

# J-Wellness & Workations

Imagine waking to the sounds of nature, opening the curtains to a view of trees, bathing in a hot spring bath, eating a nutritionally balanced prepared breakfast, and after a one hour walk through the woods, doing a few hours of work. Imagine the many wellness benefits.

The Global Wellness Institute defines Wellness as the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health.

Fig.1 A continuum that extends from poor health to a state of optimal well-being <sup>(1)</sup>				
Poor Health		Health Continuum		Optimal state of Well-being
Reactive	Medical Paradigm		Wellness Paradigm	
	Feel better		Thrive	
	Treat & cure illness		Maintain & improve health	
	Corrective		Preventative	
	Episodic		Holistic	
	Clinical responsibility		Individual responsibility	
	Compartmentalized		Integrated into life	
Proactive				
Note (1): The continuum concept is adapted from Dr Jack Travis' Illness-Wellness Continuum. Travis was one of the pioneers of the modern wellness movement in the late-1970s.				
Source: Global Wellness Institute, Conceptasia, October 2020				

Wellness is often confused with terms like health, well-being, and happiness. While there are common elements among them, Wellness is distinguished by not referring to a static state of being (i.e. being happy, in good health, or a state of well-being). To repeat, Wellness is the **active pursuit** of activities, choices, and lifestyles that lead to a state of holistic health.

Fig.2 Wellness is Multidimensional	
<b>Physical</b>	Nourishing a healthy body through exercise, nutrition, sleep, etc
<b>Mental</b>	Engaging the world with the intellectual mind
<b>Emotional</b>	Being aware of, accepting, and expressing our feelings, and understanding the feelings of others
<b>Spiritual</b>	Searching for meaning and higher purpose in human existence
<b>Social</b>	Connecting and engaging with others and our communities in meaningful ways
<b>Environmental</b>	Fostering positive interrelationships between planetary health and human actions, choices, and well-being
Source: Global Wellness Institute, Conceptasia, October 2020	

Activity requires time and vacations provide the freedom to pursue the above.

## What is a Workation? What are its benefits? Will Workations become popular in Japan?

The merging of work and vacation to form the Workation (sometimes spelt Workcation) concept, probably sounds very unattractive to people outside Japan. The image is probably of the further (beyond the rarely off smartphone) intrusion of work pressures into vacation time. Writing a project proposal, working on a research report, attending Zoom conferences, through high-speed data links does not sound like a relaxing, stimulating holiday experience.

The Japanese have a different perspective, that begins with their relative lack of vacation time taken, Fig.3.

In terms of paid vacation days entitlement, Japan is in the middle, higher than the USA and Canada, but lower than Europe. In terms of paid vacation days used, Japan is the lowest with the USA at 10 days, just one third Germany's 30 days, less than half of the rest of Europe and substantially beneath the 14 paid vacation days used in Canada and the 15 days used in South Korea.

	Entitlement	Used	Ratio (Used/Entitlement)
USA	14	10	0.71
Japan	20	10	0.50
South Korea	20	15	0.75
Germany	30	30	1.00
France	30	28	0.93
Italy	28	21	0.75
U.K.	28	25	0.89
Canada	15	14	0.93

Note: Survey date 22 October to 15 November 2019 <sup>(1)</sup>

Source: Expedia.co.jp, Conceptasia, October 2020

Japanese have the highest percentage of survey respondents indicating a feeling of guilt about taking paid vacations, reflecting the lowest proportion of bosses perceived to be supportive of them taking paid vacations, Fig.4.

	Paid vacation days used	% feeling guilt about taking paid vacations	% believing that their bosses were supportive of their taking paid vacations
USA	10	31	72
Japan	10	63	53
South Korea	15	61	60
France	28	23	73
Italy	21	19	54

Note: Survey date 22 October to 15 November 2019 <sup>(1)</sup>. Data for Germany, U.K., and Canada not available

Source: Expedia.co.jp, Conceptasia, October 2020

Another important reason for not using the full paid vacation days entitlement is the absence of sick leave rights in Japan. When employees are sick in Japan, they use their paid vacation to take a leave of absence. People feel more comfortable keeping some days in reserve, just in case.

The Japanese government is trying to promote the taking of more vacations, but in practical terms and to gain the support of employers, the government is pushing the hybrid “Workation” concept.

The risk is that workations begin to cannibalize existing paid-vacation-day holidays.

Companies will have to amend their internal policies and procedures, and it is unclear whether a workation day will be counted as a paid vacation day, a fraction of a paid vacation day, e.g. one half, one third, or counted as a regular work day (though with the advantage of not having to come into the regular place of work). How many hours of work is required will need to be specified, as well as an agreed means of monitoring this.

Additional issues that companies will need to decide include, a) whether companies would cover a portion of the associated travel and accommodation costs; b) whether workers’ compensation insurance would cover any injuries that occur during workations.

### **The Japanese preference is already for multiple short holidays**

Japan has 15 National holidays, Fig.5. This, in combination with taking just 10 paid vacation days a year, Fig.3, constrained by a personal sense of guilt and lukewarm support from the boss, Fig.4, results in the Japanese taking multiple short vacations.

The international comparative survey of 19 countries undertaken by Expedia <sup>(1)</sup> which generated the data beneath Fig.3 and Fig.4, also asked about vacation preferences, in terms of:

- 1) Length
- 2) Frequency

In terms of the most preferred vacation type, 51% of Japanese choose multiple short vacations (versus USA 34%, South Korea 32%, France 25%, Italy 24%). This was the highest number of all the countries surveyed.

As to frequency, the Japanese replies were monthly 51%, every 2-3 months 31%, every 4-6 months 14%. This was the highest frequency of all the countries surveyed.

<b>Date</b>	<b>Name</b>	<b>Theme</b>
January, second Monday <sup>(*)</sup>	Coming of Age Day	Respect
February 11	Foundation Day	Nationhood
March 20 or 21	Vernal Equinox Day	Nature
April 29	Showa Day: <i>the start of Golden Week</i>	Nationhood
May 3	Constitution Memorial Day	Nationhood
May 4	Greenery Day	Nature
May 5	Children's Day	Respect
July, third Monday <sup>(*)</sup>	Marine Day	Nature
August 11	Mountain Day: <i>coincides with the Obon holiday</i>	Nature
September, third Monday <sup>(*)</sup>	Respect for the Aged Day	Respect
September 22 or 23	Autumnal Equinox Day: <i>to honour ancestors</i>	Respect
October, second Monday <sup>(*)</sup>	Health and Sports Day	Nationhood
November 3	Culture Day	Nationhood
November 23	Labour Thanksgiving Day	Respect
December 23	Emperor's Birthday	Nationhood

Note: <sup>(\*)</sup> In 2000, the *Happy Monday* system was introduced to create more 3-day weekends

Source: Japanese government, TalentHub, Conceptasia, October 2020

### **Workation vs Bleisure: Hugely different concepts**

Bleisure days are pure leisure. Bleisure is word that the travel industry uses to describe adding vacation days to a business trip, e.g. spending a few days in London on holiday at the end of a business trip to Europe. For the individual, the advantages are many. Travelling time has already been borne on the business trip, the hotel is likely to be booked as an extension at corporate rates and so on.

An Expedia survey conducted in March 2019 <sup>(2)</sup>, found that 81% of Japanese had never heard of the word. More importantly, 79% of Japanese had never added a vacation day to a business trip (versus USA 54%, South Korea 43%, France 61%, Italy 43%). Japan's number of 79% was the highest of all the countries surveyed.

### **Workation's multi-tasking roles**

It appears that government policy support for workations has broadened to cover the following:

- 1) The promotion of the taking of more vacations, to improve people's quality of life
- 2) Fostering a more flexible work style, incorporating the office, home, and hotel/resorts (via workations). The government has been promoting teleworking (remote working) for some years, as we will discuss shortly. Workations further supports the push for deregulation in standard workplace practices
- 3) Promoting tourism: during a government tourism strategy meeting in July (then Chief Cabinet Secretary, now Prime Minister) Suga made headlines by mentioning workations as a policy that would support a revival of activity. The Ministry of the Environment, which has responsibility for the onsen industry, has begun to promote workations as we way to boost visitors to onsens. The government has announced financial support for hotels in onsen towns to install high-speed Wi-fi connections. The idea is for companies to essentially adopt towns and to use them as satellite offices throughout the year. <sup>(3)</sup> The hope is that regional areas outside Japan's main urban areas will benefit particularly.

## Workation vs Teleworking (Remote Working): Policy promotion of the latter started earlier

Whilst the differences are material, an unspecified location with limited supervision possible vs being at home from 9 AM to 5 PM, these are both policies aimed at fostering a more flexible work style.

The government has been promoting teleworking and the associated need for a digital transformation for many years. In September 2018, METI released the *Report on Digital Transformation: Overcoming of '2025 Digital Cliff' involving IT systems and full-fledged development of efforts for digital transformation*. There was a Telework Days Campaign from 22 July 2019 to 6 September 2019 <sup>(4)</sup>.

The broad lack of progress on teleworking has been attributed to the importance of presenteeism, the practice of working long hours at a job without the real need to do so, at Japanese offices.

August 2020 saw the launch of the *Study Group for Acceleration of Digital Transformation* <sup>(5)</sup>.

## Covid-19 and Teleworking activity

The Minister for Economic Revitalisation Nishimura Yasutoshi, who oversees Covid-19 countermeasures, has requested business implement a teleworking rate of more than 70% <sup>(6)</sup>.

According to research by Professor Toshiro Okubo of Keio University <sup>(7)</sup>, “the national average rate for telework increased from 6% in January to 10% in March before reaching a high of 25% in April and May when a state of emergency was in effect, although after this was lifted, it went down to 17% in June.” Data in the underlying paper <sup>(7)</sup> details the changes by industry and occupation, Fig.6 & Fig.7.

## Leading industries, occupations in teleworking are likely to be the initial market opportunity for those offering workation packages

Communication, IT, research, and financial industries have the highest telework adoption rates. These tend to be capital intensive industries. Labour intensive industries such as transportation & distribution, restaurants, hotels, and health services are amongst the industries with the lowest adoption of teleworking, Fig.6.

	January 2020	March 2020	June 2020
<b>National Average</b>	6	10	17
Communications and information services (excluding information services and research)	17	27	46
Information services and research	14	22	44
Finance and Insurance	9	13	28
Manufacturing	8	15	24
Education and learning support services	3	6	21
Electricity, Gas, Water, and Heat Supply	9	12	21
Mining and Construction	8	12	19
Public Service	3	4	16
Other services	7	10	13
Other	7	10	13
Real Estate Business	5	8	12
Wholesale and Retail Trade	3	7	12
Transportation	3	5	9
Agriculture, Forestry and Fisheries	9	9	7
Restaurants and accommodations	2	4	5
Medical Care and Welfare	2	2	3

Source: *Spread of Covid-19 and telework: evidence from Japan* <sup>(8)</sup>, Conceptasia, October 2020

To quote Professor Okubo: “With regard to firm size, the rate of utilization of telework increases as the number of employees increases, reaching 31% in firms with 500 or employees” as of June 2020. “This is because large firms tend to have telework systems and enough ICT.”

Fig.7 provides the utilization rate by occupation category. Working one day a week remotely, would be equivalent to a 20% utilization rate. Only two occupations met the 20% threshold in January 2020. In June 2020 two occupations met the 40%, two days a week equivalent threshold.

**Fig.7 The Rate of Utilization of Telework by Occupational Category, Percent**

	January 2020	March 2020	June 2020
<b>National Average</b>	6	10	17
Data processing and communication engineers	15	25	49
Management and business consultants	39	51	46
Researchers	20	29	39
Outdoor service workers	17	17	34
Administrative and managerial workers	13	21	33
Salesclerks	8	18	32
Authors, journalists, editors	13	18	29
Manufacturing engineers	7	10	23
Office appliance operators	3	6	21
Teachers	2	5	20
General clerical workers	6	10	20
Management, finance & insurance professionals	11	15	19
Accountancy clerks	5	10	18
Artists, designers, photographers, film operators	16	18	17
Production-related clerical workers	7	10	16
Architects, civil engineers, and surveyors	10	13	16
Other specialist professionals	6	12	16
Agriculture, forestry & fishery engineers	7	7	14
Legal professionals	20	22	13
Other	5	7	12
Construction and mining workers	0	0	10
Sales workers	2	5	9
Occupational health & hygiene service workers	5	7	8
Transport and post clerical workers	3	4	8
Other service workers	3	5	8
Public health nurses, midwives, and nurses	2	2	7
Professional social welfare workers	6	7	5
Doctors, dentists, veterinarians, & pharmacists	2	3	5
Security workers	1	1	4
Transport and machine operation workers	2	3	4
Managers of residential facilities & buildings	2	4	3
Carrying, cleaning, packaging, & related workers	1	2	3
Agriculture, forestry & fishery workers	4	4	3
Medical Technology & Healthcare professionals	3	3	3
Manufacturing process workers	1	2	2
Food & drink cooking, staff serving customers	1	2	2
Workers in Family Life Support & Care Services	2	3	1
Workers in religion	0	0	0

Source: *Spread of Covid-19 and telework: evidence from Japan* <sup>(8)</sup>, Conceptasia, October 2020

### Deregulation drives innovative business models

Deregulation and the ensuing market opportunities leads us to expect “Workation” as a concept to evolve rapidly into an implemented reality. The private sector is responding rapidly to the policy support from the government:

JTB Corp, Japan’s largest travel group, established a new division in late July to support companies with their workation programs: “We have set up a human resources solutions service department that works with companies to create workation plans for their employees, primarily in resort hotels around the country,” said Kaori Mori, a spokeswoman for the domestic travel giant. <sup>(3)</sup>

We at Conceptasia are advising hospitality industry clients on workation programs, to leverage their high-speed data capabilities and diverse facilities. Please contact [Conceptasia](#) for more.

## References

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