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# Do Growing Companies Pay Higher Wages?

An Empirical Analysis Using Employer-Employee Matched Data in Japan

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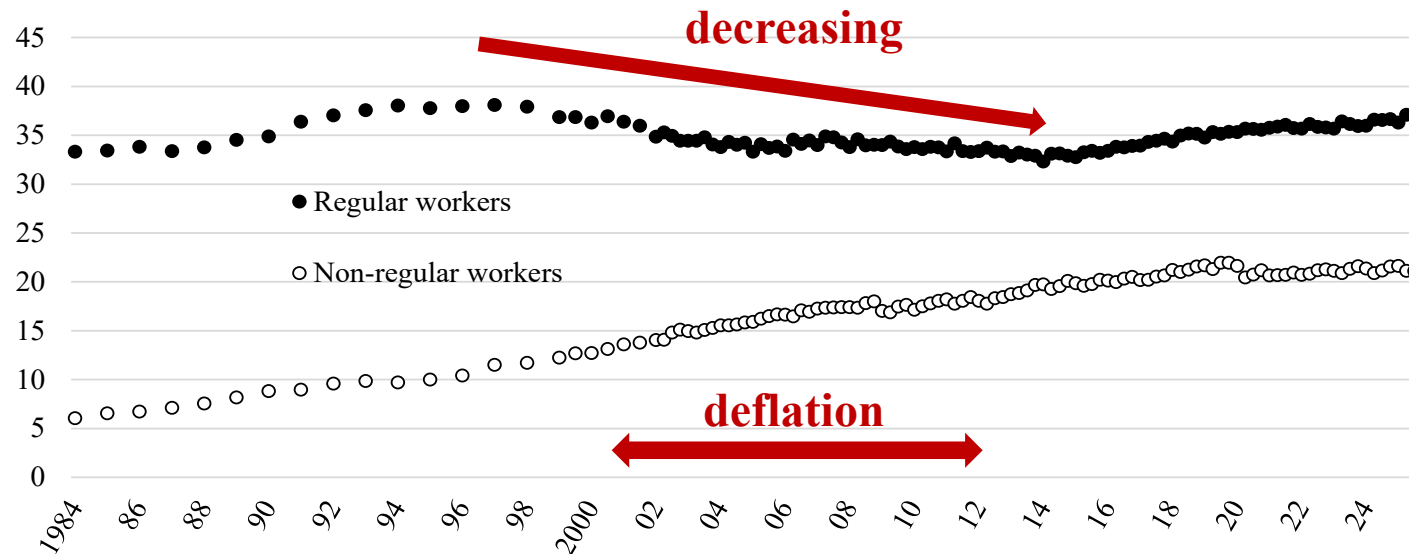
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# 1. Introduction

- Balancing employment growth and job quality is one of the most important policy agendas, and a large body of macro-level and industry-level analyses and policy prescriptions has been published (e.g., OECD 2018).
- In Japan, however, given its decentralized wage determination system, clarifying the relationship between employment growth and wage levels at the company level is also essential.
- In this regard, Hara (2005) showed that companies with enterprise unions hired fewer new graduates in 2004, suggesting a negative relationship between wage levels and employment growth.
- There is also influential literature warning that low-wage companies pursuing cost-reduction strategies have become increasingly prevalent in the labor market (e.g., Konno 2012).

- However, these studies do not directly address the issue of whether growing companies pay higher wages. Moreover, their conclusions may be specific to a deflationary period in which the number of regular workers was declining in the labor market (**Figure 1**).
- This presentation aims to examine the relationship between employment growth and wage levels at the company level more directly and comprehensively.



Source: Ministry of Internal Affairs and Communications, *Labour Force Survey* (Detailed Tabulation).

**Figure 1. Number of workers in Japan (million people)**

## 2. Research Questions (Exploratory)

- 1) Do growing companies pay higher wages, on average?
- 2) Do growing companies have particular characteristics in terms of workers' and employers' attributes?
- 3) Do growing companies pay higher wages (a wage premium) after controlling for workers' and employers' attributes?
- 4) Are there particular mechanisms linking the average wage level and the wage premium of growing companies?
- 5) Do the answers to the above questions differ by economic conditions?

# 3. Data and Variables

- Data: Japan's **establishment–worker matched survey\***, *General Survey on Diversified Types of Employment*, conducted by the Ministry of Health, Labour and Welfare in 2014 and 2019.

\*Although the title of this presentation includes the term “company,” the unit of analysis is the establishment and the individual worker.

- Dataset: Establishment-level information reported by HR managers was merged with individual workers' responses, resulting in a worker-level dataset.
- Dependent variable: The logarithm of **the hourly wage (JPY) of individual regular workers**.
- Key independent variable: **A “growing” dummy**, indicating whether the HR manager reported that **the number of regular workers at the establishment had increased during the past three years**.

- Control variables: Gender, age, education, occupation, and job tenure (reported by individual workers); industry of establishments, firm size\*, and type of establishments (reported by HR managers).

\* Although reported by HR managers at establishments, this variable refers to firm-level information.

- Number of observations: 7,239 workers in 2014; 4,661 workers in 2019.
- **Table 1** presents the descriptive statistics.
- **Table 2** presents the results of ordinary least squares (OLS) regressions of wages on all control variables, showing that the estimated wage determinants are consistent with previous findings in the literature (e.g., Tachibanaki 1996; Takahashi 2018).

In 2014, 32.3% of workers were employed in growing establishments; in 2019, the figure was 38.9%.

**Table 1. Descriptive statistics (continued)**

|  | 2014 |        |       |       |        | 2019 |        |       |       |        |
|--|------|--------|-------|-------|--------|------|--------|-------|-------|--------|
|  | N    | Mean   | S.D.  | Min   | Max    | N    | Mean   | S.D.  | Min   | Max    |
| <b>Dependent variable</b>                    |      |        |       |       |        |      |        |       |       |        |
| Ln (hourly wage) (JPY)                       | 7239 | 7.416  | 0.37  | 6.215 | 8.923  | 4661 | 7.449  | 0.36  | 6.272 | 8.923  |
| <b>Independent variable</b>                  |      |        |       |       |        |      |        |       |       |        |
| Growing                                      | 7239 | 0.323  | 0.47  | 0     | 1      | 4661 | 0.389  | 0.49  | 0     | 1      |
| <b>Control variables (individual worker)</b> |      |        |       |       |        |      |        |       |       |        |
| Male   | 7239 | 0.686  | 0.46  | 0     | 1      | 4661 | 0.660  | 0.47  | 0     | 1      |
| Age  | 7239 | 40.438 | 10.09 | 17.5  | 57.5   | 4661 | 41.858 | 10.05 | 17.5  | 57.5   |
| Education                                    |      |        |       |       |        |      |        |       |       |        |
| Junior high school                           | 7239 | 0.011  | 0.10  | 0     | 1      | 4661 | 0.010  | 0.10  | 0     | 1      |
| High school                                  | 7239 | 0.316  | 0.46  | 0     | 1      | 4661 | 0.303  | 0.46  | 0     | 1      |
| Specialized Training College                 | 7239 | 0.126  | 0.33  | 0     | 1      | 4661 | 0.112  | 0.32  | 0     | 1      |
| Junior college and technical college         | 7239 | 0.093  | 0.29  | 0     | 1      | 4661 | 0.105  | 0.31  | 0     | 1      |
| University                                   | 7239 | 0.427  | 0.49  | 0     | 1      | 4661 | 0.440  | 0.50  | 0     | 1      |
| Graduate School                              | 7239 | 0.027  | 0.16  | 0     | 1      | 4661 | 0.031  | 0.17  | 0     | 1      |
| Occupation                                   |      |        |       |       |        |      |        |       |       |        |
| Administrative and managerial                | 7239 | 0.176  | 0.38  | 0     | 1      | 4661 | 0.205  | 0.40  | 0     | 1      |
| Professional and engineering                 | 7239 | 0.166  | 0.37  | 0     | 1      | 4661 | 0.187  | 0.39  | 0     | 1      |
| Clerical                                     | 7239 | 0.403  | 0.49  | 0     | 1      | 4661 | 0.371  | 0.48  | 0     | 1      |
| Sales  | 7239 | 0.080  | 0.27  | 0     | 1      | 4661 | 0.072  | 0.26  | 0     | 1      |
| Service                                      | 7239 | 0.056  | 0.23  | 0     | 1      | 4661 | 0.051  | 0.22  | 0     | 1      |
| Security                                     | 7239 | 0.004  | 0.07  | 0     | 1      | 4661 | 0.004  | 0.06  | 0     | 1      |
| Manufacturing process                        | 7239 | 0.060  | 0.24  | 0     | 1      | 4661 | 0.052  | 0.22  | 0     | 1      |
| Transport and machine operation              | 7239 | 0.020  | 0.14  | 0     | 1      | 4661 | 0.024  | 0.15  | 0     | 1      |
| Construction and mining                      | 7239 | 0.020  | 0.14  | 0     | 1      | 4661 | 0.015  | 0.12  | 0     | 1      |
| Carrying, cleaning, packaging and related    | 7239 | 0.014  | 0.12  | 0     | 1      | 4661 | 0.019  | 0.14  | 0     | 1      |
| Other  | 7239 | 0.002  | 0.04  | 0     | 1      | 4661 | 0.001  | 0.03  | 0     | 1      |
| Job tenure (years)                           | 7239 | 12.694 | 8.48  | 0.125 | 25.000 | 4661 | 12.521 | 8.69  | 0.125 | 25.000 |

**Table 1**  
**(continued)**

|   | 2014 |       |      |     |     | 2019 |       |      |     |     |
|---|------|-------|------|-----|-----|------|-------|------|-----|-----|
|   | N    | Mean  | S.D. | Min | Max | N    | Mean  | S.D. | Min | Max |
| <b>Control variables (establishment)</b>                    |      |       |      |     |     |      |       |      |     |     |
| Industry  |      |       |      |     |     |      |       |      |     |     |
| Mining  | 7239 | 0.001 | 0.03 | 0   | 1   | 4661 | 0.000 | 0.02 | 0   | 1   |
| Construction  | 7239 | 0.083 | 0.28 | 0   | 1   | 4661 | 0.077 | 0.27 | 0   | 1   |
| Manufacturing   | 7239 | 0.227 | 0.42 | 0   | 1   | 4661 | 0.214 | 0.41 | 0   | 1   |
| Electricity, gas, heat supply and water                     | 7239 | 0.007 | 0.08 | 0   | 1   | 4661 | 0.004 | 0.07 | 0   | 1   |
| Information and communications                              | 7239 | 0.044 | 0.21 | 0   | 1   | 4661 | 0.044 | 0.21 | 0   | 1   |
| Transport and postal services                               | 7239 | 0.076 | 0.26 | 0   | 1   | 4661 | 0.073 | 0.26 | 0   | 1   |
| Wholesale trade   | 7239 | 0.090 | 0.29 | 0   | 1   | 4661 | 0.089 | 0.29 | 0   | 1   |
| Retail trade  | 7239 | 0.074 | 0.26 | 0   | 1   | 4661 | 0.077 | 0.27 | 0   | 1   |
| Finance and Insurance                                       | 7239 | 0.042 | 0.20 | 0   | 1   | 4661 | 0.039 | 0.19 | 0   | 1   |
| Real estate and goods rental and leasing                    | 7239 | 0.018 | 0.13 | 0   | 1   | 4661 | 0.017 | 0.13 | 0   | 1   |
| Scientific research, professional and technical services    | 7239 | 0.034 | 0.18 | 0   | 1   | 4661 | 0.035 | 0.18 | 0   | 1   |
| Accommodation, eating and drinking services                 | 7239 | 0.049 | 0.22 | 0   | 1   | 4661 | 0.046 | 0.21 | 0   | 1   |
| Living-related and personal services and amusement services | 7239 | 0.032 | 0.17 | 0   | 1   | 4661 | 0.028 | 0.17 | 0   | 1   |
| Education and learning support                              | 7239 | 0.025 | 0.16 | 0   | 1   | 4661 | 0.033 | 0.18 | 0   | 1   |
| Medical, health and welfare                                 | 7239 | 0.139 | 0.35 | 0   | 1   | 4661 | 0.147 | 0.35 | 0   | 1   |
| Compound services   | 7239 | 0.010 | 0.10 | 0   | 1   | 4661 | 0.011 | 0.11 | 0   | 1   |
| Other services  | 7239 | 0.051 | 0.22 | 0   | 1   | 4661 | 0.063 | 0.24 | 0   | 1   |
| Firm size   |      |       |      |     |     |      |       |      |     |     |
| 1,000 employees or more                                     | 7239 | 0.331 | 0.47 | 0   | 1   | 4661 | 0.316 | 0.46 | 0   | 1   |
| 500–999 employees   | 7239 | 0.092 | 0.29 | 0   | 1   | 4661 | 0.094 | 0.29 | 0   | 1   |
| 300–499 employees   | 7239 | 0.071 | 0.26 | 0   | 1   | 4661 | 0.087 | 0.28 | 0   | 1   |
| 100–299 employees   | 7239 | 0.160 | 0.37 | 0   | 1   | 4661 | 0.149 | 0.36 | 0   | 1   |
| 50–99 employees   | 7239 | 0.089 | 0.28 | 0   | 1   | 4661 | 0.089 | 0.29 | 0   | 1   |
| 30–49 employees   | 7239 | 0.062 | 0.24 | 0   | 1   | 4661 | 0.067 | 0.25 | 0   | 1   |
| 5–29 employees  | 7239 | 0.195 | 0.40 | 0   | 1   | 4661 | 0.199 | 0.40 | 0   | 1   |
| Type of establishment                                       |      |       |      |     |     |      |       |      |     |     |
| Office  | 7239 | 0.326 | 0.47 | 0   | 1   | 4661 | 0.298 | 0.46 | 0   | 1   |
| Factory   | 7239 | 0.236 | 0.42 | 0   | 1   | 4661 | 0.240 | 0.43 | 0   | 1   |
| Research laboratory   | 7239 | 0.013 | 0.11 | 0   | 1   | 4661 | 0.014 | 0.12 | 0   | 1   |
| Sales office  | 7239 | 0.115 | 0.32 | 0   | 1   | 4661 | 0.137 | 0.34 | 0   | 1   |
| Store   | 7239 | 0.110 | 0.31 | 0   | 1   | 4661 | 0.122 | 0.33 | 0   | 1   |
| Other   | 7239 | 0.200 | 0.40 | 0   | 1   | 4661 | 0.190 | 0.39 | 0   | 1   |

## Table 2. Determinants of wages (OLS)

| Dependent variable = Ln (hourly wage)     | 2014   |       |     | 2019   |       |     |   |        |         |       |        |           |
|---|--------|-------|-----|--------|-------|-----|---|--------|---------|-------|--------|-----------|
|   | B      | S.E.  |     | B      | S.E.  |     | 2014  |        | 2019    |       |        |           |
|   |        |       |     |        |       |     | B   | S.E.   | B       | S.E.  |        |           |
| Male                                      | 0.172  | 0.009 | *** | 0.145  | 0.010 | *** | Industry (Manufacturing)                        |        |         |       |        |           |
| Age                                       | 0.010  | 0.000 | *** | 0.006  | 0.001 | *** | Mining  | -0.028 | 0.124   | 0.021 | 0.219  |           |
| Education (High school)                   |        |       |     |        |       |     | Construction                                    | -0.003 | 0.017   | 0.021 | 0.023  |           |
| Junior high school                        | -0.084 | 0.032 | **  | 0.019  | 0.042 |     | Electricity, gas, heat supply and water         | 0.180  | 0.042   | ***   | 0.168  | 0.064 **  |
| Specialized Training College              | 0.058  | 0.011 | *** | 0.016  | 0.015 |     | Information and communications                  | 0.082  | 0.020   | ***   | 0.023  | 0.026     |
| Junior college and technical college      | 0.002  | 0.013 |     | -0.021 | 0.016 |     | Transport and postal services                   | 0.010  | 0.018   |       | -0.066 | 0.024 **  |
| University                                | 0.092  | 0.009 | *** | 0.101  | 0.011 | *** | Wholesale trade                                 | 0.038  | 0.017   | *     | 0.080  | 0.022 *** |
| Graduate School                           | 0.163  | 0.022 | *** | 0.136  | 0.026 | *** | Retail trade                                    | -0.089 | 0.020   | ***   | -0.049 | 0.027     |
| Occupation (Clerical)                     |        |       |     |        |       |     | Finance and Insurance                           | 0.049  | 0.021   | *     | -0.011 | 0.028     |
| Administrative and managerial             | 0.090  | 0.010 | *** | 0.148  | 0.012 | *** | Real estate and goods rental and leasing        | 0.046  | 0.027   |       | 0.012  | 0.036     |
| Professional and engineering              | 0.046  | 0.010 | *** | 0.050  | 0.013 | *** | Scientific, professional and technical services | 0.032  | 0.022   |       | 0.064  | 0.029 *   |
| Sales                                     | -0.010 | 0.015 |     | -0.067 | 0.018 | *** | Accommodation, eating and drinking services     | -0.109 | 0.020   | ***   | -0.153 | 0.028 *** |
| Service                                   | -0.073 | 0.016 | *** | -0.034 | 0.021 |     | Living-related, personal and amusement services | 0.002  | 0.023   |       | -0.082 | 0.031 **  |
| Security                                  | -0.129 | 0.052 | *   | -0.256 | 0.069 | *** | Education and learning support                  | 0.021  | 0.027   |       | -0.085 | 0.030 **  |
| Manufacturing process                     | -0.030 | 0.016 |     | -0.076 | 0.021 | *** | Medical, health and welfare                     | -0.006 | 0.019   |       | -0.074 | 0.024 **  |
| Transport and machine operation           | -0.028 | 0.025 |     | 0.019  | 0.031 |     | Compound services                               | -0.114 | 0.035   | **    | -0.100 | 0.043 *   |
| Construction and mining                   | 0.121  | 0.027 | *** | 0.097  | 0.037 | **  | Other services                                  | -0.071 | 0.018   | ***   | 0.012  | 0.023     |
| Carrying, cleaning, packaging and related | -0.042 | 0.029 |     | -0.147 | 0.032 | *** | Firm size (1,000 employees or more)             |        |         |       |        |           |
| Other                                     | -0.097 | 0.079 |     | 0.072  | 0.141 |     | 500–999 employees                               | -0.068 | 0.012   | ***   | -0.051 | 0.015 **  |
| Job tenure                                | 0.010  | 0.001 | *** | 0.013  | 0.001 | *** | 300–499 employees                               | -0.071 | 0.014   | ***   | -0.082 | 0.016 *** |
|   |        |       |     |        |       |     | 100–299 employees                               | -0.124 | 0.010   | ***   | -0.055 | 0.013 *** |
|   |        |       |     |        |       |     | 50–99 employees                                 | -0.118 | 0.013   | ***   | -0.124 | 0.016 *** |
|   |        |       |     |        |       |     | 30–49 employees                                 | -0.110 | 0.015   | ***   | -0.126 | 0.018 *** |
|   |        |       |     |        |       |     | 5–29 employees                                  | -0.145 | 0.011   | ***   | -0.143 | 0.013 *** |
|   |        |       |     |        |       |     | Type of establishment (Office)                  |        |         |       |        |           |
|   |        |       |     |        |       |     | Factory   | -0.048 | 0.013   | ***   | -0.016 | 0.018     |
|   |        |       |     |        |       |     | Research laboratory                             | 0.036  | 0.031   |       | 0.007  | 0.040     |
|   |        |       |     |        |       |     | Sales office                                    | -0.073 | 0.012   | ***   | 0.003  | 0.014     |
|   |        |       |     |        |       |     | Store   | -0.038 | 0.015   | **    | -0.030 | 0.018     |
|   |        |       |     |        |       |     | Other   | -0.028 | 0.013   | *     | 0.015  | 0.016     |
|   |        |       |     |        |       |     | Constant  | 6.821  | 0.021   | ***   | 6.972  | 0.029 *** |
|   |        |       |     |        |       |     | N   |        | 7239    |       | 4661   |           |
|   |        |       |     |        |       |     | F-statistic                                     |        | 121.085 | ***   | 76.312 | ***       |
|   |        |       |     |        |       |     | Adjusted R <sup>2</sup>                         |        | 0.427   |       | 0.421  |           |

Note: \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

# 4. Results

- Workers in growing establishments are paid lower on average in 2014 ( $p < 0.01$ ), but slightly higher in 2019 (n.s.) (**Table 3**).
- In both 2014 and 2019, workers in growing establishments are younger, more educated, more likely to be women, more likely to be in professional and engineering occupations, and more likely to have shorter job tenure (**Table 3**).
- In both 2014 and 2019, growing establishments are more likely to be in the medical, health, and welfare industry, more likely to belong to large firms, and less likely to be sales offices or stores (**Table 3**).
- The OLS coefficients of the “growing” dummy become more positive when controlling for gender, age, and job tenure (**Figure 2**).
- The OLS coefficient of the “growing” dummy is significantly positive ( $p < 0.01$ ) in 2019 but not in 2014 when controlling for all covariates (**Figure 2**).

**Table 3. Comparison of “growing” and “not growing” establishments (continued)**

|   | 2014        |         | 2019        |         |
|---|-------------|---------|-------------|---------|
|   | Not growing | Growing | Not growing | Growing |
| N   | 4,903       | 2,336   | 2,846       | 1,815   |
| Hourly wage (average: JPY)                | 1676.8      | 1633.1  | 1704.9      | 1739.0  |
| Male                                      | 71.3%       | 62.8%   | 67.0%       | 64.5%   |
| Female                                    | 28.7% <     | 37.2%   | 33.0% <     | 35.5%   |
| Age (average)                             | 41.0 >      | 39.2    | 42.6 >      | 40.8    |
| Junior high school                        | 1.0%        | 1.4%    | 1.0%        | 1.1%    |
| High school                               | 33.8% >     | 26.9%   | 33.4% >     | 25.3%   |
| Specialized Training College              | 12.2%       | 13.4%   | 11.0%       | 11.5%   |
| Junior college and technical college      | 9.1%        | 9.6%    | 11.2%       | 9.4%    |
| University                                | 41.1% <     | 46.1%   | 41.1% <     | 48.5%   |
| Graduate School                           | 2.8%        | 2.6%    | 2.4%        | 4.2%    |
| Administrative and managerial             | 18.1%       | 16.4%   | 20.5%       | 20.6%   |
| Professional and engineering              | 14.7% <     | 20.7%   | 17.6% <     | 20.5%   |
| Clerical                                  | 39.0% >     | 42.9%   | 37.6%       | 36.1%   |
| Sales                                     | 9.3% >      | 5.1%    | 7.7%        | 6.2%    |
| Service                                   | 6.0%        | 4.7%    | 4.7%        | 5.7%    |
| Security                                  | 0.4%        | 0.4%    | 0.3%        | 0.4%    |
| Manufacturing process                     | 6.5%        | 4.9%    | 5.6%        | 4.8%    |
| Transport and machine operation           | 2.5%        | 1.1%    | 2.6%        | 2.1%    |
| Construction and mining                   | 1.8%        | 2.4%    | 1.4%        | 1.6%    |
| Carrying, cleaning, packaging and related | 1.4%        | 1.3%    | 1.8%        | 1.9%    |
| Other                                     | 0.2%        | 0.0%    | 0.1%        | 0.0%    |
| Job tenure (average: years)               | 13.5 >      | 11.0    | 13.2 >      | 11.5    |

Workers in growing establishments are:

- Paid lower on average in 2014, but slightly higher in 2019
- More likely to be women
- Younger
- More educated
- More likely to be in professional and engineering occupations, and less likely to be in clerical and sales occupations
- More likely to have shorter job tenure

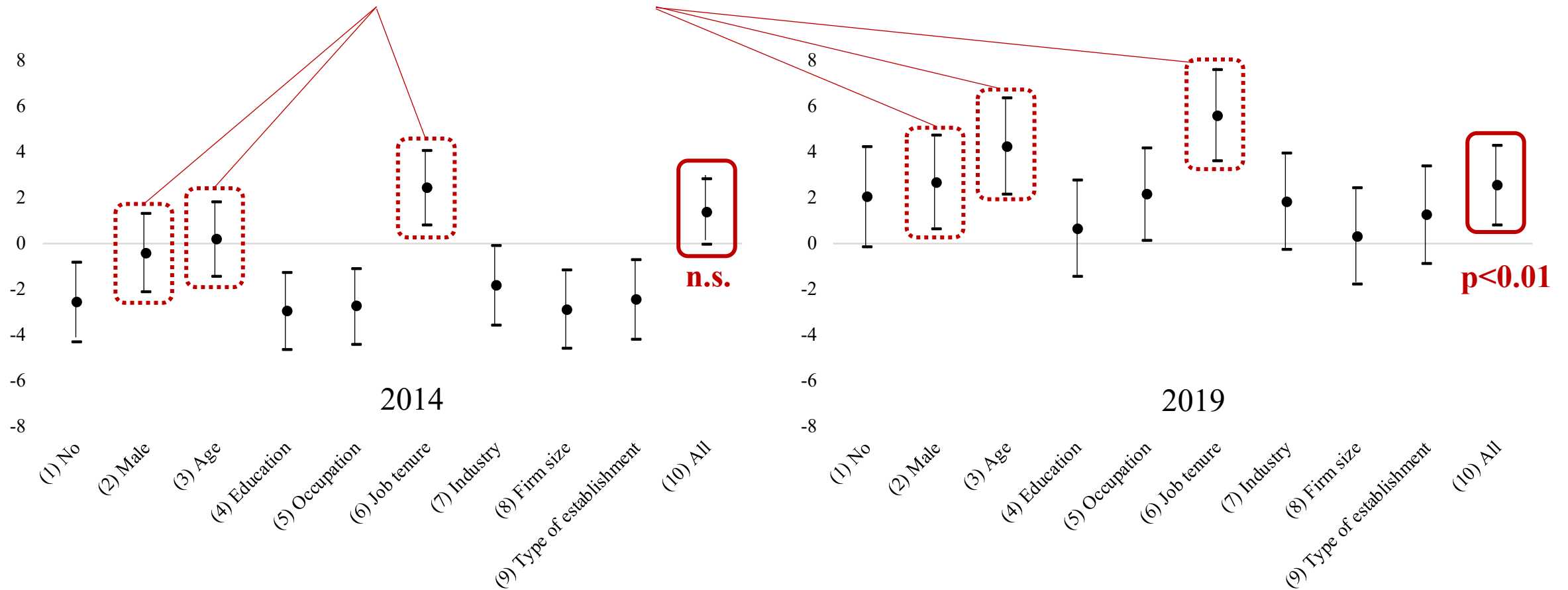
|   | 2014        |         | 2019        |         |
|---|-------------|---------|-------------|---------|
|   | Not growing | Growing | Not growing | Growing |
| Mining  | 0.1%        | 0.1%    | 0.0%        | 0.0%    |
| Construction                                    | 8.6%        | 7.8%    | 8.2%        | 6.9%    |
| Manufacturing                                   | 23.6%       | 20.8%   | 20.1%       | 23.5%   |
| Electricity, gas, heat supply and water         | 0.8%        | 0.4%    | 0.6%        | 0.2%    |
| Information and communications                  | 4.3%        | 4.7%    | 3.5%        | 6.0%    |
| Transport and postal services                   | 8.3%        | 6.0%    | 7.4%        | 7.1%    |
| Wholesale trade                                 | 9.3%        | 8.3%    | 9.5%        | 8.0%    |
| Retail trade                                    | 8.7%        | > 4.7%  | 8.2%        | 7.0%    |
| Finance and Insurance                           | 4.4%        | 3.7%    | 4.7%        | 2.7%    |
| Real estate and goods rental and leasing        | 1.5%        | 2.3%    | 1.4%        | 2.3%    |
| Scientific, professional and technical services | 3.3%        | 3.5%    | 3.5%        | 3.5%    |
| Accommodation, eating and drinking services     | 5.2%        | 4.4%    | 6.2%        | > 2.1%  |
| Living-related, personal and amusement services | 3.7%        | 2.0%    | 3.4%        | 2.0%    |
| Education and learning support                  | 2.2%        | 3.0%    | 3.6%        | 2.9%    |
| Medical, health and welfare                     | 9.9%        | < 22.2% | 12.5%       | < 18.1% |
| Compound services                               | 1.3%        | 0.4%    | 1.5%        | 0.6%    |
| Other services                                  | 4.8%        | 5.9%    | 5.7%        | 7.2%    |
| 1,000 employees or more                         | 33.2%       | 32.9%   | 29.1%       | < 35.5% |
| 500–999 employees                               | 8.2%        | < 11.2% | 7.6%        | < 12.1% |
| 300–499 employees                               | 6.6%        | 8.2%    | 9.0%        | 8.4%    |
| 100–299 employees                               | 15.7%       | 16.6%   | 14.6%       | 15.3%   |
| 50–99 employees                                 | 8.4%        | 10.1%   | 9.0%        | 8.8%    |
| 30–49 employees                                 | 6.8%        | 4.8%    | 7.3%        | 5.6%    |
| 5–29 employees                                  | 21.1%       | > 16.3% | 23.4%       | > 14.3% |
| Office  | 32.6%       | 32.7%   | 29.1%       | 30.9%   |
| Factory   | 24.4%       | 22.0%   | 23.2%       | 25.3%   |
| Research laboratory                             | 1.4%        | 1.1%    | 1.2%        | 1.7%    |
| Sales office                                    | 12.6%       | > 9.0%  | 13.7%       | 13.5%   |
| Store   | 13.0%       | > 6.8%  | 14.8%       | > 8.0%  |
| Other   | 16.0%       | < 28.4% | 18.0%       | < 20.5% |

**Table 3 (continued)**

Growing establishments are:

- More likely to be in the medical, health, and welfare industry, and less likely to be in retail trade and accommodation, eating and drinking services
- More likely to belong to large firms
- Less likely to be sales offices or stores

In comparison with Model (1), coefficients increase when controlling for gender, age, and job tenure.



Note: Vertical bars indicate 95% confidence intervals.

**Figure 2. OLS coefficients of the “growing” dummy controlling for covariates (1)–(10) (expressed as percentage differences)**

# 5. Conclusion and Future Research

- Growing companies (establishments) paid a wage premium in 2019, but not in 2014 (RQ3).
- Reflecting employment practices in Japan, growing companies employed a higher proportion of women and young workers and had shorter average job tenure, regardless of the survey year (RQ2).
- These compositional characteristics help explain why the average wage of growing companies was not significantly higher in 2019 and was even lower in 2014 (RQ1 and RQ4).
- The absence of a wage premium in growing companies in 2014 may reflect cost-reduction strategies adopted by these companies under Japan's deflationary conditions between 2001 and 2012 (RQ5).

- This conclusion needs to be confirmed and updated using more recent data. In particular, the *General Survey on Diversified Types of Employment* was conducted in 2024, and its data will become available in 2026.
- The business and HR strategies of growing companies across different periods also need to be examined empirically.
- The causal relationship between company growth and the wage premium also needs to be examined.
- Finally, this presentation analyzed only the relationship between increases in the number of regular workers and the wages of individual regular workers. Future research should employ data and models that account for both regular and non-regular workers.

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