

Corrugated industry leads in improvement of total factor productivity

A central issue in Japan's initiatives for economic regeneration under Abenomics is "productivity improvement." One aspect which has attracted particular attention is Total Factor Productivity (TFP). This system involves even technological innovation and the mental attitude of employees. The Abe government is aiming for Japan to be a society in which the whole population of 100 million people each play an active part. In order to realize this aim, it is essential to provide workplace environments where everyone can work with motivation and maximize their abilities. A prerequisite for this is the establishment of work-life balance.

In response, the Japan Corrugated Case Association (Chairman: Kiyoshi Otsubo, Chairman, President & CEO of Rengo Co., Ltd.) set up a TFP Committee in November 2014. Since then, the whole corrugated industry has worked to improve TFP.

The committee educates people on the importance of reduced working hours, as well as carrying out surveys, gathering information, and providing information to support initiatives by member companies. The committee also conducts research into cases of successful improvement. Through initiatives for TFP improvement, it aims to remedy the norm of long working hours and bring the yearly working hours total in line with the manufacturing industry average. To this end, it is focusing on measures which are thought to be especially effective, namely bundling order lots together and extending lead times.

In order to assist member companies in analyzing their own issues, the committee provides a range of templates for in-house management to use to monitor progress, self-evaluate the impact of initiatives, and so on. The committee also carries out surveys of member companies every three months to review working hours, lot concentration, and extensions of lead time. The survey results are presented as feedback.

At the Corrugated Seminar 2016 held in October this year, the committee presented the benefits from the last two years of initiatives. They confirmed that the initiatives had brought benefits for both companies and employees—for instance, working hours have been reduced and staffs are now encouraged to take time off.

Labor shortages in Japan will become increasingly serious going forward due to the aging society and falling birth rates, and competition between industries in recruitment is becoming more intense. Going forward, the committee plans to continue activities, such as reducing containerboard inventories by consolidate specifications. We will continue working to improve TFP not only to respond to labor shortages, but also to remain an industry where young people can work with ambitions for the future.