



JETRO's Survey on Business Conditions of Japanese Companies in the U.S. Results of survey on Working Arrangements

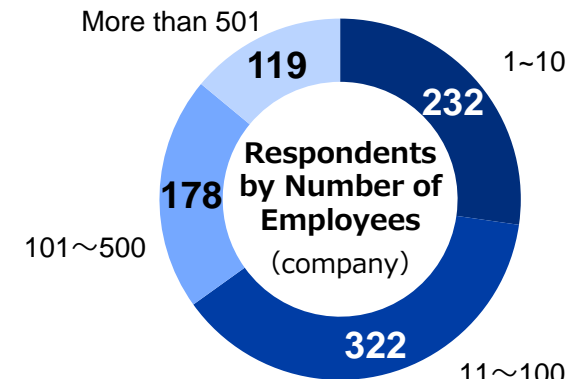
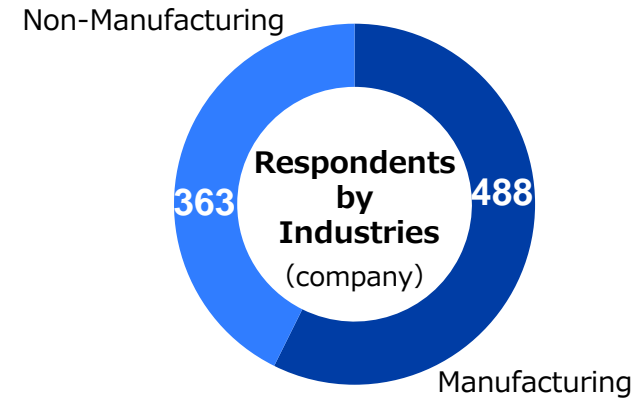
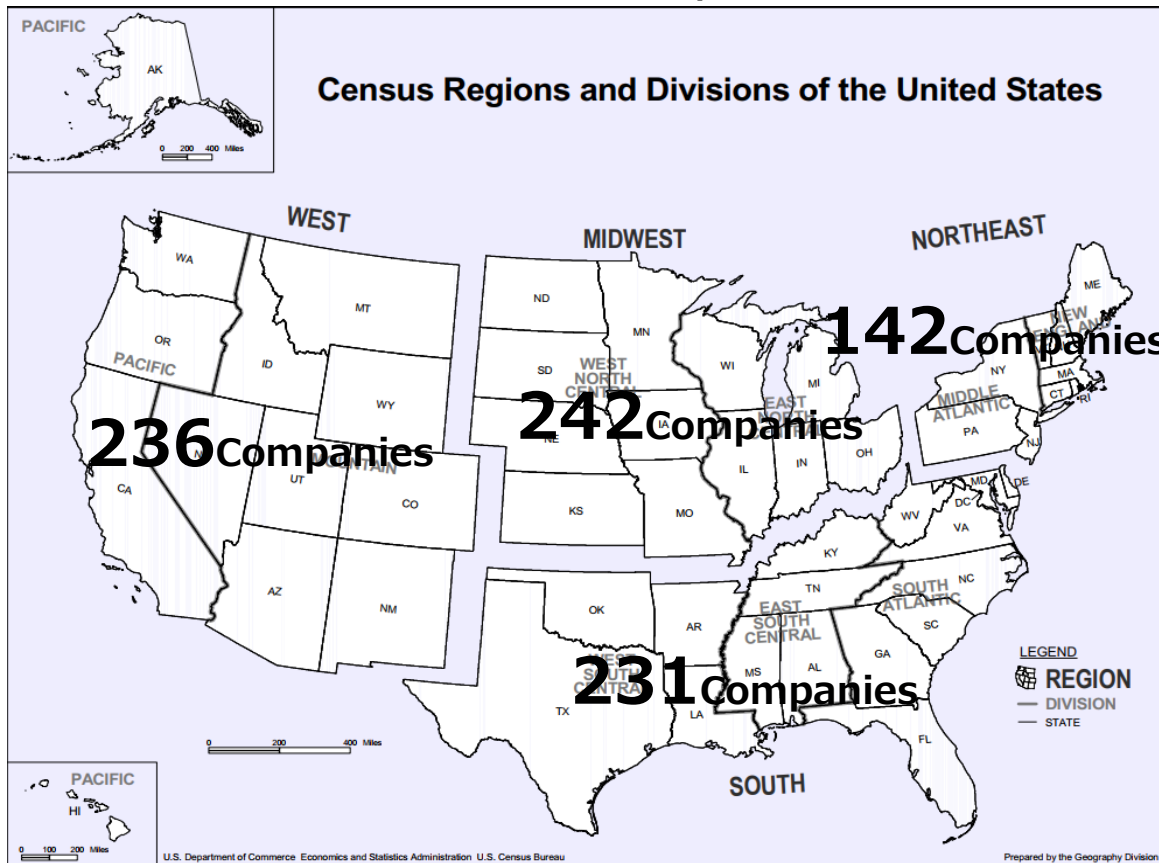
Japan External Trade Organization (JETRO)

October 15, 2021

Survey Summary

- Survey Period: From September 8 to September 28, 2021
- Surveyed Companies: Japanese companies operating in the US (local entities in which a Japanese parent has at least 10% stake) and their branch locations
- No. of Respondents: **851 companies**

Breakdown of Respondents



* The composition ratios of the survey results are rounded off to the first decimal place, so totals are not necessarily 100%.

Key Findings from the Survey Results

1. Working Arrangements as of September 1, 2021 - Nearly 60% of Companies Are Attendance-Centric -

- **56.1% of companies had working arrangements that were centered on workplace attendance.** In particular, **some 40% of respondents in the manufacturing industry** said that **“As a general rule, all employees work at the office.”**
- **Since the previous survey (March 2021), the number of companies answering that “As a general rule, all employees work at the office” nearly doubled. The percentage of companies responding that “As a general rule, employees work remotely” fell by 9.8 points,** revealing that more companies are having their employees come back to the workplace.

2. Post-Covid-19 Working Arrangements - Over 70% of companies to move to workplace-centric systems after Covid-19 -

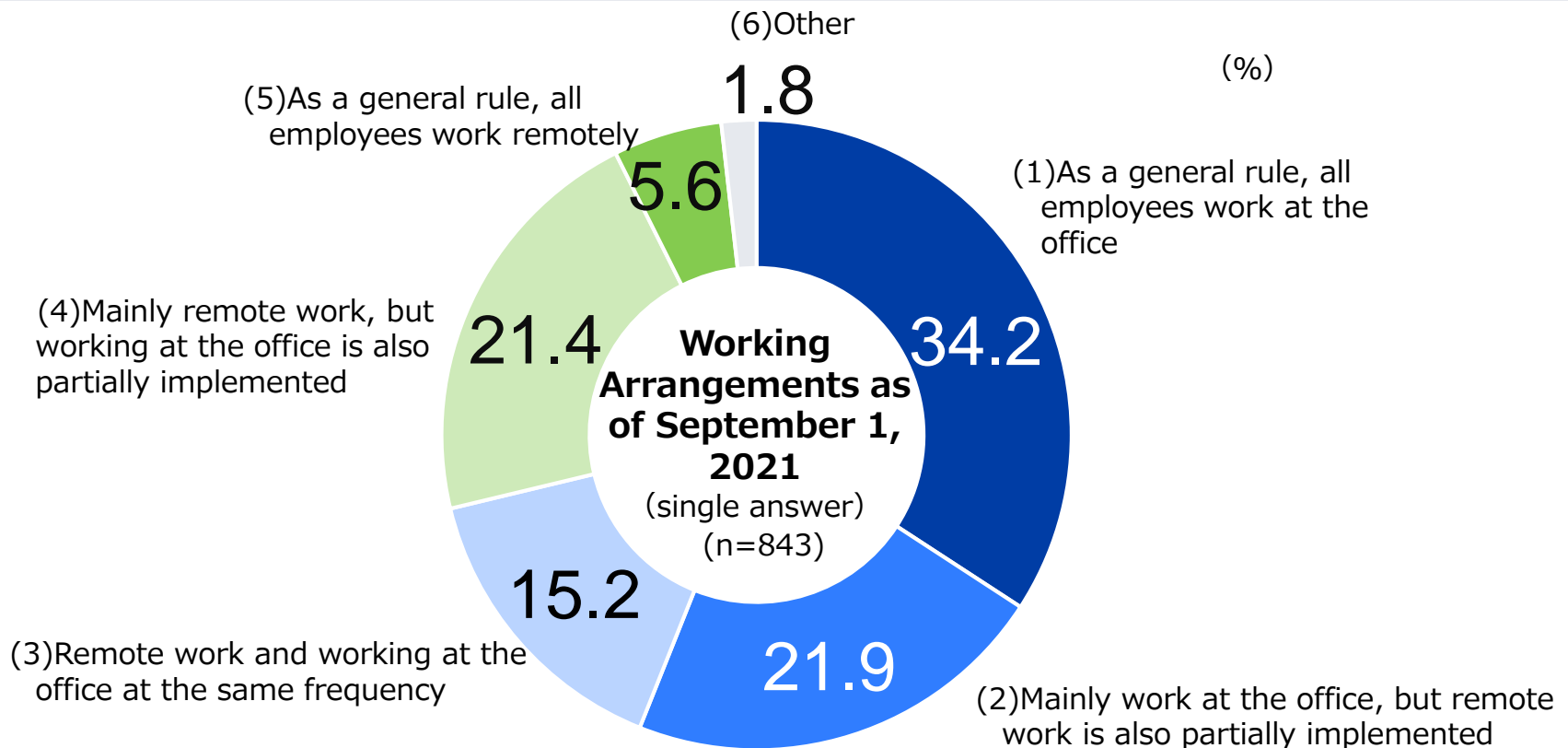
- **72.4% of companies are planning to adopt workplace-centric systems after Covid-19;** meanwhile, only 1.3% said all their employees were working remotely, and **nearly every company plans to resume having its employees come back to the workplace.**
- **The percentage of companies that said “No policies” dropped 8.2 points from the previous survey,** with most companies having stipulated policies for their post-Covid-19 working arrangements.

3. Post-Covid-19 Issues and Initiatives - Struggling to accommodate employees desiring to work remotely, and their vaccine status -

- In terms of **issues and concerns involving working arrangements, respondents cited various challenges, including how to handle employees desiring to continue working remotely rather than return to the workplace, securing enough employees, wage increases, and loss of human resources. How to deal with those who are vaccinated versus those who are unvaccinated was another problem cited.**
- Many companies spoke of **initiatives** such as **preparations to adopt remote work systems,** and some companies notably **are revising their work regulations or digitalizing their work environments.**

1-1 | Working Arrangements as of September 1, 2021

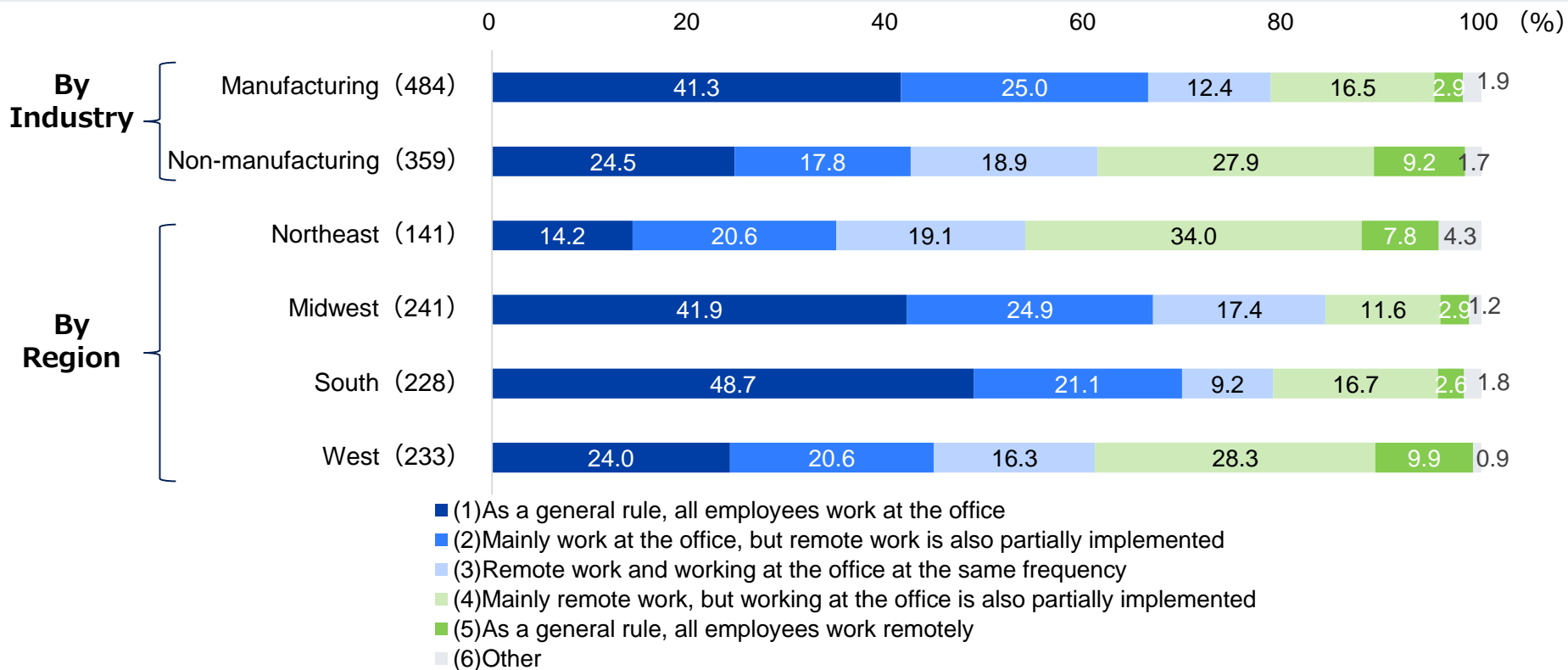
- With regard to **working arrangements in place as of September 1, 2021, respondents answering that “As a general rule, all employees work at the office”** were the largest group **at 34.2%**. Including those who responded “Mainly work at the office, but remote work is also partially implemented” (21.9%), **a total of 56.1% of respondents had implemented systems that were centered on physical attendance**. Only 5.6% of respondents said that “As a general rule, all employees work remotely.”
- In addition, the results showed that many companies had put different systems in place according to occupation type, with physical attendance the norm for employees in manufacturing divisions and in factories, and clerical work done remotely.



(Note) “Remote work” assumes working outside of the office, including at home.

1-2 | Working Arrangements as of September 1, 2021 - By Industry/Region -

- In the **manufacturing sector**, the answer most frequently given was **“As a general rule, all employees work at the office,”** at **41.3%**, followed by **“Mainly work at the office, but remote work is also partially implemented”** given by 25.0% of respondents. In **non-manufacturing sectors**, those answering **“Mainly remote work, but working at the office is also partially implemented”** accounted for **27.9% of respondents**, followed by 24.5% who answered that **“As a general rule, all employees work at the office.”**
- Looking **by region**, **the percentage of respondents whose said their employees as a general rule, attend the workplace was highest in the South (48.7%)** and in the Midwest (41.9%), whereas the **percentage of respondents who said their employees mainly work remotely was highest in the Northeast (34.0%)** and in the West (28.3%).

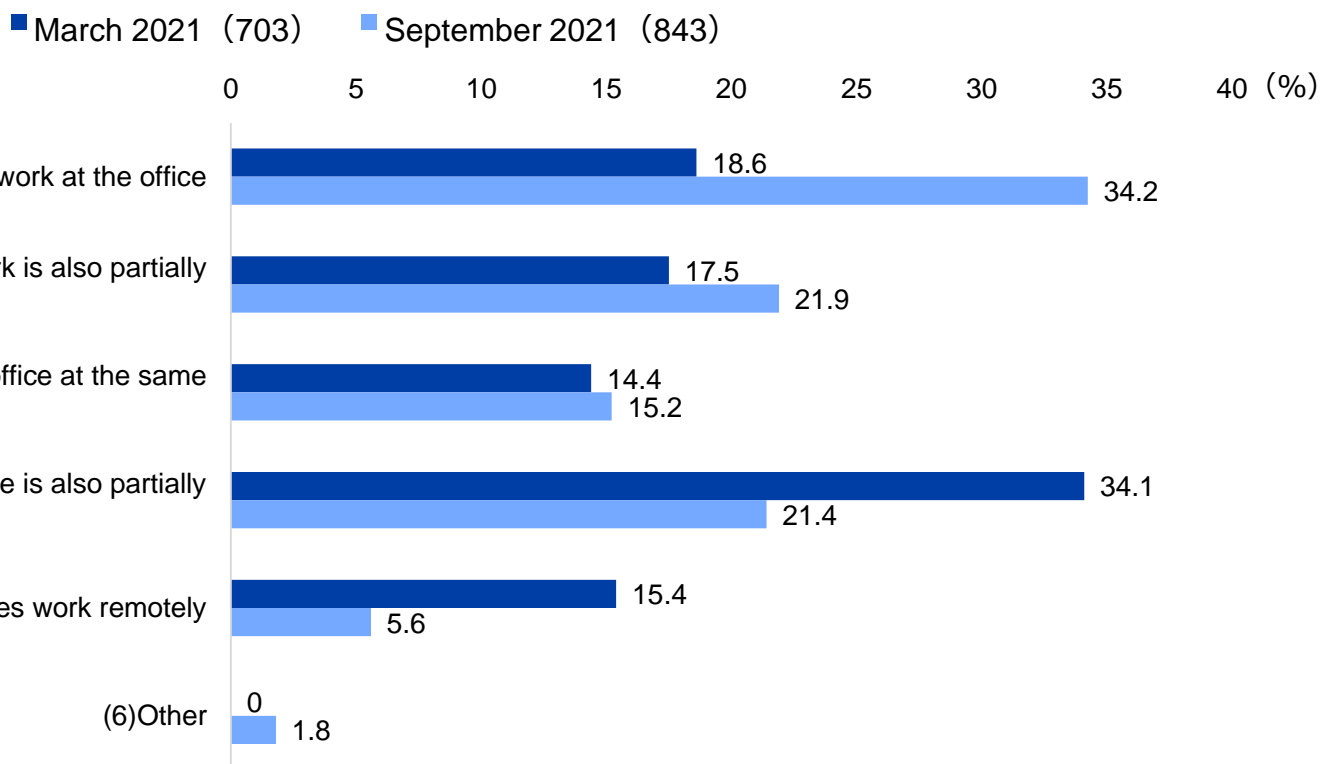


(Note) "Remote work" assumes working outside of the office, including at home.

(Note) The numbers of corporate respondents are shown in parentheses.

1-3 | Working Arrangements as of September 1, 2021 - Comparison with Previous Survey Results -

- With regard to **working arrangements in place as of September 1, 2021, compared to the previous survey (March 2021)**, the percentage of respondents who answered that **“As a general rule, all employees work at the office” was roughly double (34.2%) the percentage found the last time the survey was conducted (18.6%)**. Meanwhile, the percentage of respondents who said **“mainly work remotely” was 12.7 points lower than in the previous survey (34.1%)**.
- The percentage of respondents who said that **“As a general rule, all employees work remotely” was 9.8 points lower than in the previous survey (15.4%)**, indicating that more companies are going back to in-person attendance.

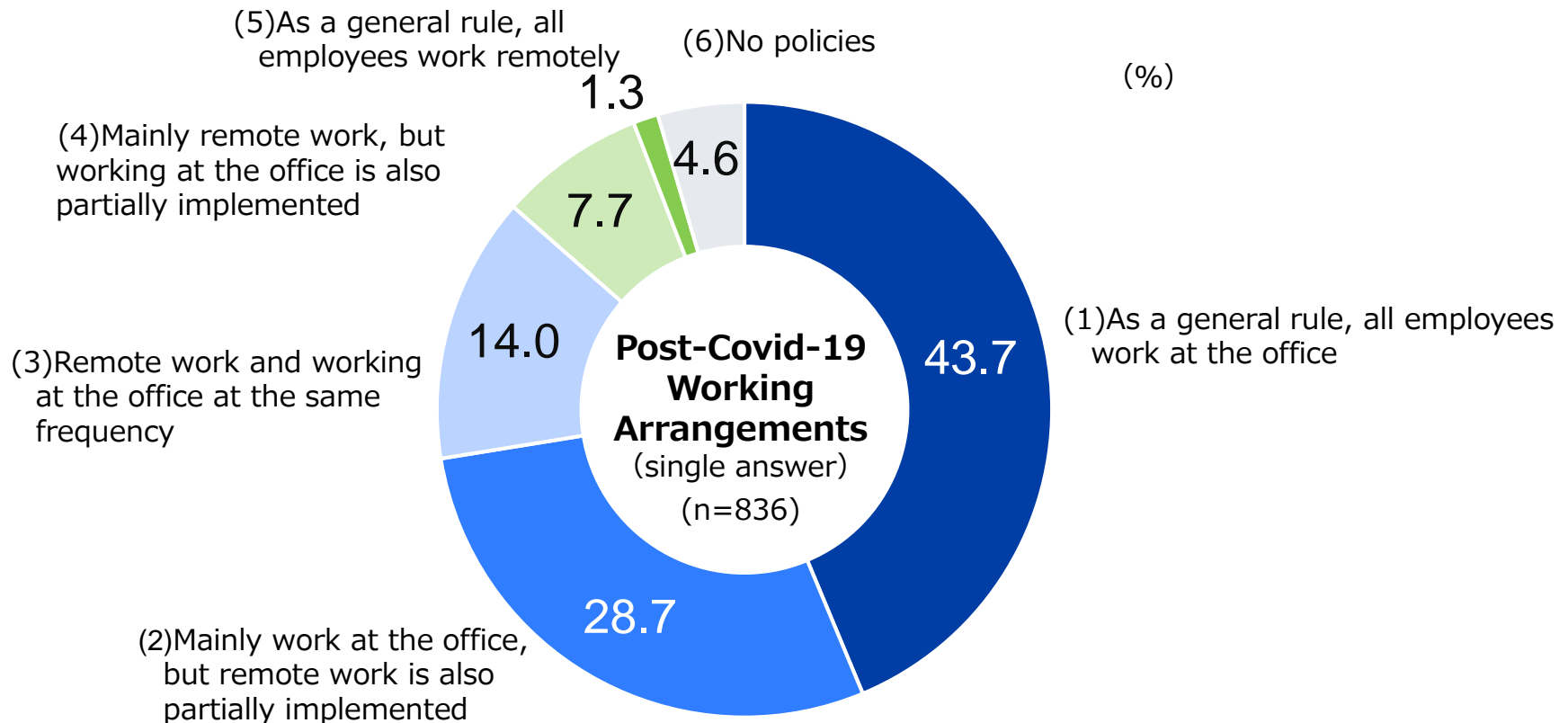


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(Note) The numbers of corporate respondents are shown in parentheses.

2-1 | Post-Covid-19 Working Arrangements

- Regarding **post-Covid-19 work systems**, the most frequently given answer was **“As a general rule, all employees work at the office,”** which was given by **43.7%**. Taken together with the answer “Mainly work at the office, but remote work is also partially implemented.” (28.7%), **72.4% of respondents are planning to have an attendance-centric work system in place.** The percentage of respondents who said that “As a general rule, all employees work remotely” was just 1.3%, while the answer “No policies” was given by 4.6% of respondents.

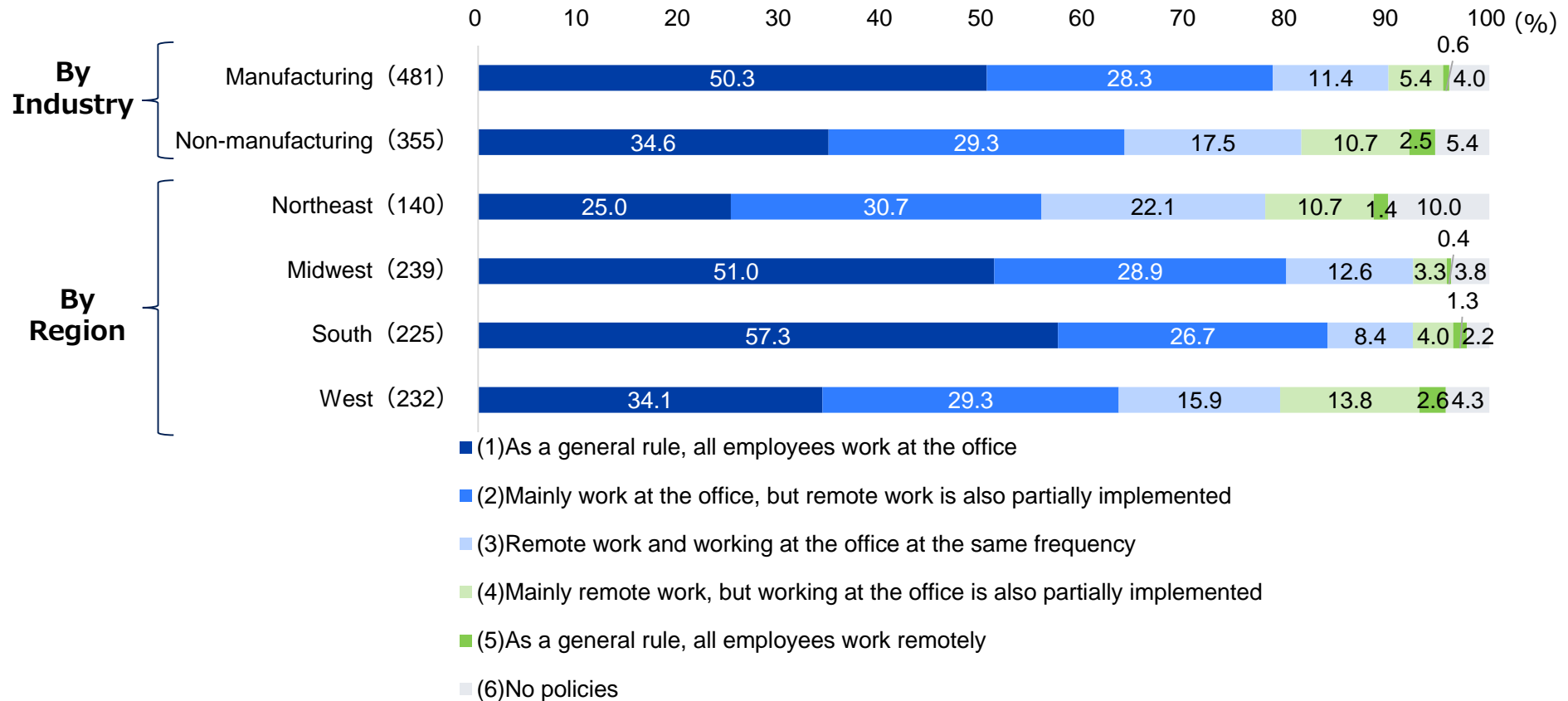


(Note) "Remote work" assumes working outside of the office, including at home.

2-2

Post-Covid-19 Working Arrangements - By Industry/Region -

- In the **manufacturing sector**, the greatest percentage of respondents answered **“As a general rule, all employees work at the office” at 50.3%**, followed by those who said “Mainly work at the office, but remote work is also partially implemented” at 28.3%. In **non-manufacturing sectors** as well, the response **“As a general rule, all employees work at the office” accounted for 34.6%** of all answers, followed by “Mainly work at the office, but remote work is also partially implemented” at 29.3%.
- **By region, respondents answering “As a general rule, all employees work at the office” was highest in the South (57.3%)** and in the Midwest (51.0%), putting them in the majority in those regions.

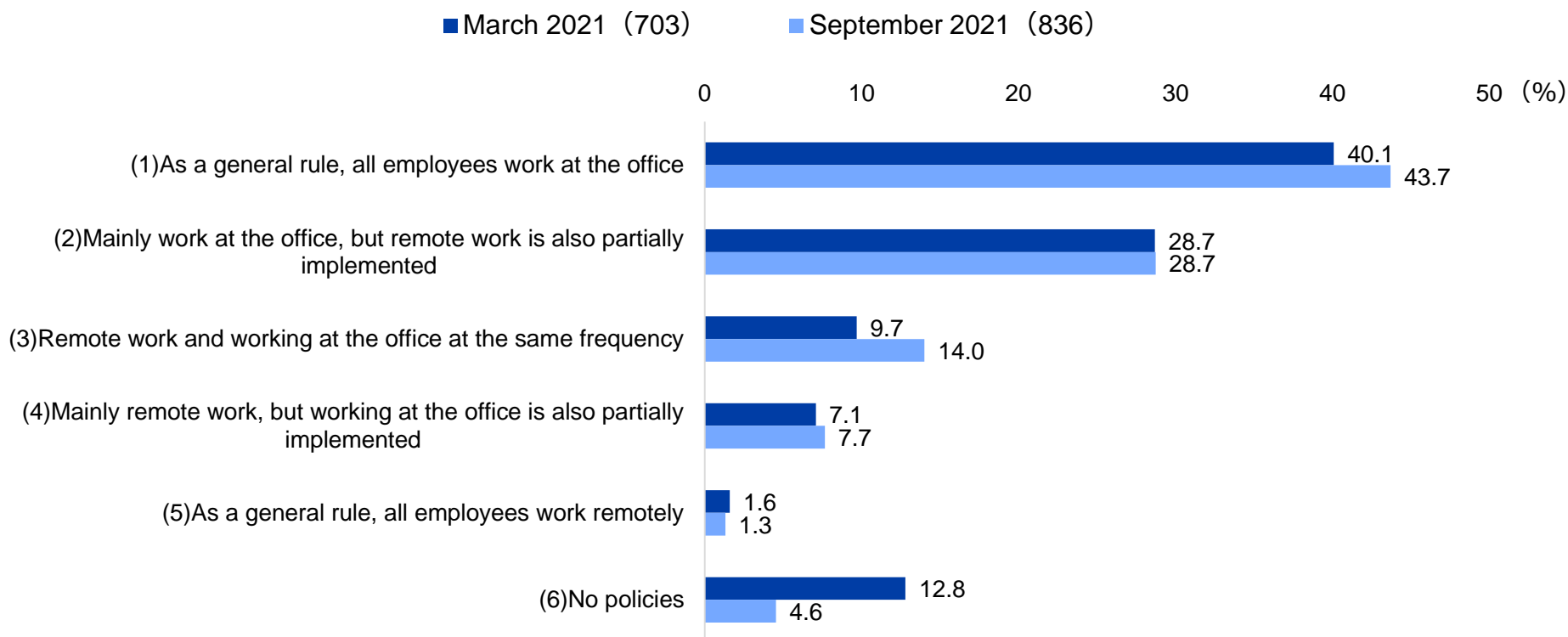


(Note) "Remote work" assumes working outside of the office, including at home.

(Note) The numbers of corporate respondents are shown in parentheses.

2-3 | Post-Covid-19 Working Arrangements - Comparison with Previous Survey Results -

- With respect to **post-Covid-19 working arrangements**, **compared to the previous survey (March 2021)**, the percentage of respondents answering **“As a general rule, all employees work at the office”** was **3.6 points higher than last time (40.1%)**. The percentage of companies planning a hybrid work system that uses both physical attendance and remote work was also up 4.9 points compared to the previous survey (45.5%).
- The percentage of companies who answered **“No policies”** was **8.2 points lower than in the previous survey (12.8%)**, with many of the companies having already determined a policy for their post-Covid-19 working arrangements.



(Note) "Remote work" assumes working outside of the office, including at home.

(Note) The numbers of corporate respondents are shown in parentheses.

3-1 | Post-Covid-19 Issues, Concerns, and Initiatives (Open-Ended Answers)

1. Working Arrangement-Related Concerns and Issues

- We are concerned about **how to deal with workers who refuse to attend the workplace** because of anxieties about Covid-19. (Other manufacturing)
- **Finding solutions if management and employees have differing opinions on the need to attend the workplace** will be a challenge. (Trading/Wholesale)
- More workers have been coming forward **seeking greater workplace diversification**. (Transportation)
- Coming up with **measures for handling** worker **requests to work remotely**. (Transportation equipment)
- **Coordinating operations between our manufacturing (factory) divisions and our office divisions** will be difficult. (General machinery)
- We will have trouble **formulating a policy that is fair yet also flexible**. (Finance/Insurance)
- **Ascertaining our employees' working conditions during remote work** will be a challenge. (Trading/Wholesalers)
- We are worried that **our local staff** in particular **will be reluctant to come back to the office**. (Chemical/Medicines)
- **Labor and time/attendance management in a hybrid system**. (Trading/Wholesale)

2. Labor-Related Concerns and Issues

- Our concerns are **securing enough employees and wage increases**. (Electrical machinery parts/Electronic device parts)
- **Higher turnover** because of **more job opportunities in the outside environment**. (Transportation equipment)
- **Wide-ranging issues concerning labor management and contracts under state laws** for those working at home. (Chemical/Medicines)
- We have major issues with **maintaining employee motivation**. Going forward, we will be handling them with a hybrid work system etc., but we can't **require** our employees to **work in the office**, so issues like **accommodating employees who want to work remotely post-Covid-19** will remain. (Information and communications)
- **Our competitors are tending to accept remote working styles**, so we're concerned that **our staff may leave to join other companies with more flexible working conditions**. (Chemical/Medicines)

3-2 | Post-Covid-19 Issues, Concerns, and Initiatives (Open-Ended Answers)

3. Concerns and Issues Regarding Covid-19 Infections, Vaccinations

- The recent **resurgence in the number of infected persons**. (Transportation equipment)
- The fact that **not all of our employees understand the necessity of getting vaccinated** is an issue. (Other manufacturing)
- **Vaccinated persons can get infected**, so we're hesitant to go back to how things were before Covid-19. (Construction)
- **Dealing with vaccinated persons versus unvaccinated persons in office settings**. (Professional and technical services)
- **With the vaccination rate not rising**, the problem is that even if someone isn't personally infected, **they have to stay away from the workplace for prolonged periods when their family members or colleagues get infected**. The reality is that even if we **do vaccinations at the workplace**, it doesn't have much effect.
(Iron/Non-ferrous metals/Fabricated metal products)
- **Difficulties defining when Covid-19 will be over**, and ongoing developments with booster shots. (Finance/Insurance)

4. Post-Covid-19 Initiatives

- We're looking into **the possibility of cutting office expenses by introducing a remote work option**, and carefully considering the advantages and disadvantages that would result if we go through with it. (Trading/Wholesale)
- **Revising the employee work regulations**. (Transportation equipment)
- Implementing **wage increases to address the employee shortage**. (Transportation equipment)
- **Reducing the salaries of employees who spend more time working remotely**. (Electrical machinery parts/Electronic device parts)
- **Revising our internal rules and personnel evaluation system to eliminate any differences between the working arrangements for our factory workers and our office managers**. (Food)
- **Making vaccination mandatory for our workers**. (Food)
- **To counter our soaring personnel costs in large cities**, we're working on **going digital**, and we'll be implementing **internal work-sharing with different regions and outsourcing**. (Transportation)
- We've finished building a remote work system, covering **things like equipment procurement for remote working and documentation of working conditions**. (Mining/Energy)
- Continuing **sales activities making use of IOT**. (Sales companies/Sales subsidiaries)

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