

A Study of Occupational Classification for Employment Placement Services

Summary

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Objective of the Research

In this study we identify and analyze problems and issues in relation to the future revision of the *Classification of Occupations for Employment Services (ESCO)*.

No revision has been made for over six years since November 1999 of the ESCO, which is used by the Public Employment Security Offices (PESO) when accepting job offers and jobseekers. Due to economic and social changes that occurred during the period, some of the occupations for which there are job offers and job applications are difficult to find in the occupational classification. It is time to start sorting out the issues concerned prior to the revision of occupational classification. The revision of occupational classification must be carried out from various angles, including the viewpoints of users and the government, the use of the common language for occupational classification, etc. In this research, we conducted the survey on users of the occupational classification (staff members of Public Employment Security Offices who receive job offers and job applications), and based on the survey results, summarized general problems and issues related to occupational classification.

Outline of the Survey

The methods, periods and the subjects of the survey are as follows.

Method	Period	Subject	Number collected
Interview	June - October, 2005	PESO in the jurisdiction of Tokyo Labour Bureau	10 offices
Questionnaire	July - September, 2005	Trainees at the Labour College of the Japan Institute for Labour Policy and Training	156
Questionnaire	September - October, 2005	PESO throughout the country	472 offices

Summary of the Results

1. Problems

The PESO has the standard set of job titles to consistently provide employment placement services covering a wide range of diversified occupations. The standard is provided for in the Employment Security Law as the standard job titles. The job titles are systematically structured in the ESCO which is used by the PESO throughout the country to define the types of occupations when receiving job offers and job applications.

Currently, the 1999 version of the ESCO is used at the PESO. It has been six years since the last revision. When asked about the occupational classification, the staff in the PESO in charge of handling job offers and job applications often points out that the Classification is "not easy to use" or "not very useful," indicating that their work efficiency is affected. The problem with the ESCO that its job titles have not been adjusted (there have been no new titles added, no titles broken down, integrated or removed according to the trend of job offers) to reflect the trend of the economy in the last six years. The classification is almost out of its useful life. There are, moreover, other problems.

The ESCO complies with the system defined by the Japan Standard Classification of Occupations (hereinafter "JSCO") published by the Statistics Bureau of the Ministry of Internal Affairs and Communications. The JSCO is based on the International Standard Classification of Occupations (hereinafter "ISCO") defined by the ILO. Under the structure of these three systems, the ISCO defines the JSCO and the JSCO defines the ESCO. Therefore, it is difficult to go to the core of the current problems unless we accurately identify factors that negatively affect the ESCO from among those factors that are inherited from the JSCO or ISCO, in other words, those factors that are common to the JSCO and ISCO.

In this study, we analyze the current situation of the ESCO to identify problems and issues based on two aspects, (1) theoretical aspect (issues related to the criteria of classification and the use of the criteria) and (2) time aspect (issues related to classification items and actual occupations). For the latter in particular, problems are deduced from the viewpoint of the users (staff working at the desk to handle applications for job offer registration and applications for jobs in the PESO).

2. Problems Inherent to the ESCO

Of the unique problems of the ESCO typical problems are listed below.

(1) Collection of Occupational Information

In the ESCO, occupation is a concept based on the job analysis, that is, a concept constituting task and job. Occupations are categorized based on the similarity of jobs, and every occupation needs to be defined with clear information on jobs. Since the mid-1960s, however, no systematic or institutional survey has been conducted to collect information on jobs. For the revision made in 1986 and 1999, collection of information on jobs was a major issue. This situation has not changed since then.

(2) Structured Occupation

The ESCO is made up of four hierarchical levels (major group, minor group, unit group and detailed occupation) and the detailed occupations is further structured in two layers, higher level of occupations (aggregated occupations) and lower level of occupations (specific occupations). The classification is structured this way to have occupations of the occupational classification correspond with occupations in the real world. The specific occupation items, however, are not frequently used in reality. In order to deal with this problem, we need to go back to the basics to understand the actual jobs and identify occupations accordingly.

(3) Criteria to Establish Items

Quantitative criteria are used for the JSCO to establish items in the unit and minor groups. In compliance with the JSCO, the ESCO also establishes the classification items by "considering the number of workers." In practice, however, occupational items used for employment placement services are those listed in the detailed occupation level, with which general quantitative data are not available on workers engaged in the occupation. The question, therefore, is how to guarantee suitability to the occupation in this classification level.

(4) Distribution of Classification of Items

The ESCO presents 2,167 occupations at the detailed occupation level, and the distribution of items is not even among major groups. In the manufacturing industry, which makes up the majority of detailed occupation level items, some of the occupations listed do not fit the actual job offers due to the advancement of technical innovation. For the professional and technical occupations, the current classification items do not appropriately fit the actual job offers due to increasing specialization in the field.

(5) Classification Criteria for Occupations with Multiple Functions

There is a principle established in how to deal with job offers that correspond to multiple occupations in the occupational classification. The priority is set as follows: (1) occupation with higher levels of skill, (2) occupation with longer working hours, and (3) occupation involving the main or final process. At the desk receiving the application for job offers in the PESO, however, they normally look at the main job among the listed jobs in the application form and select an occupation that corresponds to that job. This procedure does not comply with the principle. There is a need of establishing clear criteria and an easy-to-use principle.

(6) Consideration of Local Characteristics

At the detailed occupation level, occupations are established based on various criteria. One of them is the local characteristics. Occupations are established in relation to the local industries and traditional craftwork that are found in various parts of the country. To maintain the viewpoint of promoting work efficiency in the local area, the appropriateness of occupations established at the detailed occupation level must be guaranteed.

(7) Concentration on Specific Occupations

Job offers are concentrated on specific occupations. Ten most popular occupations make up a third of all job offers. To improve the matching efficiency (to quickly spot job offers in the field in which a jobseeker is looking for a job), it seems desirable to establish items that reflect the trend of job offers and jobseekers at the detailed occupation level for the occupations with a large number of job offers.

(8) Collections of Job Titles

The occupation index is indispensable for the employment placement services. The

ESCO contains 28,275 occupations in its occupation index, which is being revised simultaneously with the revision of occupational classification. Job titles, however, change in various manners, including the change of job titles due to rise and decline of different industries, introduction of new job titles due to emergence of new occupations, and use of particular job titles as a result of differentiation strategies adopted by different companies. Therefore, a new system is needed that supports addition of job titles from time to time.

3. Issues Derived from Compliance to the JSCO

The following external factors are typical examples affecting the user-friendliness of ESCO.

(1) Concept of Occupational Classification

The ESCO completely complies with the JSCO for establishment of the major, minor and unit groups. On the other hand, the JSCO defines its higher classification groups in accordance with the ISCO and lower classification groups in accordance with the unique divergence of occupations in Japan. Simultaneously, purification is aimed at for classification of occupations. It is, however, quite difficult to meet all three conditions: the compliance with ISCO, reflecting divergence of occupations in Japan and purification of classification. Consequently, the JSCO has become the product of compromise of these conditions.

(2) Unit Applied

The JSCO and the ESCO are each designed to be applied to different unit. The former is for "person" and the latter "job." While the concept of occupation is normally the same when it is regarded in terms of "person" or "job," there is sometimes slight deviation between the two. Care work is one of such typical examples. For care work, two occupational items are set in two different major groups, making it difficult for jobseekers to spot job offers.

(3) Decimal Classification

The use of the decimal classification to establish and organize occupations sometimes creates discrepancy between the position in the occupational classification and the natural expectation of the PESO staffs or of jobseekers. For example, the staff finds it difficult to understand why construction work is set in the major group I (for production process and physical workers), and jobseekers find it difficult to find job offers in the

construction industry, since construction work is set in three different minor groups.

(4) Industry-Based Items

The JSCO has some major group items that correspond to industrial classification. To classify occupations, they are normally first divided based on the type of job and then subdivided based on specific criteria. When based on the viewpoint of industry-based classifications, however, categorization of occupations becomes a factor that disturbs the classification criteria (inhibiting the purification of occupational classification), not only disturbing the consistency of classification but also creating discrepancy with the jobseekers' occupational sense.

(5) Professional Occupations

In Japan, professional occupations are recognized as meeting two conditions (having received university-level professional education and exclusive use of the title/job function under national qualifications). On other conditions, it is difficult to identify generally accepted criteria for professional occupations. If the criteria cannot be established, the social judgment is necessarily used to determine whether or not an occupation is professional. An important question is where to draw the line between the occupations that are recognized as professional and general occupations.

(6) Criteria and Scope of Managerial Occupations

The JSCO uses organization and job title for the criteria of managerial occupations. In addition to these criteria, convenience of jobseekers should also be taken into consideration when classifying occupations for the employment placement services. Otherwise, it hinders the efficiency of jobseekers in finding a job. According to the JSCO, those who are directly engaged in a job other than the managerial job while they are in the managerial position are not considered to be in a managerial occupation. This concept needs to be reviewed for its appropriateness in the employment placement services.

(7) Positioning of Assistants and Helpers

The JSCO has not set down any specific principle for the position of assistants and helpers. In the PESO, a relatively large number of job offers are found for assistants and helpers in the cookery and dentistry. Based on the policy defined by the JSCO, it is not clear where to put these occupations in the classification. Consequently, these occupations are handled at the discretion of individual staff, resulting in the lack of

consistency in the treatment.

4. Occupations in the Classification and Occupations in Reality

The following are typical examples of the factors that create discrepancy between the occupations established in the occupational classification and the occupations for which job offers are made or the occupations that jobseekers indicate as their desired occupations.

(1) Scope of Job Functions

Occupations are categorized based on the job function, and the scope of job functions of an occupation varies depending on the occupation. An occupation may have a wide range of job functions or it may have a very narrow range of job functions. Considering the need for matching job offers and jobseekers, occupations with a large number of job offers should be subdivided into smaller groups so that jobseekers are able to find a job more efficiently.

(2) Addressing New Occupations

As for new occupations that emerged after the last revision, it is difficult to handle them within the set items of the ESCO. A new occupation is handled in either of the following ways at the PESO. When the emphasis is on the association to the existing occupations, a new occupation is included in one of the existing occupations. When the emphasis is on the contents of the new occupation, it is difficult to link the new occupation to the existing occupation, and it is included in the miscellaneous item for “other occupations.”

(3) Establishing Classifications

An occupation may not be found in the occupational classification, even when it is often used in job offers or application for jobs. Even if occupations are subdivided into the detailed occupation level, the efficiency of employment placement services cannot be improved unless they correspond to the occupations actually used in job offers and job applications.

(4) Classification Criteria and Job Functions

When a job offer corresponds to multiple classification items in the occupational classification, it is not always easy to judge where the job offer should be located within the classification. It is even more difficult to determine the groups when an occupation

is based on multiple job functions that are closely associated with each other. This difficulty is due not only to issues related to the criteria of classification but also to the fact that contents and scope of jobs are not clearly defined for each occupation.

(5) Inappropriate Structure

Occupations in the detailed occupation level are subdivided structurally into collective-level occupations and specific-level occupations. The latter are selection of representative occupations taken from the former. Consequently, if specific occupations are not set in ways that they properly reflect the trend of job offers, the number of job offers categorized in the collective-level occupations' segment would increase. In fact, there is a tendency in which the collective-level occupations are used more often when processing job offers.

(6) Organization of Miscellaneous Items

Miscellaneous items include a wide variety of occupations that do not fit any occupation set in the occupational classification. Since the handling of some of these occupations is already significant or is on the rise, they might be better established as independent occupations. It is not easy, however, to select these occupations from the miscellaneous items because there is no way to fully understand the overall contents of miscellaneous items.

(7) Insufficient Description of Occupation

The ESCO only provides simple description of the job for explanation of the contents for each occupation. The description, therefore, cannot always be used as the criteria to precisely locate the occupation in the classification, when the occupation for which a job offer is made consists of complex job functions. Occupational counseling service requires information, such as detailed description of the job functions, qualification requirements and associated occupations; however, the current classification of occupations does not contain such information.

(8) Understanding Occupations

In some cases, PESO staff and jobseekers see and understand occupations in a way that is different from the original concept of the occupations in the occupational classification. The staff tends to see occupations in the unit of industries, while jobseekers tend to focus on characteristics of a job to place different occupations in their heads. Consequently, their views differ from the concept of the occupational

classification, making it difficult for jobseekers to find job offers of desired types of occupations.

5. Implications on Direction of Revision

The ESCO went through cumulative revisions since 1965, adopting the framework of JSCO as its own framework and making adjustment with the real occupations based on changes in the economy, in an attempt to develop its unique and independent characteristics. By following this policy, some side effects have now emerged, such as problems related to its framework and responsiveness in addressing changes in the society. As already mentioned above, we attempted in this research to sort out issues based on the viewpoint of users (PESO staff). For this approach, we proceed with an analysis on a particular aspect of the ESCO, which will unavoidably narrow the view. To comprehensively understand the problem, a well-balanced handling is required.

For the framework of classification, the following three points should be considered in addition to the viewpoint of users that has been made clear with this research. First is the direction toward the common language (Article 15 of the Employment Security Law states that the ESCO shall be used as the basis of occupational classification for the employment placement services in both public and private sectors); second is the viewpoint of policy making (the occupational statistics of the PESO can be used for comparison with other statistical survey data that are based on the JSCO); and third is the technical viewpoint (information on job offers and jobseekers at the PESO is available in the form of electronic data and they can be easily edited or processed).

As for the changes of the economy, it is important to incorporate a mechanism to absorb the changes into the classification in addition to the mechanism for collecting information (on job functions and job titles). In short, creation of an elastic classification is required. By accurately understanding the situation of occupations and enhancing the flexibility of classification, the discrepancy between occupations offered and those desired by jobseekers and occupations in the classification can be swiftly corrected. As a result, the work efficiency is expected to improve (for the PESO staff to give correct classification codes for occupations offered/desired and to accurately link the job offers to jobseekers, and for jobseekers to quickly find the job offered in the desired occupation).

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Citations and References

Attached document