Japan's labour shortage eats away at back-breaking work culture

Reuters, Tokyo

When she worked in sales for a Japanese bank, Chihiro Narazaki was passed over for the best assignments in favour of older colleagues. Her input was discouraged and she often stayed late just to do routine paperwork.

The 29-year-old knew where this was heading: her father, who works in pharmaceutical sales, had a similar lifestyle, which she describes as "stuck in time."

Determined to avoid that fate, she found a new job, selling software for Cybozu Inc. She says she now sets her own goals, her voice is heard, and her presence is not mandatory.

"Sometimes I work from home, go visit a client, and then go back home to do more work," said Narazaki, who has taken up yoga. "We have a lot of freedom."

"At my previous employer, what you did was determined by how old you were," she added. "It was a shame because people couldn't use or develop their skills."

With unemployment at a 26-year low, Japanese companies are facing stiff competition for talent. But younger people entering the workforce often resent everything that made the Japanese corporate environment globally notorious: long hours, strict top-down discipline and rewards based on loyalty and seniority.

This generational conflict is reshaping Japan's infamous work culture.

REUTERS/FILE

Pedestrians make their way in a business district in Tokyo.

Many firms now ask employees to focus on their clients rather than their bosses, set their own goals instead of waiting for orders and allow them to work from home, avoid overtime and take more vacation.

Human resources experts say this shift is not yet the norm in Japan. But it is becoming increasingly common and already affecting economic growth and labour productivity.

Reforms introduced in April could accelerate it. Companies will now face penalties if they don't limit work hours or make it easier for staff to take vacation.

"Companies had created a system that rates you on hours worked, and that's how you got ahead in the corporate world," said Yoshie Komuro, head of Work-Life Balance Inc, which advises the government on labour reforms. "Now it's becoming a question of how you can produce results with limited resources in Japan."

Prime Minister Shinzo Abe has gradually reformed labour laws since taking office in 2012, making it easier for mothers to take part-time jobs, cutting hours and reducing the pay gap between full-time and contract workers.

Since then, average work hours have fallen at the fastest rate in the Group of Seven industrialized economies, beating the average among members of the Organisation for Economic Cooperation and Development.

Japan also leads G7 productivity gains for that period.

For Cybozu, those gains translate into double-digit annual growth rates in sales.

Older staff say their company once had a bad reputation for working employees into the ground. At one point, 28 percent of its workforce left in one year because of overwork. Now the attrition rate is 5 percent, and the company has stopped advertising positions on third-party websites.

"At first I was extremely worried that my generation could not adapt. I'm happier now," said Takashi Matsukawa, 46, a human resources adviser at Cybozu.

During Japan's late 1980s-early 90s economic boom, when the West faced frequent worker unrest, Japanese companies found an edge in technology, as well as the devotion and discipline of their skilled workers. The culture required maximum effort for any task, regardless of magnitude, and no questioning of orders. But in some cases that developed into an ethos of pleasing bosses rather than customers.

Hiroaki Izumi, general manager in charge of the compliance control department at Sumitomo Life Insurance, recalls holding unneeded in-house meetings and crafting elaborate summaries of business updates from each branch around the country.

That left less time for simple but useful tasks, such as making explanatory brochures for customers or improving their privacy protection, he says.

Q1 profits tumble for Germany's second largest lender

AFP, Frankfurt

Germany's second-largest lender Commerzbank said Wednesday it was sticking to full-year forecasts for 2019 even as profits halved in the first quarter, after merger talks with rival Deutsche Bank fell through.

Net profits were down 54.2 percent year-on-year, at 120 million euros ($134 million), the group said in a statement, adding that a significantlyhigher tax bill was largely to blame.

Operating, or underlying profit was down 5.6 percent at 244 million euros, on revenues down almost three percent at 2.2 billion.

Growth in the bank's net interest income as it acquired more customers and assets nevertheless allowed it to absorb the higher costs from new EU regulations known as Mifid II, introduced last year.

Executives from both Commerzbank and Deutsche Bank walked away from merger talks late last month, saying the business case for a tie-up was not strong enough.

That leaves the lender with the yellow triangle logo to press on with its solo strategy focused on retail banking and small business clients, which added 123,000 new customers over the quarter.

"Business with our clients remains on a positive track," said chief financial officer Stephan Engels, also highlighting the corporate sector's "resilience" in a "very competitive environment" in the first quarter, when it added 800 clients.

Commerzbank, which remains almost 16-percent owned by the German state after a crisis-era rescue, stuck to its full year forecast that revenues will be higher than in 2018 and it hopes to hold costs below 6.8 billion euros.

The group also aims to offer shareholders a dividend of 20 cents per share for the year, the same level as in 2018.

SMEs constrained by limited access to credit: study

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The CIB report should include all commercial loans, regardless of value, to benefit MSMEs, it said.

There are significant financial infrastructure weaknesses that need to be addressed to encourage financial inclusion, it said. Small firms and firms at the low-end of medium-sized enterprises have the most difficulty in accessing bank finance, according to the report.

The report recommended a number of short- and medium-term initiatives, including promotion of the use of a unified definition at the policy level and improvement of data collection and analysis of data.

Undertaking an evaluation of past schemes and the Bangladesh Bank's guidelines will help formulate a better MSME finance policy, the report suggested.

The loan process is very complicated for MSMEs, said Md Ashadul Islam, senior secretary of the Financial Institutions Division at the finance ministry.

There is an increasing demand of loans in the MSMEs sector but complicated process is driving them away, he said, adding that bank staff and loan aspirants need some kind of education to simplify the process.

A new law on movable property will be enacted to create a legal platform for the MSMEs to get more finance, said M Moniruzzaman, deputy governor of the central bank.

PRI Chairman Zaidi Sattar moderated the session. Syed Abdul Momen, head of SME banking at Brac Bank, also spoke.

BASIS

Hosne Ara Begum, managing director of Bangladesh Hi-Tech Park Authority, and Parthapratim Deb, executive director at Bangladesh Computer Council, pose with members of the Bangladesh Association of Software and Information Services participating in Japan IT Week in Tokyo yesterday.

Emirates passengers offered discounts in Dubai

Star Business Desk

Emirates has recently offered a "My Emirates Pass", turning the boarding pass into an exclusive membership card facilitating discounts of up to 50 percent in over 500 outlets across the United Arab Emirates.

The outlets include fine dining restaurants, almost 50 spas offering luxury wellness treatments and leisure activities such as indoor skiing and water amusement parks, says a statement.

Passengers flying to and through Dubai between May 1 and August 31 can avail the facilities presenting their pass and identification at the outlets.

Amended three-year lock-in period for sponsors starts today

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On April 29, the BSEC took some decisions such as an increase in general investors' quota and extension of lock-in period on shares of sponsors.

Following the announcement, DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), jumped up 219.44 points, or 4.20 percent, after it sank 775 points in the previous three months.

The market though was back to its sinking trend in the last three days, shedding 122 points.

Yesterday, the commission decided to form the committees headed by Farhad Ahmed and Md Anowarul Islam, both executive directors of the BSEC, to place their recommendations before the commission.

One of the committees will work on raising the initial public offering (IPO) size, increasing quota for general investors and a framework on how to issue pre-IPO shares without any approval from the BSEC.

The committee will get two weeks to bring in the necessary amendment on public issue rule and other notifications.

Another committee will work on inclusion of new condition in case of issuance of bonus shares and minimum share holding by sponsors. The committee will get one week to place their amendment report to the BSEC.

The BSEC came with a host of decisions to bring back investor confidence, said Minhaz Mannan Emon, director of the DSE.

"These will be helpful for the market," he said, adding that they would be implementing all the changes as early as possible.

Toyota annual net profit drops by a quarter

AFP, Tokyo

Profits at Japanese car giant Toyota hit the skids despite record sales, the company admitted Wednesday, although it said it expected to accelerate out of trouble in the year ahead.

The maker of the Camry sedan and Prius hybrid said net profit was down 24.5 percent from its best-ever result the year before, at 1.88 trillion yen ($17 billion) in the year to March 31.

Toyota's bottom line was pushed down by some 294 billion yen in book losses on its investment portfolio.

Senior managing officer Masayoshi Shirayanagi blamed "the deterioration of the stock market in the current period" for the investment losses. He added the figures also suffered in comparison with previous year's 250-billion-yen boost from US tax reform.

However, the firm forecast net profit to rise 19.5 percent in the coming year to 2.25 trillion yen.

And sales rose 2.9 percent to a record 30.23 trillion yen, leaving an operating profit of 2.47 trillion yen, which was up 2.8 percent year-on-year.

Akio Toyoda, the firm's president, noted it was the first time a Japanese company had ever logged annual sales in excess of 30 trillion yen.

The firm expects operating profit for the current year to March 2020 will increase 3.3 percent to 2.55 trillion yen. Sales are forecast to sag 0.7 percent to 30 trillion yen.

"Toyota has cruised steadily, compared with its rivals," said analyst Satoru Takada at TIW, a Tokyo-based research and consulting firm.

"The firm largely showed a reasonable performance around the world at a time when the global market is slowing down," he said. Takada was less bullish on the outlook of the auto industry.

SoftBank Corp to spend $4b to up Yahoo Japan stake, sees profit rising 24pc

REUTERS/FILE

The logo of SoftBank Group Corp is displayed at SoftBank World 2017 conference in Tokyo.

Reuters, Tokyo

Japanese telco SoftBank Corp said on Wednesday it would spend $4 billion to up its stake in Yahoo Japan Corp and turn the internet company into a subsidiary, a move that would help boost its profit by 24 percent this year.

The telco said it would buy 456.5 billion yen ($4.2 billion) worth of new shares to be issued by Yahoo Japan, increasing SoftBank Corp's stake to 45 percent from 12 percent.

With that addition, SoftBank Corp, which listed in December in Japan's largest-ever initial public offering, forecast its operating profit would rise to 890 billion yen in the current financial year through March 2020.

SoftBank Corp will buy the shares at 302 yen each, or a 2.3 percent discount to Wednesday's closing price.

Separately on Wednesday, SoftBank Corp's parent SoftBank Group Corp said it would sell its 36 percent stake in Yahoo Japan back to the internet company.

The deal will strengthen cooperation between SoftBank Corp, Japan's third-largest telco, and Yahoo Japan, an internet heavyweight in areas such as news and shopping.

The closer relationship will help drive growth at shared ventures such as QR code payment app PayPay, SoftBank Corp Chief Executive Ken Miyauchi said at a news conference.

Concern over the outlook for Japan's telcos, which face government pressure to cut carrier fees as well as competition from new entrant Rakuten Inc, has kept SoftBank Corp shares below their IPO price. The stock closed up 0.6 percent ahead of the earnings.

Some analysts see the telco as well positioned to weather the price squeeze as it targets data-heavy smartphone users with premium-priced plans while offering low-cost options for thrifty customers under separate branding.

The telco reported a 17 percent drop in fourth-quarter operating profit to 84.5 billion yen from a year earlier, even as revenue grew. The result missed the 93 billion yen average of three analyst estimates compiled by Refinitiv.

SoftBank Corp, with its ample cashflow, is a key indicator of the health of parent SoftBank Group, which reports its fourth-quarter earnings on Thursday.

NCC Bank MD asked to explain abnormal deposits

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The private lender held the special board meeting to discuss the findings of the BFIU investigation, which revealed that Ahmed has Tk 35 crore in deposits with 11 financial institutions, including five banks.

The board has asked Ahmed to submit his deposit details in different banks and financial institutions, said an official of the bank, who is familiar with the matter.

Ahmed told The Daily Star on Monday that he has not done anything wrong and was ready to provide documents to regulators or law enforcers if asked.

The BFIU beefed up its monitoring in the last quarter of 2018 and ahead of the national polls in December in order to combat money-laundering.

The abnormal transactions involving Ahmed were discovered during the period, said BIFU officials.

The central bank will seek explanation from the NCC CEO shortly, said a Bangladesh Bank official.

BANGLA TRAC

Shehzad Munim, managing director of British American Tobacco Bangladesh, attends as guest speaker a "Speaker Series" organised at Lakeshore Hotel in Dhaka recently for staff of Caterpillar's authorised dealer Bangla Trac.