
INTRODUCTION

Changing Employment System and Implications for Human Resource Development

Many white-collar employees in Japanese corporations have seen their lives undergo drastic changes in the 15 years since the bursting of the so-called “bubble economy.” During this period, many of the treasured principles of white-collar HRM practices have either been modified or replaced. Most notably, long-term employment protection in and regular advancement through the firm the worker entered when young is now the reserve of a privileged few. Many workers are told in the middle of their careers that they are being released from their current job. Others are unemployed because they opted for voluntary retirement schemes, a practice many employers use to shed labor. There are also a large number of workers who have lost their jobs as a result of corporate bankruptcy.

Thus, in addition to the structural changes in the labor market and government policies (described in the previous issue of the *Review*), measures that employers have taken in reaction to economic difficulties have introduced instability into white-collar workers’ careers. Consequently, white-collar workers are facing new challenges in their career development. Similarly, such instability has also created new concerns for Japanese policymakers charged with the task of regulating (and deregulating) the industry that serves as a labor market intermediary and assists displaced workers in searching for new work.

The first of the three articles in this issue, by Professor Tetsu Sano of Hosei University, deals with the current situation and future prospects of the so-called “human resource business.” According to Sano, a huge private business sector is emerging that encompasses reemployment assistance services for workers, services providing job advertisements and information, fee charging job placement businesses and worker dispatching services. The first three of these services may be classified as labor market intermediary businesses and their growth has been the result of changes in employment practices in Japan. Sano, however, argues that the future these businesses face is not very bright due to factors such as the proliferation in direct employer-job applicant contact through the Internet, costs associated with inevitable worker-job mismatching, entry of too many competitors (i.e., too much deregulation), and an unclear division of labor between the private sector and public job placement agencies.

The second article by Professor Hiroyuki Fujimura, also of Hosei, deals with another aspect of career instability, namely the gradual shift of responsibility for career development from the employer to employee. In the age of long-term employment protection and internal career development, workers more or less accepted the direction given by their companies when it came to the development of their career. In this new era, it has often been argued that workers must take responsibility for the development of their careers and acquire skills that are transferable across employers, i.e. they must gain “employability.”

The findings in the Fujimura article, however, indicate that workers have been slow to adapt this new method and few have concrete plans for developing their career. All they seem to believe is that receiving training outside their company may help protect them against restructuring. Yet, companies do not allow employees to take long-term leave to develop marketable skills. All in all, Fujimura’s article shows that both employers and employees are in transition.

The final article in this issue, by Tomoaki Kobayashi, a practicing career counselor, deals with an even more micro yet important transition task faced by displaced workers. Kobayashi argues that when Japanese white-collar workers lose jobs that more or less made up their entire life, the psychological adjustment required to even apply for a new job is enormous and that career counseling should begin with assistance in self-understanding. The second stage involves clarifying what kind of job these people want (in terms of their values and interests), and the third stage is actual assistance in applying for a job. Kobayashi outlines actual cases where displaced worker, because of the way their careers had been “protected” by former employers, found it quite difficult to even begin the first stage.

Taken together, the three articles in this issue show that the tremors of corporate effort to introduce more flexibility into the employment practices for their white-collar workers are still continuing.

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