultative and Negotiating Machinery

(a) Joint Consultative and Negotiating Machinery with COPOU

(1) COPOU (the Council of Post Office Unions)

With the reorganisation of the P.O. in 1969 the Whitley Council ceased its role in the P.O. To replace the Whitley Council, the P.O. Act 1969 provides for the establishment of joint consultative and negotiating machinery in the P.O. However, it was necessary to establish a

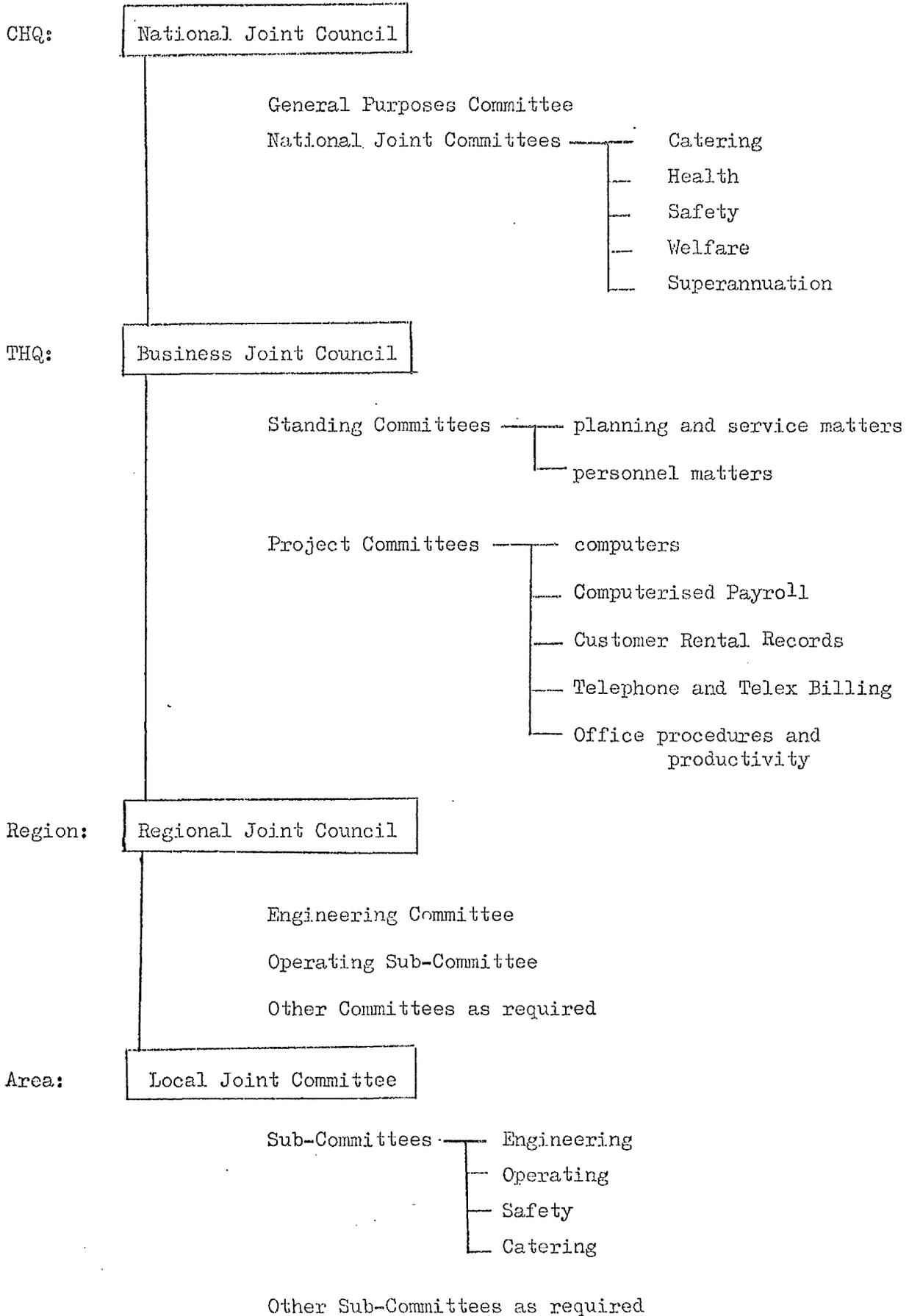
co-ordinating body of the unions in order to operate the machinery effectively. For this purpose the P.O. unions formed COPOU (the Council of Post Office Unions). The constituent members of COPOU are POEU (Post Office Engineering Union), UPW (Union of Post Office Workers), CPSA (Civil and Public Services Association), POMSA (Post Office Management Staff's Association), SPOE (Society of Post Office Executives) and NFSP (National Federation of Sub-Postmasters). There are three associate members, i.e. SCS (Society of Civil Servants, IPCS (Institution of Professional Civil Servants) and TCOA (Telephone Contract Officers Association).

(2) Joint Consultative and Negotiating Machinery with COPOU

Joint consultative and negotiating machinery with COPOU is, as shown in Chart 7-1, characterised by the four-tier system corresponding to the organisation of the P.O.

The National Joint Council chaired by the chairman of the P.O. meets once a year and discusses matters concerning both ^{the} postal and telecommunications businesses. Some of the examples of matters taken up are as follows: (i) Efficiency with which the P.O. operates, (ii) Health, Safety, Welfare, Further Education and Training, (iii) Improvement of equipment, working methods and organisation, (iv) Maintenance of oversight of joint machinery at all levels. It also has the duty to establish an arbitration machinery. The National Joint Council is very formal and its main function is to exchange information between the management and the unions. In practice the general purposes committee which consists of the chairmen and the general secretaries of the Unions and the members

Chart 7-1 Joint Consultative and Negotiating Machinery with COPOU



representing the P.O. is important.

The Business Joint Council chaired by the Managing Director Telecommunications is held three times a year and deals with the matters concerning the telecommunications business. It deals with (i), (ii) and (iii) of the matters taken up by the National Council within the telecommunications business. It is also concerned with the application of corporation policy to the telecommunications business.

Each Regional Joint Council chaired by the Regional Director meets quarterly and is concerned with the following matters;

(i) Co-operation in matters affecting services provided by region, (ii) Measures to increase productivity, (iii) Safety, health, welfare, further education and training, (iv) proper handling of grievances, (v) Utilisation of staff, resources, enterprise, ideas and experiences (vi) Conditions of work (vii) Application of national agreements.

The Area Joint Committees chaired by General Managers also meet quarterly and are concerned with the same kind of matters as those taken up by the Regional Joint Council at Area level.

(3) Actual role of Joint Councils

It is not easy to reach an agreement through these councils because too many people and too many unions representing various interests are involved. For example the numbers of the members on the National Joint Council is 18 from the P.O. and 27 from COPOU. As a result only a limited number of matters such as London weighting allowance, holidays, and superannuation are discussed by the National Joint Council. Pay and conditions of work other than mentioned above

are negotiated by individual union. Therefore it is not too much to say that the main value of the Councils is just the provision of information.

(b) POSSNC and MNAOA

Post Office Senior Staffs Negotiating Council (POSSNC) representing Senior Salary Grades and Merchant Navy and Airline Officers Association (MNAOA) representing Cableship Officers have separate machineries for joint consultation and negotiation.

3. Actual process of Collective Bargaining

(a) Pay settlement

When the P.O. staff were civil servants, their pay was settled on the basis of 'fair comparison' with private industries, taking account of differences in working conditions, as recommended by the Priestly Report of 1955. The Civil Service Pay Research Unit (now in suspension) fixed the outside comparisons in consultation with the parties and collected the data. These surveys by the Civil Service Pay Research Unit were made every four years and every three years from 1969. The P.O. did not negotiate or decide pay of its staff who shared common civil service grading such as clerical and administrative grades. Their pay was in practice negotiated between the Treasury and the Unions concerned. However, the P.O. negotiated pay for its own grades such as telephonists and engineers on a basis of fair comparison.

With the transformation into a public corporation, the P.O. began to negotiate with the Unions on its own responsibility. However, civil service pay levels have continued to influence negotiation, particularly in the case of clerical grades which have counterpart in the civil service and belong to some Civil Service Unions. But in negotiation with the Unions, such factors as internal and external relativities, general movement in outside pay settlement, cost of living, recruitment situation and productivity are taken into account.

Actual negotiations in the P.O. are carried out with each of the ten recognised unions and the POSSNC separately. The unions negotiate with the P.O. for the grade they represent. The collective bargaining on pay in the telecommunications business is between THQ (Telecommunications Headquarters) and the Head Offices of the Unions. Only POSSNC negotiates with CHQ (Central Headquarters).

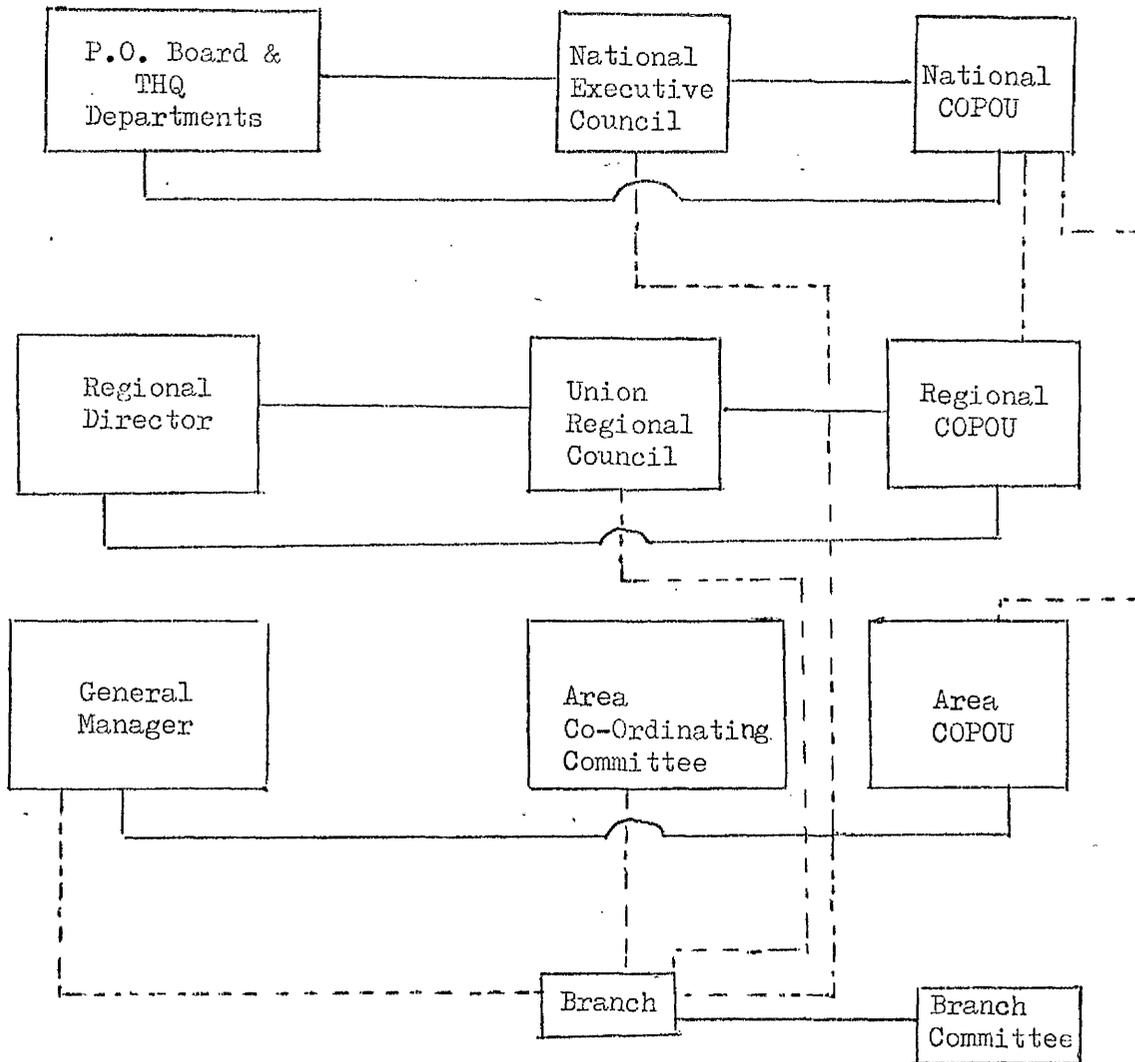
Thus the collective bargaining in the P.O. on pay settlement is, like NTT, very much centralised. However, there is one great difference reflecting union structure. While the negotiations on pay increases of NTT are concentrated in Spring, the P.O. Unions historically have different pay review dates, e.g. UPW and Clerical Unions in January and POEU in July, and negotiate for the grades they represent. This fragmented negotiating dates have caused difficulties in co-ordinating the different settlements and the management is obliged to face the problems of differentials between grades and leap-frogging.

(b) Government Control on Pay Negotiation

Collective bargaining on pay in the P.O. is, in principle, free, i.e. there is no such direct legal control from the government as found in NTT. However, successive government has been very much concerned about the problem of balance of payment and inflation and has asked the P.O. for its co-operation in wage and price policies. In fact throughout the incomes policies in the past decade or so, the pay of the employees of the P.O. has been under strict government control. The most recent example of this is the pay negotiation under the social contract of the Labour Government of 1975. Both in the first and second year of the social contract, the pay increases of the P.O. workers were settled exactly along the standards set by the government and the TUC as was most of the labour force.

(c) Negotiations on other Conditions of Work

Only a limited number of matters concerning all the unions such as London weighting allowance, holidays, starting pay on promotion and superannuation are negotiated between CHQ and COPOU. Other main conditions of work such as hours of work, overtime rates and night and weekend premiums are negotiated between THQ and the Unions directly concerned. The negotiations on conditions of work are also carried out mainly at central level. The negotiating avenue for POEU is shown in Chart 7-2. Lower levels are concerned mainly with the implementation of the central agreements.

Chart 7-2 Negotiating Avenues of POEU

Source: History, Structure, Organisation, POEU

(d) Arbitration

There is an agreement between the P.O. and POEU, APOE, IPCS, POMSA, TCOA and UPW as to the use of the P.O. Arbitration Tribunal. In case of disagreement with the union, each Area Manager registers the disagreement and leaves the case to the Regional Director concerned and then to THQ. The final stage of disputes is to go to arbitration.

If either or both of the parties require, the P.O. and a union or unions shall jointly request the Secretary of State for Employment to refer the dispute to the P.O. Arbitration Tribunal. The tribunal consists of (1) an independent chairman nominated by the Secretary of State for Employment after consultation with the P.O. and the unions, (2) one member drawn from a panel of persons constituted by the Secretary of State as representing the P.O. after consultation with the P.O. and (3) one member drawn from a panel of persons constituted by the Secretary of State as representing the unions after consultation with them. The members of the panel are appointed triennially.

The cases to be referred to the Tribunal are those which are concerned with such terms and conditions of employment as (1) Rates of pay (2) Allowances in the nature of pay, (3) Overtime rates, (4) Subsistence rates, (5) Travelling and Lodging allowances, (6) Conditioned hours, (7) Annual leave allowances and (8) starting pay on promotion.

In contrast to the arbitration system of NTT, the award of the Tribunal does not legally bind the parties concerned, although the agreement stipulates that the P.O. and the Union will accept the award.

Here it is possible to find the influence of 'voluntarism' of the British industrial relations system.

C. Main findings

From the last two sections it is clear that the differences Dore contrasted between HITACHI and English Electric, i.e. centralised and formalised system in HITACHI vs. fragmented and complicated system in English Electric, does not hold in the case of NTT and the P.O. The machinery for collective bargaining in both NTT and the P.O. is very much centralised as is the case in HITACHI. This is partly due to the technological uniformity of the telecommunications industry which makes it necessary and possible to apply uniform wages and other conditions of work to the whole of organisation. To maintain uniformity it is necessary to centralise collective bargaining structure and to prevent informal bargaining by informal workshop organisations.

However, collective bargaining structure in NTT and the P.O. is not exactly the same as that in HITACHI. Firstly, while collective bargaining in HITACHI is quite free from government control, collective bargaining in NTT and the P.O. is under tight government control especially on pay increases. Collective bargaining in NTT, particularly on pay increases is strictly controlled by the government by special legislation, budget and day-to-day policies. Wage bargaining in Britain has been under the influence of incomes policy in the past decade or so and the P.O. has been more strictly controlled than the private sector because it is a public corporation and more vulnerable to government control.

104.

Furthermore, collective bargaining structure in the P.O. has some element of fragmented structure Dore found in English Electric because wage bargaining in the P.O. is carried out separately at different time of the year according to the unions. This is mainly due to the differences in wage system between Japan and Britain. Although the P.O. uses incremental scales based on age, differentials among different job grades are considerable and conflict of interests among grades cannot be ignored. Therefore unions are organised according to job grades to protect the interests of particular grades. Thus competition rather than co-operation among unions in collective bargaining has become dominant and the unions choose to negotiate separately with the P.O.

CHAPTER 8 CONCLUSIONS AND LOOK TO THE FUTURE

A. Conclusions

1. Introduction

As stated in Chapter 1, Dore made point-by-point comparisons on industrial relations between HITACHI and English Electric and characterises the differences between them as 'organisation-oriented' Japanese system and 'market-oriented' British system (as for main points of the comparisons see Chapter 1). The aim of this section is to summarise the main findings of this study by fitting NTT and the P.O. onto the spectra based on Dore's study and to explain the differences not only between NTT and the P.O. but also between the public and private sectors.

As this study is concentrated on institutional and material differences between NTT and the P.O., it is not possible to give a total picture of industrial relations. Furthermore, some of the features taken up in this study are out of the scope of the spectra. Therefore thirteen of the most important features will be taken up and a four point spectrum for each will be given. The hypothesis put forward in Chapter 1, i.e. on many aspects NTT, HITACHI, the P.O. and English Electric would appear on the spectrum in that order, will be testified and given explanations. Some of the features shared by NTT and the P.O. will be explained separately from the spectra, as it is not suitable to fit them on to the spectra.

2. Four point spectra

The four point spectra showing the differences in industrial relations between NTT, the P.O., HITACHI and English Electric are given in Chart 8-1.

Chart 8-1: Four point Spectra

(1) Mobility of workers

low mobility N P H E high mobility

(2) Status differences between staff and manual workers

no clear-cut N,H,P E considerable
difference |-----|-----|-----|-----|
differences

(3) Recruitment

systematic & N H P,E less
formal |-----|-----|-----|-----|
systematic

(4) Training

continuous in- N,P H E reliance on
service training |-----|-----|-----|-----|
public authority

(5) Main factors in determining wages

market situation N H P E market situation
is not import- |-----|-----|-----|-----|
ant is important

(6) Principle governing the distribution of wage/salary bill

no relations to market rules N H P E skill differentials

(7) Monetary incentive

indirect H P,N E direct

(8) Welfare services

all-embracing N H P E inconsequential

(9) Union membership

enterprise union N,H P E craft union

(10) Union Organisation

centralised N,P,H E fragmented

(11) Union membership subscription

high N,H P,E low

(12) Time of wage bargaining

periodical N,H P E unpredictable

(13) Collective bargaining structure

centralised N,H P E fragmented

* N stands for NTT, H for HITACHI, P for the P.O. and E for English Electric.

The four firms, i.e. NTT, HITACHI, the P.O. and English Electric are fitted onto the spectra according to criteria given to each spectrum, which clearly show the differences between the four firms. However, some further explanation is necessary in order to get a more precise picture of the differences.

(1) Mobility of workers

Dore pointed out that while HITACHI workers are less oriented towards job-changes under the shelter of ^{the} life-long employment system, English Electric workers change their jobs relatively frequently in order to better themselves. However, the turnover rates of the workers of both NTT and the P.O. are lower than even those of HITACHI workers. The employment system of NTT is an extreme pattern of ^{the} Japanese life-long employment system because (a) the employees of NTT are given legal protection against dismissal, (b) men and women are treated equally, (c) there is no temporary employees as found in HITACHI and (d) there is no official retirement age. Therefore, the turnover rates of the employees of NTT are considerably lower than those of the private sector workers.

Although the turnover rates of the employees of the P.O. are higher than those of the employees of NTT, they show less mobility not only than English Electric workers but also than HITACHI workers. There are several reasons for these low turnover rates: (a) the telecommunications business has grown constantly and there has been little possibility of redundancy; (b) the opportunity of employment in outside industries is limited because of the uniqueness of the telecommunications technology; (c) incremental scales,

fairly high rate of increases in wages and some privileges like pensions make it more advantageous to stay on.

Thus the positions of the four firms are given as spectrum (1) shows.

(2) Status differences between staff and manual workers

Dore found that while there is not a clear-cut difference in status between staff and manual workers in HITACHI, there are considerable differences in English Electric. It is difficult to find in both NTT and the P.O. such clear-cut differences in status between staff and manual workers as Dore found in English Electric. This is partly due to the technological nature of the telecommunications industry which gradually eliminated manual workers but also due to the organisational character as public corporation. Therefore, the positions of the four firms are as shown on spectrum (2).

(3) Recruitment

Dore contrasted systematic recruitment of HITACHI to less systematic recruitment of English Electric. Recruitment of NTT is more formal and systematic than HITACHI using open examinations. Recruitment of the P.O. is, like that of English Electric, less systematic than that of the Japanese firms. Therefore NTT and HITACHI stand at the one end of the spectrum leaving the P.O. and English Electric at the other end (see spectrum (3)).

(4) Training

Dore found that while HITACHI provides continuous in-service training to its employees at its own vocational training schools, English Electric has not its own vocational training school and leaves the training of its employees to public authority. However, both NTT and the P.O. have their own training schools and give more continuous in-service training than HITACHI to cope with rapid technological changes in the telecommunications industry. Thus the positions of the four firms on spectrum (4) are given.

(5) Main factors in determining wages

Main factor in determining wages in HITACHI is the comparability with other firms in the same business but wages in English Electric are determined by a market situation. However, in both NTT and the P.O. comparability with the private sector plays a dominant role in determining wages although the latter takes into account some market factors such as recruitment situations and wastage rates. Therefore, the positions of the four firms are as shown on spectrum (5). This is not only because both NTT and the P.O. are large public corporations with legal monopoly positions but also because it is difficult to find similar skills in outside industries due to the uniqueness of the telecommunications technology.

(6) Principle governing the distribution of wage/salary bill

Dore found that in distributing wage/salary bill English Electric attaches great importance to market situations, i.e. skill differentials but HITACHI takes into account many factors such as

educational level, age, sex, merit as rated by supervisors, family responsibility and function currently performed in the firm which are not derived from market rules. Although such factors as educational level, age and family responsibility are taken into account in NTT, sex and merit as rated by superiors which are made much of in HITACHI are totally excluded. In the case of the P.O., although differentials between different grades are important, they are based on internal comparisons and are not given by the 'labour market'. Furthermore, the P.O. attaches some importance to age using incremental scales. Therefore, the principle governing the distribution of wage/salary bill in the P.O. departs to some extent towards the Japanese one from the British one. Thus the four firms are fitted onto the spectrum as shown on spectrum (6). This is largely due to the technological uniqueness of the telecommunications industry and the organisational features as public corporation.

(7) Monetary incentives

Dore found that while in HITACHI monetary incentives are (a) identical for every type of employees, (b) almost exclusively contingent rather than direct, (c) of longer term, (d) quite consequential and (e) multiform with assessment by superiors, those of English Electric are direct under piece-rate system. However, in both NTT and the P.O. monetary incentives are indirect because only promotion seems to be incentive to the employees. Thus the positions of NTT and the P.O. on the spectrum are between HITACHI and English Electric (see spectrum(7)). This is due to the fact

that both NTT and the P.O. are public corporations with long histories as government departments. As they are operated on a budget rather than by profit-motive, equality overcomes the merit system or piecerate system.

(8) Welfare services

Dore's finding on welfare services is that while HITACHI provides all-embracing welfare services to its employees, the welfare services offered by English Electric are insignificant. This contrast also holds true in the case of NTT and the P.O. The welfare services offered by NTT are wide-ranging and even better than those provided by HITACHI but the only significant welfare service provided by the P.O. is pensions. Therefore, as for welfare services, the positions of the four firms are as shown on spectrum (8).

These reflect the differences in the attitude of the firms to their employees. While Japanese firms are concerned with every aspect of employees life, British firms think of their employees in terms of working abilities. The other cause of the difference is the difference in social security provided by the state. As the Japanese social security system is by far poorer than the British, firms take over to some extent the role of the state.

(9) Union membership

Dore's finding on union membership is that while the membership of the HITACHI union is limited to the permanent employees of HITACHI and there is only one Union in HITACHI, English Electric

unions are organised beyond firm's boundary and there are many fragmented unions operating in English Electric according to crafts. ZENDEENTSŪ (NTT Union) is organised along much the same line as the HITACHI Union. However, the P.O. Unions share to some extent both Japanese and British features. Although there are several unions in the P.O. according to job grades, major unions in the P.O. such as POEU and UPW are organised only by the employees of the P.O. because the uniqueness of the telecommunications industry makes it difficult to find the kind of workers who share common interests with P.O. workers. Thus the positions of the four firms on spectrum (9) are given.

(10) Union organisation

Dore contrasted the formal and centralised organisation of the HITACHI Union to the dual structure of the English Electric unions made up of official union organisation and informal workplace organisation represented by shop stewards. However, the organisation of both ZENDEENTSŪ and POEU and other unions in the P.O. are very much centralised to coincide with management organisation. As the technological uniformity of the telecommunications industry leaves few regional differences in jobs there is little chance of conflict of interests between union head office and branches. As a result it is possible to centralise the authority and responsibility to union head office. The positions of the four firms on the spectrum (10) are thus given.

(11) Union membership subscription

According to Dore, HITACHI union collects more and higher subscription than English Electric Unions. The same contrast

can be found between ZENDENTSŪ and POEU, the largest union in the telecommunications side of the P.O. Therefore the positions of the four firms are as shown on spectrum (11).

(12) Time of wage bargaining

Dore found that wage bargaining in HITACHI is quite periodical, i.e. they negotiate three times a year concerning annual base-up in spring and summer and winter bonuses, but that wage bargaining in English Electric is less frequent and less predictable. Wage bargaining in NTT takes place at about the same time as HITACHI and other firms in Japan. Although wage bargaining in the P.O. is fragmented throughout the year according to unions, pay review date for each union is fixed. Therefore, the P.O. stands between Japanese firms and English Electric as shown on spectrum (12). This is due to the background of the P.O. as a government department because the pay for the Civil Service has been reviewed periodically on the basis of 'fair comparison' with the private sector.

(13) Collective bargaining structure

Dore found that while collective bargaining in HITACHI is very much centralised it is fragmented in English Electric. It is not possible to find this contrast between NTT and the P.O. Collective bargaining in NTT and the P.O. is very much centralised reflecting the centralised organisation of both management and union. Management organisation of both NTT and the P.O. is very much centralised because of the technological integration of the telecommunications industry and their background as government departments. Union organisation is also centralised as explained above. Furthermore

as the jobs are more or less similar throughout the organisation it is both easy and preferable to regulate wages and other conditions of work uniformly for the whole of the organisation. As a result collective bargaining structure is naturally centralised. Thus the positions of the four firms on spectrum (13) are given.

The hypothesis put forward in chapter 1 is not necessarily proved true from these spectra because the positions of NTT and HITACHI overlap on many of the spectra. However, neglecting the mutual positions of NTT and HITACHI, it can be said that the P.O. stands between Japanese firms and English Electric on many of the spectra. This is a very important finding because it means that while the industrial relations system of NTT shares the feature of the Japanese system with HITACHI and on certain respects it embodies the Japanese features in more extreme pattern than that of HITACHI, that of the P.O. approaches to some extent towards the Japanese system, although it obviously still shares some of the features of the British industrial relations system.

As is clear from the explanation of each spectrum, this finding is explained mainly by the features made clear in Chapter 2, i.e. (a) scale of NTT and the P.O., (b) the technological integration of the telecommunications system, (c) monopoly positions of NTT and the P.O., (d) organisational features as public corporation with background as government department, and (e) rapid technological changes in the telecommunications industry.

3. Features peculiar to NTT and the P.O.

NTT and the P.O. share some important features apart from those shown on the spectra which cannot be fitted onto the spectra. These are (a) union attitude towards rationalisation, (b) consultative machinery and (c) government control on pay bargaining. Firstly, unions in NTT and the P.O. have been co-operative with management in rationalisation and productivity bargaining is established in both NTT and the P.O. As technological changes in the telecommunications industry have been very rapid management and unions have been obliged to face the problem of rationalisation and the only way out of the problem was union-management co-operation in the implementation of rationalisation plans through productivity bargaining.

Secondly, consultative machinery is established in both NTT and the P.O. This can be explained by rapid technological changes and the need for getting union co-operation in the implementation of rationalisation plans.

Thirdly, there is considerable control from the government on pay negotiations in the case of NTT by legislation and in the case of the P.O. by incomes policy. As NTT and the P.O. are legally given monopoly positions and their businesses are being run as public corporations, the governments think it necessary to impose some control on the running of the business including pay negotiation. By far the larger scale of NTT and the P.O. comparing the respective private sector is also one of the reasons for the government control.

On these three points mentioned above, the two public sector firms, i.e. NTT and the P.O. are ^{more} similar to each other than either is to its respective private sector, due to the organisational features as public corporation and the specific features of the telecommunications industry. From this and the last section, the important role played by technology and form of management, i.e. public or private in the formation of industrial relations system can be clearly understood.

B. Future development

1. Problems surrounding the workers' right to strike.

Looking to the future development of industrial relations in NTT and the P.O. one of the most important problems would be that of the workers' right to strike. In the case of NTT, as stated in Chapter 5 and Chapter 7, section 17 of KŌRŌ-HŌ (Government Enterprises and Public Corporations Labour Relations Law) which followed the letter of General MacArthur of 1948, prohibits any form of industrial action by the employees of government enterprises and public corporations. The recovery of the right to strike has been the long-cherished desire of the unions concerned. During annual SHUNTŌ (Spring Labour Offensive) they combined the demand for the recovery of the right to strike with the demand for pay increases and better conditions of work and organised many actions including actual strikes. Following the provision of KŌRŌ-HŌ the management imposed strict penalty, including dismissals on those who organised or participated in strikes, which resulted in a deterioration of labour-management relations in the public sector as the unions organised industrial actions to protest against the penalty. Thus the vicious circle of 'strike and penalty' has dominated the industrial relations in the Japanese public sector and both management and unions have been criticised for it.

In recent years, however, the management of government enterprises and public corporations have come to realise the necessity to normalise the labour-management relations for the efficient running of government enterprises and public corporations. This is especially

true of NTT where the smooth implementation of successive rationalisation programmes has been one of the supreme problems. As a result the degree of penalty has been considerably lessened and now the main penalty is mere warnings in writing. Thus it is not too much to say that the unions have acquired de facto right to strike.

The unions still tried further to eliminate the penalty in any form and launched a ten day strike at the end of 1975 to lift the legal restriction on their industrial action. During the strike even the management of public corporations including NTT publicly admitted that it was necessary to give the right to strike to their employees in order to normalise the labour-management relations in the public sector. However, as the strike continued, the discontent of general public

increased and the government, influenced by the right-wing faction of ruling Liberal Democratic Party, took advantage of this situation and succeeded in carrying over the solution of the problem in the future. Through this process it became clear that the Unions would not be able to recover the right to strike by mere repetition of 'unlawful' strikes. As the government is reluctant to admit the right to strike, the problem of the workers' right to strike in the public sector is not likely to be solved in the near future.

In the case of the P.O., the unions were thought to have freedom to take industrial action as other unions. However, in early 1977 the doubt about the legal standing of their right to take industrial action was raised because the Court of Appeal granted an interim injunction to the boy-cott of postal and telecommunications links with South Africa planned by FOEU and UPW as part of an international

union protest against apartheid in South Africa. The Court ruled that planned boycott would violate the P.O. Act 1953 and Telegraph Act which forbid the interference with mails and telegrams.

POEU and UPW are now appealing to the House of Lords. On the other hand they are asking the government to change the law in order to prevent the curtailment of their right to strike by a legal obligation not to interfere with mails and telegrams. They argue that as other unions in the water, gas and electricity industries which have close relation to the life of general public are free to take industrial action, it is natural to lift the prohibition imposed on the Post Office workers. But it is not easy for the government to change the two Acts because it does not command majority in House of Commons.

In view of the increasing importance of telecommunications in present society, it is not a coincidence that the right to strike of unions of the telecommunications workers are in question in both Japan and Britain. It is not a simple task to harmonise the right of the workers and public interests which could be damaged by the interruption in the telecommunications service.

2. Review of the operation of the P.O.

One important development which would make the P.O. more like NTT is the work of the committee chaired by Professor Charles Carter reviewing the operation of the P.O. The committee was set up at the end of 1975 and has been investigating the evidence presented to it by the parties concerned. The committee is to decide whether any change could be made which would enable the P.O.

to better perform its functions under the P.O. Act 1969 especially to consider whether the postal and telecommunications businesses should be separated.

The management of the P.O. claim that the P.O. should be split into two separately managed and statutorily accountable businesses because the 'labour-intensive' postal services and the 'capital-intensive' telecommunications services are far too large to be directed by a single board, nor can they be highly managed under the present structure.

POEU, the largest union in the telecommunications business, is for the split. In the evidence to the committee⁽¹⁾, it maintains that 'the overall structure of the P.O. is not conducive to the efficient running of any of the businesses. The postal and telecommunications businesses are separate and distinct. The existence of a central board inhibits effective decision making'. Therefore 'there should be separate national boards for posts and telecommunications, each directly accountable to the appropriate minister.' This attitude reflects the union's confidence that it is in the prosperous business and would gain from the split.

However, it is doubtful whether the postal and telecommunications businesses would be split in the near future because UPW, the largest union in the P.O., is strongly against the split because of the reason that 'the split would mean more cost to the public'. This contrasting attitude of UPW to that of the POEU is due to the fact that the bulk of the members of UPW is in the declining postal

(1) P.O. Review Committee evidence submitted by POEU

business and it may lose some members among telephonists from its ranks as a result of the split.

In spite of the difficulties involved, it seems that the separation of the telecommunications business from the postal business is inevitable for the efficient running of the business. In case the split is carried out, the industrial relations system of the P.O. would approach considerably towards that of NTT.

3. Industrial democracy

One important development in the industrial relations of the P.O. is industrial democracy which attracts little attention in NTT. In the P.O. the argument concerning industrial democracy has been well ahead of other state industry and private industry. A report issued in February 1977 by a joint union-management study group on worker participation proposed a two year experiment on the introduction of worker directors on the board⁽²⁾, which closely followed the formula for worker directors in private industry recommended by the majority of the Bullock Committee.⁽³⁾

The new board shall be composed of a chairman and 16 other members, i.e. 6 drawn from the unions, 6 from the management and 4 independents with an appropriate blend of experience and expertise. The P.O. Act 1969 provides that the Secretary of State for Industry shall appoint the chairman of the board and, after consultation with

(2) The outline of the report is based on the article of 'The Times' of 19th February, 1977

(3) Cmnd 6706 Report of the Committee of Inquiry on Industrial Democracy, 1977

him, the other members also. As to the co-ordination with this provision, the report said that political responsibilities should remain unchanged. But the unions have put up their own nominations and selection process so that the minister will normally have to appoint the unions' chosen candidate. However, if there was any question that he might be unable to accept a union nomination for appointment to one of the unions seats, the union would expect a full discussion with the Union concerned before a final decision was reached.

Union nominees are likely to be the members of executive council or full-time officers.

The union directors would assume all the responsibilities and obligations of other board members. For the duration of their appointment they would not be allowed to be engaged in the direct negotiations with the P.O.

They would not be directed by the Unions but they would have to report back to their constituencies at annual conferences or executive councils. Union directors would have to discuss with fellow members or with the chairman the general nature and extent of their reports back, and while they would not be expected to defend publicly a board decision that was at variance with union policy, they would have to refrain from attacking such decisions in public. The unions would not be able to use in any argument against the board information that they had gained in confidence as a result of reporting back, and the union directors would share a common responsibility with other board members for explaining why the board came to decisions, including any with which they disagreed.

The unions concerned with this experiment are POEU, UPW, POMSA, SPOE, CPSA and NFSP and it will be implemented through COPOU. There has been discussions to extend the experiment at regional and area levels. The overall programme must get the approval at the annual conferences of each union concerned.

On the other hand, some legislation will be needed to put the changes into effect. Although the government is positive towards the plan, it has not yet decided whether to allow the experiment to proceed before the legislation on the general introduction of industrial democracy based on the Bullock Report, which has been strongly opposed by the CBI since it was published.

In Japan industrial democracy is not so much discussed as in Britain partly because unions are cautious of the danger involved and partly because the idea of industrial democracy is to some extent accomplished through informal contact between union and management. This is especially true in the case of NTT. It is not too much to say that ZENDENTSŪ (NTT Union) has much say over the running of NTT through formal and informal consultation at various levels. Therefore although industrial democracy as such is not institutionalised in NTT, the idea has already been realised.

Thus three main subjects now pending in NTT and the P.O. i.e. workers' right to strike, reorganisation of the P.O. and industrial democracy, show that the systems of industrial relations of NTT and the P.O. are changing in the same direction.

Job Grade	Educational Qualification	Junior High School	High School	College	Technical College	University
Construction engineering		(£145.19) ¥75,500	(£152.50) ¥79,300	(£157.11) ¥81,700	(£159.81) ¥83,100	
Clerical	(£134.23) ¥69,800	¥75,500	¥79,300	¥81,700	(£228.65) ¥118,900 *	
					(£200.00) ¥104,000 **	
					(£178.07) ¥926,000 ***	
					¥83,100	
Data processing system designing		¥75,500	¥9,300	¥81,700	¥83,100	
Telegraph operating	¥69,800	¥75,500	-	-	-	
Radio Telegraph Operating	¥69,800	¥75,500	¥9,300	-	-	¥83,100
Exchange Engineering	¥69,800	¥75,500	¥9,300	¥81,700	¥83,100	
Computer Engineering	-	¥75,500	¥9,300	¥81,700	¥83,100	
Key Puncher	¥69,800	¥75,500	-	-	-	
Telephone Operating	¥69,800	¥75,500	-	-	-	
External Engineering	¥69,800	¥75,500	¥9,300	¥81,700	¥83,100	
Telegram Delivery	¥69,800	¥75,500	-	-	-	

* Head Office Recruitment with Doctor's Degree
 ** Head Office Recruitment with Master's Degree
 *** Head Office Recruitment with First Degree

Appendix 2 Minimum and Maximum Salary and the Number of
Periodical Increase Table Applied; NTT

as of 1.4.1975.

Job Group	Rank	Minimum Salary	Maximum Salary	Number
General	V	¥69,800 (£134.23)	¥116,700 (£224.42)	1
	IV	77,700 (£149.42)	161,700 (£311.96)	2
	III	97,800 (£188.19)	167,400 (£321.92)	2
	II	109,400 (£210.38)	171,900 (£330.58)	3
	I	125,200 (£240.76)	181,800 (£349.62)	4
	I (special)	142,100 (£273.27)	199,400 (£383.46)	5
Telecommuni- cations	III	69,800 (£134.23)	116,700 (£224.42)	1
	II	77,700 (£149.42)	161,700 (£311.96)	6
	I	95,800 (£184.23)	167,400 (£321.92)	6
Telephone Operating	III	69,800 (£134.23)	116,700 (£224.42)	1
	II	77,700 (£149.42)	151,400 (£291.15)	7
	I	91,500 (£175.96)	156,800 (£301.54)	7
External Engineering	III	69,800 (£134.23)	116,700 (£224.42)	1
	II	77,700 (£149.42)	159,400 (£306.54)	8
	I	98,500 (£189.42)	165,400 (£318.08)	8
Telegram Delivery	III	69,800 (£134.23)	116,700 (£224.42)	1
	II	77,700 (£149.42)	158,000 (£303.85)	9
	I	98,300 (£189.04)	163,900 (£315.19)	9

Appendix 3 Periodical Increase Table : NTT Yenas of 1.4.1975

Number	from	Basic Salary to	Periodical Increase
1	69,800 (£134.23)	116,700 (£224.42)	1,900 (£3.65)
	77,700 (£149.42)	91,100 (£175.19)	1,900 (£3.65)
	91,100 (£175.19)	95,100 (£182.88)	2,600 (£5.00)
	95,100 (£182.88)	101,700 (£195.76)	3,100 (£5.96)
2	101,700 (£195.76)	149,800 (£288.08)	3,500 (£6.73)
	149,800 (£288.08)	153,000 (£294.23)	*
	153,000 (£294.23)	154,600 (£297.31)	1,800 (£3.46)
	154,600 (£297.31)	167,400 (£321.92)	1,600 (£3.08)
3	109,400 (£210.38)	129,300 (£248.65)	3,700 (£7.12)
	129,300 (£248.65)	154,800 (£297.69)	3,800 (£7.31)
	154,800 (£297.69)	158,600 (£305.00)	3,500 (£6.73)
	158,600 (£305.00)	162,100 (£311.73)	3,200 (£6.15)
	162,100 (£311.73)	165,300 (£317.88)	2,900 (£5.58)
	165,300 (£317.88)	167,300 (£321.73)	*
	167,300 (£321.73)	171,900 (£330.58)	1,800 (£3.46)
	125,200 (£240.77)	137,800 (£265.00)	3,900 (£7.50)
4	137,800 (£265.00)	146,200 (£281.15)	4,100 (£7.88)
	146,200 (£281.15)	169,000 (£325.00)	4,300 (£8.27)
	169,000 (£325.00)	172,400 (£331.54)	*
	172,400 (£331.54)	176,800 (£340.00)	2,500 (£4.81)
	176,800 (£340.00)	181,800 (£349.62)	2,200 (£4.23)
5	142,100 (£273.27)	158,400 (£304.62)	4,300 (£8.27)
	158,400 (£304.62)	177,900 (£342.12)	4,500 (£8.65)
	177,900 (£342.12)	179,400 (£345.00)	4,100 (£7.88)

contd.../

	77,700 (£149.42)	91,100 (£175.19)	1,900 (£3.65)
	91,100 (£175.19)	97,100 (£186.73)	2,600 (£5.00)
	97,100 (£186.73)	109,200 (£210.00)	3,100 (£5.96)
6	109,200 (£210.00)	149,800 (£288.08)	3,500 (£6.73)
	149,800 (£288.08)	153,000 (£294.23)	*
	153,000 (£294.23)	158,800 (£305.38)	1,800 (£3.46)
	158,800 (£305.38)	167,400 (£321.92)	1,600 (£3.08)
	77,700 (£149.42)	91,100 (£175.19)	1,900 (£3.65)
	91,100 (£175.19)	104,000 (£200.00)	2,600 (£5.00)
7	104,000 (£200.00)	115,800 (£222.69)	3,000 (£5.77)
	115,800 (£222.69)	146,000 (£280.77)	3,300 (£6.35)
	146,000 (£280.77)	149,400 (£287.31)	*
	149,400 (£287.31)	156,800 (£301.54)	1,500 (£2.98)
	77,700 (£149.42)	91,100 (£175.19)	1,900 (£3.65)
	91,100 (£175.19)	97,100 (£186.73)	2,600 (£5.00)
	97,100 (£186.73)	111,000 (£213.46)	3,100 (£5.96)
8	111,000 (£213.46)	149,800 (£288.08)	3,400 (£6.54)
	149,800 (£288.08)	152,800 (£293.85)	*
	152,800 (£293.85)	156,300 (£300.58)	1,800 (£3.46)
	156,300 (£300.58)	165,400 (£318.08)	1,600 (£3.08)
	77,700 (£149.42)	91,100 (£175.19)	1,900 (£3.65)
	91,100 (£175.19)	94,700 (£182.12)	2,600 (£5.00)
	94,700 (£182.12)	115,400 (£221.92)	3,000 (£5.77)
9	115,400 (£221.92)	149,800 (£288.08)	3,400 (£6.54)
	149,800 (£288.08)	152,800 (£293.85)	*
	152,800 (£293.85)	154,800 (£297.69)	1,800 (£3.46)
	154,800 (£297.69)	163,900 (£315.19)	1,600 (£3.08)

* The amount of increase is decided by subtracting 100 yen from the amount just above per 200 yen's difference in basic salary

e.g.	from	to	
	166,900	169,800	2,600
	169,800	171,600	*
	171,600	178,600	1,600
	169,800	170,000	2,500
	170,000	170,200	2,400
	170,200	170,400	2,300
	170,400	170,600	2,200
	170,600	170,800	2,100
	170,800	171,000	2,000
	171,000	171,200	1,900
	171,200	171,400	1,800
	171,400	171,600	1,700

Appendix 4 Pay Scales : the P.O.

(1) Clerical/Executive Grades

per annum as of 1.4.75

Higher clerical Officer		Executive Officer		Higher Executive Officer	
Scale	Distribution of staff in post	Scale	Distribution of staff in post	Scale	Distribution of staff in post
£	%	Age £	%	£	%
2,826	0.6	18 2095	0.3	4338	10.1
3,380	13.2	19 2196	0.3	4507	13.3
3,562	6.8	20 2287	0.3	4674	11.5
3,783	6.0	21 2384	1.9	4860	10.2
3,894	5.3	22 2490	3.8	5017	13.3
4,040	68.1	23 2597	3.5	5256	41.6
		24 2826	6.2		
		3156	9.2		
		3346	9.0		
		3541	16.8		
		3751	7.1		
		4040	41.6		

(2) Sales grades

per annum as of 1.4.75

Sales Representative			Sales Superintendent		Senior Sales Superintendent	
Scale	Distribution of Staff in post		Scale	Distribution of staff in post	Scale	Distribution of staff in post
Age	£	%	£	%	£	%
18	1827	-				
19	1976	-				
20	2128	-				
21	2278	-	4008	6.6	4513	2.1
22	2495	-	4117	4.8	4663	6.4
23	2726	2.2	4250	5.1	4843	2.5
	3026	9.1	4397	8.7	5011	8.0
	3196	6.6	4544	10.7	5167	15.3
	3361	6.8	4730	64.1	5413	65.7
	3522	5.9				
	3698	6.2				
	3878	63.2				

(3) Engineering Grades

per annum as of 1.7.75

Executive Engineer			Assistant Executive Engineer			Inspector	
Scale	Distribution of staff in post		Scale	Distribution of staff in post		Scale	Distribution of staff in post
Age	£	%	Age	£	%	£	%
Graduate Entry Scale			18	2464	-	3803	1.0
21	3203	0.2	19	2633	0.03	3965	3.8
22	3355	0.7	20	2814	0.04	4133	7.5
23	3539	1.8	21	3157	0.02	4395	87.7
24	3722	1.2	22	3303	0.17		
25	3890	0.9	23	3463	0.62		
26	4058	0.2	24	3636	0.99		
27	4143	0.3	25	3791	1.45		
28	4233	0.5		3950	1.78		
29	4387	0.4		4067	2.92		
30	4540	0.2		4252	8.28		
Career Scale				4419	6.99		
	4936	1.9		4706	7.81		
	5097	3.1		4966	5.71		
	5261	6.8		5305	63.19		
	5424	6.2					
	5581	8.3					
	5764	13.5					
	5945	4.8					
	6168	49.0					

Technician (as of 1.7.75) per week

Class I	Class IIA	Class IIB
£	£	£
63.64	51.00	47.55
	53.77	50.32
	56.88	53.63

Senior Technician (as of 1.7.75)

£ per annum

3612

3745

Technical Officer (as of 1.7.75)

£ per annum

3115

3254

3405

3557

3709

3861

Instructor (as of 1.7.75)

£ per annum

3419

3605

3785

3965

4151

Trainee Technician (Improver) (as of 1.7.76) Trainee Technician (Apprentice) (1.7.75)

Age	£ per week	Age	£ per week
18	32.99	16	24.97
19	36.55	17	28.39
20	40.37	18	32.99
21	47.35	19	36.55
		20	40.37

(4) Traffic Grades

per annum As of 1.4.75

Telecoms Traffic Officer			Telecoms Traffic Superintendent		Senior Telecoms Superintendent			
Scale	Distribution of Staff in post		Scale	Distribution of Staff in post		Scale	Distribution of Staff in Post	
Age	£	%	Age	£	%	£	%	
18	1876	1.2	18	2515	0.2	4449	3.1	
19	1999	1.8	19	2561	0.5	4629	5.2	
20	2131	1.4	20	2626	0.5	4801	7.1	
21	2262	1.5	21	2690	1.1	4991	9.7	
22	2395	1.2	22	2761	3.0	5153	8.6	
23	2538	3.3	23	2834	3.6	5402	66.3	
	2669	12.7	24	2932	5.4			
	2858	4.4	25	3129	9.9			
	3168	7.3		3358	8.2			
	3551	65.2		3608	6.8			
				4049	6.6			
				4469	54.2			

(5) Operating grades

Telephonist (as of 1.1.75)

Age	£ per week
16	19.10
17	21.49
18	26.48
19	28.63
20	31.39
21	33.82 *
	34.41 *
	37.56

* These rates apply only to staff with less than 2 years continuous service in the grade, including new entrants aged 21 and over.

Supervisor (Telephone) (as of 1.4.75)

£ per annum

2867

2966

3065

Senior Chief Supervisor (Telephone)
(as of 1.4.75)

£ per annum

3926

4104

4280

Telegraphist (As of 1.1.75)

Age	£ per week
16	19.83
17	22.05
18	28.60
19	31.20
20	34.62
21	35.09 *
	36.36 *
	40.75

* These rates apply only to staff with less than 2 years continuous service in the grade, including new entrants aged 21 and over

Supervisor (Telegraphs) (1.4.75)

Supervisor High Grade (Telegraphs) (1.4.75)

£ per annum	£ per annum
3179	3815
3320	3956
3461	4097
3602	4238

(6) The National Salary bands for the Senior Salary Structure

per annum (1.1.75)

Band	Minimum	Maximum	Single step Increase
1	11376	13756	476
2	10822	13112	458
3	10287	12502	443
4	9785	11920	427
5	9321	11366	409
6	8269	10094	365
7	7325	8965	328
8	6333	7963	326
9	5858	7073	243
10	5240	6455	243

* Individual salaries within pay bands will be reviewed annually.

* Subject to satisfactory performance an increase of one-fifth of the band, abated by any amount necessary to limit the salary paid to the maximum of the band, will be paid.

* In return for exceptionally meritorious performance an increase of two-fifths of the band may be paid to limited numbers of staff.

* Increases in excess of the maximum may also be paid.

Appendix 5 Miscellaneous Allowances, the P.O.

Job Grade	Description of Allowance	Payment
Technician IIB	Emergency Call	£0.48 a call
	Handling graphited cable	£0.30 a day
	Working on petroleum jelly cables	£0.10 an hour (maxima £0.50 a day) £2.50 a week)
	Driving Allowance	£0.067 a day
Technician IIA	Use of two foreign languages	£7.410 a week
	Use of one foreign language	£4.856 a week
Technician I	Reception of morse	£2.34 a week
Senior Technician	Use of two foreign languages	£385 a year
	Use of one foreign language	£251 a year
Technical Officer	Use of two foreign languages	£385 a year
	Use of one foreign language	£251 a year
	Night attendance at a Repeater Station	£191.26 a year
Assistant Executive Engineer	Assisting Cable Testing Officer duties	£111.702 a year
Executive Engineer	Cable Testing Officer Allowance	£300.000 a year
Telephonist	International Exchange(Radio)	£2.904 a week
	International Exchange (Continental Combined Working)	£1.995 a week
	Supervising	£2.253 } a week £2.804 }
	Supervising single Attendance	£0.354 a week
	Exchange 'Clerical' work	£1.602 } a week £2.153 } £2.253 }
Telephonist (Provinces)	Disturbance - 5 nights	£2.871 a week
	6 nights	£3.954 a week
	7 nights	£4.895 a week
	Substitution on rest nights	£1.035 a night
Telephonist (M)	Permanent Nights and Sunday duty	£1.403 a week
Assistant Supervisor(Telephones)	Chargeship of Observation Centre: with 4-7 observers	£58.00 a year
	with 8-9 observers	£87.00 a year
Telegraphist	Testing and Maintenance	£2.654 (full-time) a week
	Supervising	£0.377 } a day £0.450 } £0.551 }
Senior Telecoms Superintendent Telecoms Traffic Superintendent Telecoms Traffic Officer	Language	£301 a year

Appendix 6 Compensations for Additional Attendances : the P.O.

(1) Overtime payment

(a) weekdays

grade	entitlement
Assistant Executive Engineer Inspector	Time off, exceptionally payment at single hourly rate
Telegraphist	First 6 hrs: at hourly rate and a quarter Next 6 hours: at hourly rate and a half Thereafter : at double rate
Telegraphist (R)	
Telephonist	
Senior Technician	at the hourly rate which differs according to basic salary. (between 1.3 and 1.5 times of basic rate)
Technical Officer	
Technician I	
Technician IIA	
Technician IIB	
Trainee Technician (Appren- tice)	
Trainee Technician (Improver)	
Supervisor (Telegraph)	First 6 hrs: at hourly rate and a quarter Thereafter: Rate and a half
Supervisor (Telephones)	
Assistant Superintendent (Overseas Telegraph)	At single hourly rate
Sales Superintendent	
Senior Chief Supervisor (Telephones)	
Senior Sales Superintendent	
Superintendent (Overseas Telegraph)	
Supervisor (")	
Supervisor Higher Trade (Telegraph)	
Telecommunications Traffic Officer	

(b) Sundays

grade	entitlement
Telecommunications Traffic Officer :	Time off equivalent to hours worked plus payment at three quarters or payment at rate and three quarters.
Senior Technician) at the hourly rate which differ according to basic salary. (between 1.9 and 2.0 times of basic pay.)
Technical Officer	
Technician I, IIA and IIB	
Trainee Technician (Apprentice)	
Trainee Technician (Improver)	
Assistant Supervisor (Telegraph)) at double rate
Assistant Supervisor (Telephone)	
Sales Representative	
Supervisor (Telegraph)	
Supervisor (Telephone)	
Telegraphist	
Telephonist	
Sales Superintendent	
Senior Chief Supervisor (Telephones)) at rate and a half
Senior Sales Superintendent	
Supervisor Higher Grade (Telegraph)	
Assistant Executive Engineer	
Inspector (Engineering)	At hourly rate and three quarter

(2) Night Attendance between 8 p.m. and 6 a.m.

a quarter of single rate	:	Assistant Supervisor (Telegraph)
		Supervisor (Telegraph)
		Supervisor Higher grade (Telegraph)
One third of single rate	:	Assistant Supervisor (Telephones)
		Supervisor (Telephones)
		Technical Officer
		Senior Technician
		Technician I, IIA and IIB
		Trainee Technician (Apprentice)
		Trainee Technician (Improver)

(3) Shift Working

£2.65 per shift	:	Senior Technician
		Technical Officer
		Technician I, IIA and IIB
		Trainee Technician (Apprentice)
		Trainee Technician (Improver)
£3.95 a shift	:	Assistant Executive Engineer
		Inspector (Engineering)

Appendix 7. Explanations of certain important terms in this study.

Although some common terms are widely used in both Japan and Britain, they are often used in rather different senses in the two countries. Some terms are also peculiar to Japan. As a proper understanding of such concepts is essential in a comparative study it is necessary to give some definition of them and to make the use of these concepts clearer.

The important terms are as follows:-

(1) Bonus

In Japan bonus (BONASU) means the periodical payment made normally twice a year i.e. at mid-summer and at year's end. The amount of this bonus is considerable, each payment constituting the equivalent of two to three months' monthly payment. The total size of the bonuses is basically negotiated separately on each occasion reflecting the business performance of firms. Although the origin of the bonus is the reward given to employees by their employer for their good service many present workers regard it as a part of their basic earnings.

But in Britain the term bonus is generally used in quite a different situation. Bonus normally means the differences between actual hourly earnings and base rate under piecework system. If work is completed in less hours than the standard rate, hourly earnings on the piecework system would obviously be increased, and this increase in bonus which may fluctuate weekly or monthly

according to the efficiency of the pieceworker is called as having a bonus in Britain.

(2) Retirement Allowance

Retirement allowance in Japan is often called TAISHOKUKIN (Lump Sum Retirement Gratuity). It is a normal practice for Japanese firms to pay a large amount of (often more than £20,000) lump sum retirement gratuity based on length of service and the basic salary at the time of retirement. This surely compensates to a certain extent the poor pension system in Japanese private firms.

However, recently the firms have come to realise the huge cost of the retirement gratuity when a large number of workers recruited during the high-rate growth period begin to reach retirement age. Therefore some firms have introduced a new pension scheme for which the firms contribute half the cost in order to hold the amount of retirement allowance constant.

In the public sector where the pension system is traditionally superior to the private sector, the amount of retirement allowance paid to each employee is much smaller than the private sector.

It is difficult to find the counterpart of retirement allowance in Britain, where State pensions occupy a much more significant role.

(3) Shop Stewards

In Japan shop stewards are the lay union officers called SHOKUBAIIN at workplace level. They are normally elected by the

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secret vote of the members of the union branch following the procedures laid down in union rules. The role of shop stewards is officially laid down in union rules, and they are under tight control from union headquarters. Therefore shop stewards constitute a part of the formal union structure and the dual structure often found among British unions does not exist in Japanese unions.

British shop stewards are normally informally elected at workplace and occupy a different role from paid union officers. Although some unions have recognised the existence of shop stewards in their rules, it is normally not clear how they ought to be elected. The only rule in practice is that they should be appointed by some means which give them legitimacy in the eyes of the fellow workers in their workplace. With the continuance of full-employment, shop stewards increased their power, negotiating additional rates on top of the national rates determined by the official institutions of Employers' Associations and Trade Unions. As they are often very loosely connected with formal Union institutions the growth of shop stewards system has produced a dual structure of industrial relations in Britain.

(4) Collective Bargaining

Collective bargaining in Japan means a formal negotiation between the official representatives of management and union. There normally exists a written agreement as to the procedures of collective

bargaining. The number of the members of the bargaining committee, and the procedures to select them are officially laid down in the agreement. There is also an agreement as to when, how and at what level collective bargaining is to be held. Therefore collective bargaining is very much formalised.

But in Britain there are two types of collective bargaining. One is the formal negotiation between official institutions of employers' associations and the trade unions and the other is the informal negotiation at workplace level between managers and shop stewards. Procedural rules even as to formal negotiation does not generally exist. Informal negotiation at workplace level is completely left to custom and practice. Furthermore informal collective bargaining at workplace level is often out of the control of the formal collective bargaining at national level. Therefore the British system of collective bargaining is commonly characterised as a dual structure incorporating both the formal and informal processes, which were central to the Donovan (Royal Commission) Report on the British System of Industrial Relations.

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