

## Employment Relationship Rules for Lower-Order Processes in Information Technology Services: An Empirical Study of Recruitment, Assignment, and Supervision

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This thesis clarifies employment relationship rules in lower-order processes in the information technology services industry. In this paper, I use the concept of “job rule” and “competence rule” as measures of employment relationship rules. Employment relationship rules represent the standard upon which employment relationship, i.e. trade relationship between employer and employee, is formed.

Since the 1980s, IT services industry has attracted researchers’ interest in differences among employment management practices across manufacturing industries. The focus is, first, whether a cross-company labor market is formed, and, second, whether labor management and evaluation in companies is different from the basis of competence or personal qualifications. In other words, is the employment relationship rule in the IT services industry the “job rule”, not the “competence rule”?

Among IT services industries, I focus on lower-order processes in software development, because while it has been shown that higher-order processes follow the “competence rule”, previous studies have not clarified the case with regard to lower-order processes. I consider that the hierarchy characteristics of higher and lower-order processes are important in the production structure of this industry, because this structure is one of the factors that condition employment management.

Based on interviews with IT-workers, I analyze from “job and competence” standpoints; how IT-workers are initially employed (“recruitment”), assigned to work (“assignment”), and ordered to complete that work under the command of management (“supervision”). The results show that while the recruitment and assignment processes take place under the “job rule”, in supervision, the “competence rule” takes precedence. Originally, only one of these rules should be adopted. However, in practice, in case of trouble, workers fulfill personal qualifications by job enlargement. There are two main causes of trouble: one that arises from non-standardized skills, and the other from the multi-layered subcontract production structure.

Therefore, though the “job rule” is seemingly adaptive to the employment relationship rules in lower-order processes in the IT services industry, companies do not fully comply with the “job rule” but instead also with the “competence rule”. Thus two employment rules coexist in the lower-order software development work processes. The “job rule” becomes a dead letter in supervision contexts.