



What Is behind Revival of Corporate Dormitories for Bachelors?

By Isao ADACHI

Lately, newspapers and other media often carry reports on the revival of corporate dormitories for young single employees. The keyword common to such facilities is the “character building” of young workers as members of society. Since the economic bubble burst in the early 1990s, Japanese companies have disposed of their nonessential assets, selling off corporate housing owned as realty assets and instead offering leased condominiums and residences. Corporate dormitories, where human relations in companies are brought in, seem out of place for young people of the 21st century. What, then, lies behind the recent corporate moves to reintroduce dormitories for bachelor employees?

Corporate dormitories are for unmarried young workers, and many have a dining room and a common room where residents relax and chat. They serve as a venue where young employees share daily lives. Company housing for young workers, introduced in Japan before World War II, is familiar to Japanese people. But corporate dormitories where employees live together rarely exist in Western countries, according to the Japan External Trade Organization (JETRO).

A study conducted on major companies by the Institute of Labor Administration in the autumn of 2007 showed that 60% of 326 respondents still own or once owned dormitories for bachelors, but half of them have consolidated or abolished such housing since 2000 due mainly to the decrepitude of buildings or the burden of maintenance costs. Asked what to do with their dormitories in future, 2.4% said they would abolish them while 8.4% said they would increase such facilities, indicating that corporate philosophy toward employee housing is changing lately.

JFE Steel Corp. of Tokyo, one of the companies that have increased such dormitories, has already completed three new ones and plans to build two more. “We considered it necessary to offer dormitories for young employees to make the company more attractive to them,” the company’s public relations office says. Some 10,000 of the company’s 14,000 employees are shop-floor workers; half of them are in their 50s and being rapidly replaced by young people. Many new employees are from distant provinces, prompting the company to try to “minimize their anxiety” by providing corporate housing from the viewpoint of traditional welfare services, officials say.

Mitsui & Co., the Tokyo-based trading conglomerate, is another company reintroducing corporate dormitories. It takes a clear stance that the dormitories are designed to “nurture corporate culture and let employees share values.” Mitsui once intended to abolish corporate dormitories altogether, and instead offer each single young employee a leased condominium. In fact, the company’s

six dormitories had been reduced to only one by March 2006. But the company changed tack after it was involved in two major scandals in the early 2000s – an unfair practice over the bidding for electric power generation facilities on Kunashiri Island of the Kuriles, uncovered in 2002, and the fabrication of test data regarding exhaust gas-cleaning devices, brought to light in 2004, according to the company.

The reflection that these scandals resulted from a lack of opportunities for employees to share corporate values led the company to rediscover the usefulness of corporate dormitories. The company has since increased accommodation for bachelor employees by leasing buildings, boosting their number to eight. The company is encouraging unmarried young recruits to live in corporate dormitories, which it positions as a training venue where young employees belonging to different business divisions can meet and mingle beyond job differences. Some young recruits who lived alone in their student days are resistant to communal life, saying, “Why together now after all these years?” But most take a positive attitude toward living together with their colleagues, engaging in various communal activities such as the holding of events to the extent that each dormitory has developed its own character.

Nitto Denko Corp., an Osaka-based general material maker, built a new dormitory for young single employees in its Onomichi complex in Hiroshima Prefecture for the dual purpose of enriching welfare services and producing educational effects. “It is difficult to explain its specific advantages in words, but one is that they have partners for consultation all the time there,” a company official said.

Any society has a mechanism to support young people’s transition to adulthood. In Japan before the Meiji Restoration of 1868, there existed voluntary regional youth organizations all over the country called *wakamono-gumi*. All boys joined the organization in their community at age 15 and left when they got married. After the Meiji Restoration, similar youth corps and their junior versions have existed in varying forms, but they reportedly ceased to function properly in the 1980s as they were regarded as old-fashioned and smacking of a hierarchical society. As a result, some pundits say, Japanese society has lost venues for children to experience a rite of passage to adulthood. Anxiety over the absence of such a mechanism in society necessary for the social training of children appears to be behind the growing public interest in corporate dormitories for young single employees. **JS**

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