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## WORKING CONDITIONS & THE LABOR MARKET

### Half of Unemployed Stay Jobless for Six Months or Longer: Follow-up Survey

Only one out of two unemployed people who registered as new job seekers at Public Employment Security Offices (PESO) succeeded in locating a job within six months of registration according to findings of a follow-up survey published on December 17, 2002, by the Ministry of Health, Labour and Welfare.

The survey targeted workers who registered as job seekers for the first time in December 2001, asking them their status at the time of registration (December 2001) and six months later (June 2002). Replies were received from 13,337 people.

Some 40 percent said that they left their previous job "due to reasons on the employer's side," while the same percent replied that they were unemployed "for personal reasons." This was followed by 8.6 percent who expected to find a new job while still in the old one. As shown in Figure 1 on page 2, personal reasons

accounted for a higher proportion among those under 40, whereas reasons on the employer's side were more common among those 40 years old and older.

Looking at job-searching activities and the results during the six months monitored, 80.8 percent did respond to job advertisements. Of these, the highest proportion, 60.2 percent, applied for jobs via PESOs, followed by 39 percent who applied in response to advertisements in newspapers, magazines, and so on (multiple answers possible). Where success rates within the various job-searching methods are concerned, 42.8 percent of those who applied for a job through a PESO found a job. Only a relatively small proportion of job seekers relied on introductions from their previous company or introductions from acquaintances, friends or relatives, but the success rates here were relatively high, 46.7 percent and 36.7 percent, respectively (see Figure 2 on page 3).

The percentage of those who landed a job since registering as unemployed six months earlier to those who had registered as a whole was a mere 49.4 percent; the figure was lower among older job-seekers.

Among those monitored who were not working at

the time of the follow-up survey in December 2001, 19.1 percent had given up looking for work. By age, the proportion was 22.6 percent among those aged 24 and under, and 28 percent among those 60 to 64 years old, while as many as 62.2 percent of job seekers aged 65 and older had stopped such activities. The survey also asked those who, as of December 2001, were still out of a job but continuing to look for one, whether they had changed their own expectations during the six months. The largest proportion answered they had changed the type of job they were looking for (27.8%), followed by salary (24.5%), company size (19.8%), and working hours (18.9%).

### Average Wages Rise Slowly

On December 19, 2002, the Ministry of Health, Labour and Welfare published the findings of a *Survey on Wage Increases and Other Aspects Concerning Wages*. The findings showed that an increasing number of firms were taking various measures to cope with their poor business performance which resulted in either a drop in the average wage or wages remaining the same due to, for example, reductions in various allowances or temporary wage cuts.

The survey was carried out in September 2002, and targeted firms with 100 or more regular employees. They were asked about their situation from January to December of that year, and usable replies were returned by 1,784 firms.

The survey showed that 61.5 percent of the firms surveyed increased their average wage, a drop from

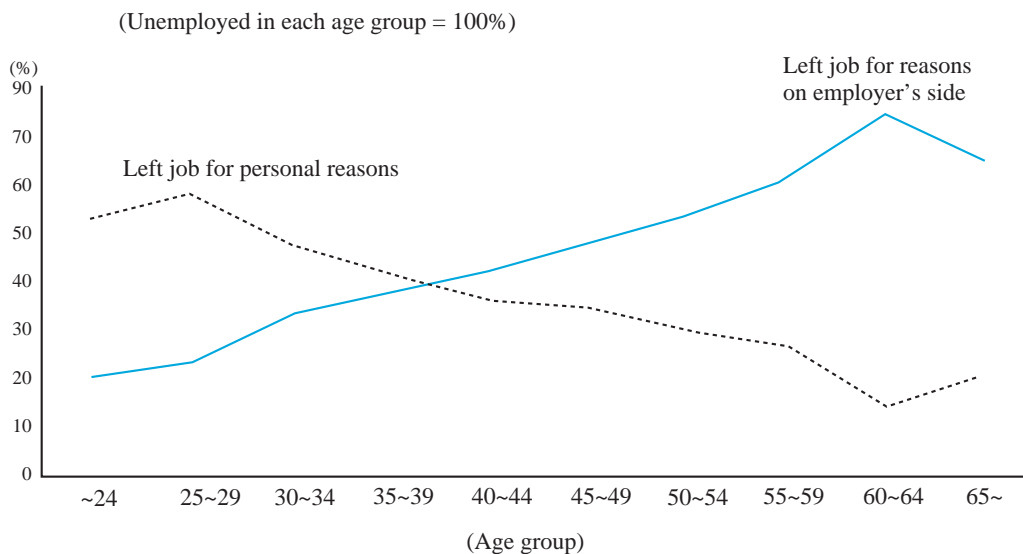
the 73.8 percent in the previous survey. On the other hand, average wage levels remained the same (i.e., there was no revision in wage payments) at 27.1 percent of the firms surveyed (21.3% in the previous survey), while seven percent reduced their average wage levels (2.2% in the previous survey). As a result, both the amount and rate of growth of the average wage in the firms surveyed as a whole were record lows, ¥3,167 (a weighted average per regular employee), and 1.1 percent, respectively.

Behind the flagging growth of average wages lies the poor business performance of individual firms. The survey showed that 70.2 percent considered their performance to be poor, whereas a mere 7.1 percent considered it to be good. At the same time, 81.0 percent of the firms said that their business performance should be reflected in their average wages. This led to a reluctance to increase wages, or an actual fall in average wages.

The major methods of reducing average wages included revisions of the wage determination tables, meaning, in effect, cuts in the basic wage; postponing annual wage increments; cuts in various allowances including family and housing allowances; and temporary wage cuts. Only a minority, 1.2 percent, of the firms resorted to cuts in the basic wage, whereas as many as 14.8 percent of firms — 10 percentage points higher than the figure recorded in the previous survey — conducted temporary wage cuts or cuts in various allowances. In particular, larger firms opted for temporary wage cuts, whereas small and medium-sized firms looked to reductions in allowances. Among the firms which temporarily cut wages (10.5%), all

## Statistical Aspect

Figure 1. Rate of Job Seekers by Age Group and Reason



employees were affected in 34.6 percent of the companies, and employees in managerial posts were affected in 31.4 percent, meaning the measure was not necessarily aimed at higher-ranking posts only. Moreover, 54.4 percent of the firms which temporarily cut wages continued such measures for one year or more. Thus, it seems that “temporary” wage cuts are in fact applied both widely and over long periods.

*HUMAN RESOURCE MANAGEMENT*

**Labor Cuts and the Growth of the Outplacement Industry**

As an increasing number of large firms cut their workforce, the market for outplacement services — the mechanism through which workers who have given up their jobs via early retirement schemes receive help finding new work — has rapidly expanded.

The Employment Security Law was partially revised in 1999, enabling private job-placement firms to deal with all occupations, excluding harbor and transportation, and the construction sectors. The revision of the law also raised the ceiling for service charges, allowing outplacement firms to set their own fees provided certain conditions are met. (However, charging the job seekers is still prohibited.) The relax-

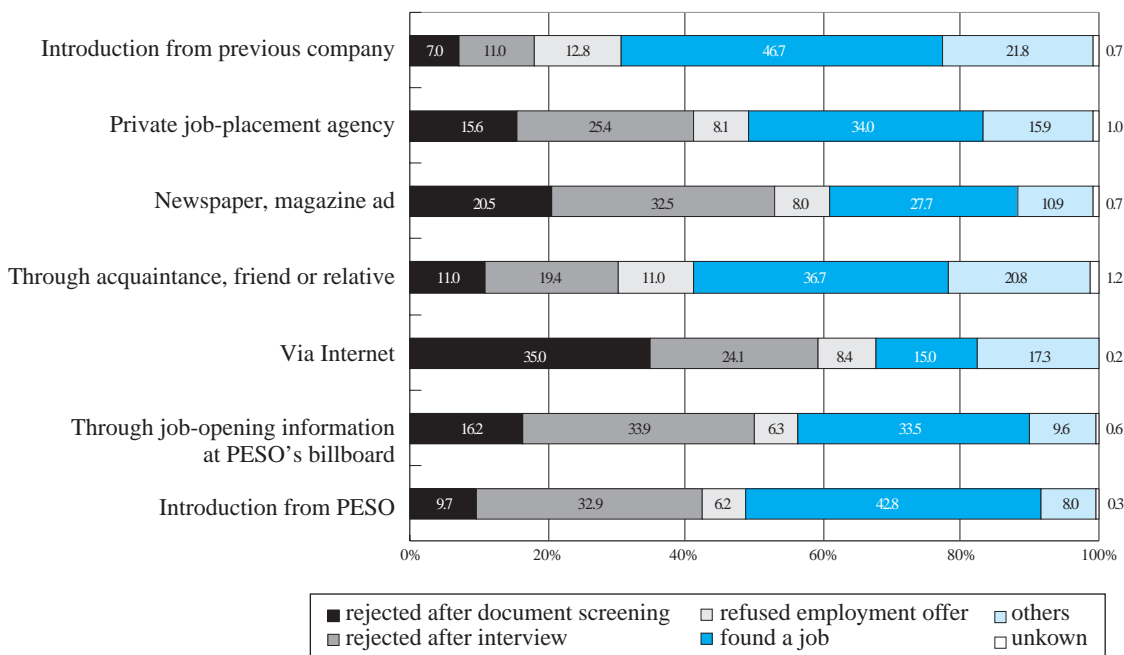
ing of the law has generated an increasing number of firms taking part in the job-placement business; according to the Private Placement Services Association of Japan (a nationwide organization of private job-placement businesses), the number of authorized private businesses engaged in fee-charging job-placement doubled from 3,200 in fiscal 1996 to some 6,000 in January 2002.

Originally, human resource allocation in the case of white-collar workers was mainly undertaken by foreign affiliated companies, which headhunted senior managers and other high-ranking executives, but nowadays the involvement of Japanese firms in the personnel allocation business has expanded the coverage down to, for example, workers in ordinary managerial posts with relatively low incomes. It is the firms taking on the employees concerned that are billed, generally around 20 to 30 percent of the annual salary of a middle-aged or older white-collar employee.

Meanwhile, job-placement firms are in high demand for other reasons. Quite a few firms that are shedding their workforce have begun to look for a re-employment service for their workers who are leaving the firm, for example, through early retirement schemes. In line with this, in December 2001, the government launched a scheme to facilitate smooth labor mobility among people out of work, whereby a

Statistical Aspect

**Figure 2. Job Searching Method and Results**



Source: Ministry of Health, Labour and Welfare.

firm is granted a subsidy of ¥300,000 per worker if it makes use of outplacement firms when it cuts its workforce. According to estimates by the Japan Executive Search, and Recruitment Association (JESRA), an association of job-placement firms mainly targeting white-collar workers, the scale of this labor market, as gauged by sales amount, saw a rapid eightfold increase from ¥2.8 billion in 1996 to ¥22 billion in 2001. A recent survey by the Japan Institute of Labour also showed that some 60 percent of firms which carried out labor adjustment took advantage of private outplacement firms. (For details, see the September 2002 issue of the *Japan Labor Bulletin*.)

Thus worker-dispatching companies are also expanding their services to include re-employment support. The industry is currently filled with companies from various sectors, and the demand for such re-employment service is steadily increasing. At the same time, the number of jobs available per job seeker has been falling; outplacement firms are conducting counselling services and training for job seekers and compete in seeking out firms which may want new workers. In the past, client companies for outplacement services were mainly large firms because the fees were quite expensive — usually about ¥1 million per person — but now outplacement firms are engaged in competition to reduce their fees to take on small and medium-sized companies as clients. Meanwhile, in December 2002, in order to encourage the above mentioned subsidy scheme, the government relaxed one condition for granting subsidies, and extending the period permitted between when a worker leaves one job and takes on a new one from seven days to three months.

## LABOR-MANAGEMENT RELATIONS

### Unionization Rate Drops to Record Low 20.2 Percent

On December 19, 2002, the Ministry of Health, Labour, and Welfare released the results of the *Basic Survey of Trade Unions in 2002*. The survey showed that the estimated unionization rate in 2002 was a record low 20.2 percent, resulting in the biggest year-on-year decrease in the number of union members, 412,000.

The figure is 0.5 percentage points lower than the figure marked in 2001 (20.7%). The total number of union members was 10.8 million, a drop of 412,000, or 3.7 percent from the previous year. At the same time, the number of employees as a whole fell to 53.5 million, 650,000 less than year earlier.

On the other hand, the number of unionized part-time workers increased by 13,000 during the year to 293,000, but still accounted for a mere 2.7 percent of the total

number of unionized workers, and for only 2.7 percent, again, of the overall number of part-time workers.

In terms of industry, unionization rates were over 50 percent in the public service sector (58.7%), and in electricity, gas, thermal supply and water (57.1%), but under 10 percent in wholesale and retailing, and food and drink establishments (8.6%), and in agriculture, forestry, and fisheries (3.8%).

As for the number of union members, the manufacturing sector (3.1 million) accounted for the largest proportion, 29 percent, followed by the service sector (1.82 million), transportation and telecommunication (1.37 million), and public service (1.24 million). On the other hand, the largest decreases in number from the previous year were seen in the manufacturing sector (-5.4%), transportation and telecommunication (-4.1%), and the financial services, insurance and real estate sector (-4.7%).

Looking at the number of union members in private firms in relation to company size, 57.8 percent of members as a whole belonged to firms with 1,000 or more employees; 15.8 percent to firms with between 300 to 999 employees; 9.3 percent to firms with 100 to 299 employees; and 3.4 percent to firms with 30 to 99 employees. At all levels, the drop in the number of union members from the previous year was between 4.0 and 4.9 percent. The drop of 240,000 members in large firms with 1,000 or more employees, which accounted for more than half of all union members, had a substantial impact on changes in the unionization rate as a whole.

In terms of national center, 6.945 million union members were affiliated with Rengo (Japanese Trade Union Confederation), representing a drop of 195,000 from the previous year. Zenroren (National Confederation of Trade Unions) saw an increase of 6,000 to 1.018 million members, whereas Zenrokyo (National Trade Union Council) saw a decrease of 79,000 to 172,000.

Rengo released a comment by Secretary-General Tadayoshi Kusano the day the statistics were published: “Behind the fall in the number of union members lies labor shedding by companies in line with their restructuring measures. This drop in number was not made up for by, for example, the unionization of atypical workers such as part-time workers.”

Zenroren also commented on the statistics. Secretary-General Mitsuo Bannai said, “The results of the survey this year showed that Zenroren alone enjoyed an increase in the number of union members while other national centers saw a fall. This is attributable to the bold efforts of our affiliated unions in stemming the tide of decline in membership, fighting for expansion of organization in the teeth of companies’ ‘rationalization’ (restructuring).”

## INTERNATIONAL RELATIONS

## Number of Overseas Workers Hits Record High

According to the *Report on the Employment Situation of Foreign Workers* published by the Ministry of Health, Labour and Welfare on December 16, 2002, the number of non-Japanese workers increased by 6,177 from the previous year to a record high of 227,984.

The report covers all businesses with 50 or more employees, and some businesses with less than 50 employees, asking them about their non-Japanese workers as of June 1, 2002. Answers were returned by 21,450 business establishments.

Where types of labor contracts were concerned, some 60 percent of non-Japanese workers were directly hired, the rest were employed on a worker dispatching or contract work basis.

In terms of industry, the largest number of businesses with non-Japanese workers were in the manufacturing sector. With workers employed on the basis of indirect labor contracts, the manufacturing sector accounted for 90 percent. Considered by size of establishment, non-Japanese workers were most numerous in business establishments with 100 to 299 employees, which had an average of 7.4 workers on direct contracts and 21.8 workers on indirect contracts per business.

To summarize some further facts concerning foreign workers on direct labor contracts: first, males accounted for some 60 percent of all non-Japanese workers. By nationality those from Central and South

America, and East Asia accounted for just above one-third each, followed by Southeast Asia with somewhat over 10 percent. The number of workers from East and Southeast Asia grew, as it did in the previous year, whereas those from Central and South America decreased. Incidentally, workers of Japanese ancestry accounted for some 90 percent of those from Central and South America.

Where the legal status of such workers is concerned, about half of all non-Japanese workers were spouses or children of Japanese nationals or of permanent residents, or long-term residents who can engage in work without restrictions; slightly less than one-fourth were foreigners authorized to work under certain conditions<sup>(1)</sup>. At the same time, the proportion of students and trainees was larger than during the previous year.

In terms of job type, some 60 percent were manual laborers, the largest proportion, followed by specialists, engineers and workers in managerial posts. The proportion of foreign regular employees to foreign workers as a whole stood at 29.5 percent, a slight decrease from the previous year (32.2%).

**Note:** <sup>(1)</sup>Types of "foreigners authorized to work under certain conditions" include the following: professors; artists; people engaged in religious activities; members of media; investors and business managers; people engaged in legal or accounting services; people engaged in medical services; researchers; educators; engineers; specialists in cultural and intellectual services, and in international services; intra-company transferees; entertainers; and skilled laborers.

## Statistical Aspect

## Recent Labor Economy Indices

	December 2002	January 2003	Change from previous year (January)
Labor force	6,622 (10 thousand)	6,560 (10 thousand)	-51 (10 thousand)
Employed <sup>(1)</sup>	6,291	6,203	-64
Employees <sup>(1)</sup>	5,348	5,289	-14
Unemployed <sup>(1)</sup>	331	357	13
Unemployment rate <sup>(1)</sup>	5.5%	5.5%	0.2
Active opening rate <sup>(1)</sup>	0.58	0.60	0.09
Total hours worked <sup>(2)</sup>	153.2 (hours)	140.0 (hours)*	1.2 (%)
Monthly cash earnings <sup>(2)</sup>	630.4 (¥ thousand)	292.6 (¥ thousand)*	-1.4 (%)

**Notes:** <sup>(1)</sup>Seasonally-adjusted figures.

<sup>(2)</sup>Figures refer to establishments employing five or more people.

\*Preliminary figures.

US\$1=¥118 (March 1, 2003)

**Source:** Ministry of Public Management, Home Affairs, Posts and Telecommunications, *Rodoryoku Chosa* (Labour Force Survey); Ministry of Health, Labour and Welfare, *Shokugyo Anntei Gyomu Tokei* (Report on Employment Service), *Maitsuki Kinro Tokei* (Monthly Labour Survey).

# The Current State of ‘Career Counseling’ in Japan

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## 1. Introduction

Recently, career and other types of counseling have been the focus of much attention. Junior and senior high schools, as well as other educational institutes offer career counseling, as do labor-related administrative bodies such as Public Employment Security Offices (PESO) which are responsible for introducing workers to new jobs. These two sectors will certainly continue to play major roles in career counseling services in the future, but one should also pay attention to other sectors which may enter this field.

This article will discuss the current state of career counseling in Japan and examine some of the background trends.

## 2. Career Counseling Offered at Schools

In response to social discussion during different historical periods, the educational sector has periodically considered career counseling an important issue. For example, in the early 20th century, around the time when Frank Parsons, the so-called father of Vocational Guidance, began his activities to promote vocational counseling in Boston, Osaka City launched vocational counseling services for children. This was favorably accepted in that it was intended for juveniles who lacked employment knowledge and experience, and helped them select a job and adapt smoothly without being exploited or cheated. A relatively recent example was a proposal in the 1970s to reinforce career counseling services while young people were still at school. This was in response to discussion for educational reform triggered by reports in weekly magazines that an unexpectedly large number of young workers were quitting or switching jobs in the early stages of their career, and the counseling was an attempt to encourage them to stay at their workplaces once they were employed.

An explanation on who is responsible for career counseling in the schools may be necessary for those not familiar with the educational system in Japan. As in Western countries, school counselors are available at junior and senior high schools, but they are not

responsible for career counseling. School counselors began to work for many junior and senior high schools in the early 1980s. Their primary role is to provide mental health services, including psychotherapy for schoolchildren, and helping school nurses, for example, taking care of personal and psychological problems related to bullying, an inability to adapt to school, and so on. They talk with pupils who visit the counseling room, and sometimes with other teachers needing advice, and even give lectures for parents on psychological problems. Such counselors are often retired schoolteachers or psychotherapists who are experts in clinical psychology and who have experience in educational counseling.

Who then is responsible for “career counseling,” which concerns the future careers of schoolchildren? At junior and senior high schools, homeroom teachers are in charge of this type of counseling. Basically, schoolteachers are hired in accordance with the subjects they are qualified to teach, but they also take responsibility for one class consisting normally of between 30 to 40 students. Following the comprehensive guidelines laid down at individual schools, homeroom teachers conduct career guidance and counseling for students in their own classes under the supervision of a “head teacher in charge of career guidance” who is chosen from among senior teachers.

About every 10 years, the Ministry of Education, Culture, Sports, Science, and Technology issues “Ministry Curriculum Guidelines” which are revisions to the criteria for school curricula. These guidelines are based on reports submitted by a Curriculum Council. The current ministry curriculum guidelines were revised in 1998, and have been implemented since April 2000 at junior high schools, and since April 2002 at senior high schools. The 1998 revised guidelines are subtitled “Fostering the Ability to Learn and Think for Oneself, and Other Basic Abilities Necessary in Life.” Notable features of the revisions in relation to “career counseling” include a stronger emphasis on teaching and guidance in accordance with individual personalities;

greater importance attached to experimental and solution-based learning activities; newly created classes in comprehensive studies; and an expanded choice of optional courses. Of these, for example, the creation of “classes in comprehensive studies” is expected to provide students with the opportunity to learn cross-subject and multi-disciplinary issues through experience, rather than those falling under a single subject. The purpose of this new teaching approach is to enable students “to acquire ways to learn and think, to explore and solve problems independently and creatively, and to acquire their own way of thinking about their lifestyle.” The purpose here is identical with the aims of the developmental aspects of career counseling. The increased variety of optional courses at junior and senior high schools, and the offering of further studies if it suits the abilities of individual students, is designed to stimulate and develop their interest and attention, as well as the ability required for future courses they may wish to take. This also corresponds to the practical objectives of the career counseling.

The ministry’s curriculum guidelines specify, along with such subjects as Japanese language and physics, extracurricular activities. Career counseling is related to the latter, which includes homeroom activities, work experience and volunteer activities. Homeroom activities, for example, contain “things to enrich school life and help students select suitable lifestyles and future courses.” More concrete aims include helping them understand the significance of learning; helping them to choose their subjects of study appropriately; helping them recognize their own aptitude and the nature of possible future courses; helping them establish an awareness of the nature of specific jobs and the value of work; helping them make independent decisions on their future courses of study; and helping them create plan their future.

Homeroom teachers are required to spend 35 weeks or more a year on these activities. In other words, one school unit — some 50 minutes — per week. However, extracurricular activities include school events, health education, nutritional education, and safety training, as well as career counseling. Thus the counseling is not necessarily provided every week, and in many cases only about six to 12 unit hours are spent on this subject per year, although it varies depending on which grade the students are in. On the other hand, comprehensive studies are classified as a “subject” in the guidelines, and 105 to 210 unit hours must be spent on this new subject during the school life of each student, with the

allocation of hours left to the discretion of each school in consideration of the special features of the school and its students. However, this course only began in 2002, so it is not in the mature stage yet.

The above is the current situation in the schools, the traditional sector providing career counseling. One of the goals of career counseling in the schools is to help students make a smooth transition from school to work. The traditional transition system, in which career counseling and guidance by homeroom teachers complimented each other, appeared to have been effective until the 1980s. The system was based on the large demand for new graduates, on the job-training that would be undertaken by the firms after employment, on the fact that almost all applicants with school recommendations would be accepted, that the schools pre-selected the students, on the long-term, good relationship between companies and the school, and so on. Now, however, the system faces various difficulties. The recent industrial changes seem to have destroyed some of the elements that made up this system. Firms have become accustomed to demanding new graduates of higher quality, and to denying some applicants that have a recommendation from their schools. Above all, firms have decreased the number of job offers, meaning that schools have few good job offers. Even the pre-selection process is resulting in mismatching and evoking student dissatisfaction and a low motivation when it comes to looking for jobs. Furthermore, young people are changing their orientation to work.

In this situation, a new transition system is expected to arise, from the school-firm based system to an individual-firm based one. It is thought that this change will strengthen the role of career counseling.

On the other hand, homeroom teachers in charge of career counseling face the following deep-rooted difficulties: a majority of such teachers have no work experience apart from teaching; they have not been trained as career counselors; there are few opportunities for them to learn how to do this work; homeroom teachers are rotated to different classes each year, making it difficult for them to acquire experience as counselors; and they have no suitable supervisors concerning their counseling services. Thus a majority of homeroom teachers acquire the skills and knowledge required for career counseling via on-the-job training and personal study, together with training seminars which are held at centers in each prefecture during the summer and over other long holidays.

One advantage to having homeroom teachers

conduct career counselling is that they are in touch with students on a daily basis, they have opportunities to observe them and can, if necessary, talk with them at the right time. Nevertheless, the current career counseling system that relies mainly on homeroom teachers is no doubt being undermined by rapid changes in the social environment and in the outlook of younger generations.

### 3. Career Counseling Available at Labor-related Offices

Various labor-related administrative offices offer career counseling services, each with different characteristics. Below are some representative cases.

Article 22 of the Employment Security Law states that “Public Employment Security Offices have a responsibility to provide career guidance to those who have physical or mental disorders, those who wish to begin working, and those who need special guidance on job engagements.” There are nearly 600 national employment security offices across the country with vocational guidance officers in charge of job introductions, and counseling and advice services. Apart from this, the so-called human resource banks located mainly in large cities provide career counseling services targeting workers in managerial posts and those with professional skills who wish to switch jobs or become re-employed.

For university students or young job seekers who have just graduated from universities, career counselling, together with job information, is also available at Comprehensive Assistance Centers for Job-Seeking Students, Job Centers for Students, and Advice Centers for Job-Seeking Students.

Furthermore, there are 47 Disabled Persons Employment Promotion Centers across the country, where “rehabilitation counselors” provide physically or mentally handicapped job seekers with job suitability assessment and other career counseling services.

The 47 Vocational Ability Development Centers encourage workers to shape their vocational careers by conducting various job guidance seminars, and helping them draw up “career sheets.”

For workers who need to balance the claims of family and work, local branch offices of the Japan Institute of Workers’ Evolution provide career counselling and other services.

Apart from these special institutes and centers, local public bodies also provide career counseling services, such services having always been considered a crucial part of labor-related administration. There are two noteworthy recent trends. First, these

administrative organizations have been in contact with the other counseling providers, that is, schools. Specifically, administrative bodies have begun to involve themselves, not just in providing information, but in school education as such, in the form of, for example, internship programs and programs to heighten vocational awareness, thus giving more substance to career counseling for future workers. Behind these administrative policies to encourage the smooth transfer of young people from school to the labor market lie the relatively high unemployment rate among this generation compared to other age groups, and because an increasing number of young people choose jobs on a non-regular contract basis. An increase in the number of young people in this category results in a growing social group with underdeveloped vocational ability, inadequate skill formation, and poor work ethics, which is likely to be of great concern as a destabilizing factor in the social system in the future.

Secondly, administrative services have begun to direct their attention to support for middle-aged and older workers. The unemployment rate has increased in tandem with the prolonged economic recession. At the same time, as the number of firms that give up “lifetime” employment increases, the importance and necessity of the individual worker controlling and shaping his own vocational career steadily increase. Career counseling services are thus expected to be their last resort. In this case, the services have not — that is, not traditionally — been intended for young workers who have little knowledge and work experience, but for middle-aged and older workers with a lot of knowledge and experience who wish to change their jobs or become re-employed. In line with this, the Ministry of Health, Labour and Welfare has put forward various measures to flesh out the functions of career counseling, by supporting individuals who are developing their vocational abilities via, for example, the educational and training subsidies launched in 1998, and by supporting private firms which promote career planning for their employees.

The PESO are the central labor-administrative organs in providing career counseling services. They have come under general criticism for providing less time per job seeker than private employment agencies, and because they lack the ability to match job seekers and firms looking for workers. Taking into account the fact that public employment offices in some countries have been privatized or have transferred their functions to private agencies, it may be time for the Japanese equivalent to reconsider how



they should provide their services. For PESO to demonstrate their strength as organizations they must reduce the amount of red tape involved in labor-related administrative services, cooperate with other administrative bodies, particularly those concerned with welfare issues (i.e., social security, pensions, and so on), and cooperate with private human resource agencies which have entered the field since deregulation. On the other hand, where the nature of services is concerned, the public employment offices should shift their focus from services aimed at matching labor supply and demand to services to support career formation and ability development among workers, and aim to provide more sophisticated counseling focusing on specific professions.

#### 4. Career Counseling at Firms

The unemployment rate marked a postwar record high in 2002. Firms have been cutting costs and resorting to labor cuts and other measures to cope with stagnant sales and reduced profit margins. Middle-aged workers in their 40s and 50s have been hit the hardest. The word “restructuring” as used in Japanese refers to early retirement of workers in such age groups. In 1999, a revised Employment Security Law relaxed regulations concerning job introduction services. This allowed private human resource firms to enter the career counseling business. Until then, career counseling at private firms meant counseling concerning mental health conducted by industrial doctors or counselors, or counseling programs aimed at employees who were about to retire due to the mandatory retirement age. But now that middle-aged and elderly workers need to come out of their shells and actively form career plans and develop employability, the nature of career counseling has changed and broadened to help them in such respects, providing analyses of their ability and job suitability, assisting them in drawing up CVs or records of work experience, and so on.

The several years proceeding and following 2000 may have been an epoch-making period for career counseling in Japan in the following sense: (1) with the deregulation of job introduction proceedings, pri-

vate agencies began to provide a wide range of human resource services; (2) public and private agencies began to cooperate in training programs for the purpose of adjusting the balance of labor supply and demand; (3) the Internet began to provide job information, with public and private agencies collaborating in launching websites; and (4) a non-governmental certification system concerning career counseling was launched, modeled on the Career Development Facilitator Training Program of the National Career Development Association in the U.S.

#### 5. Conclusions

Middle-aged and older employees are completely caught up in the so-called Japanese-style life-time employment system, and their skills, knowledge, and even pride have all been shaped within the companies they work for. In this sense, it is impossible to expect such workers to immediately identify themselves as individuals independent from such affiliation and to behave courageously in the labor market outside their companies. They will experience repeated failures in job interviews in the present tough labor market and their pride will be tattered. It is very hard for job seekers in the present employment situation to maintain their trust in themselves. The formation of a career plan involves making proper financial provisions for one’s family, education for children, housing, and the individual’s own retirement, which is a great burden.

There is no decisive conclusion yet as to whether or not career counseling can be effective in satisfying society’s expectations here. What is certain is that Japan is on its way to shifting towards a new industrial structure where human resources with high productivity and strong characters will be required. Thus it is necessary to proceed in forming a society with a new industrial structure where different working styles are respected. Behind the recent heightened interest in career counseling there lies, perhaps, a hope that a major cultural revolution concerning labor issues — a revolution of outlook — may be quietly in progress.

# JIL NEWS AND INFORMATION

## Visit JIL's Labor Information in Japan Website

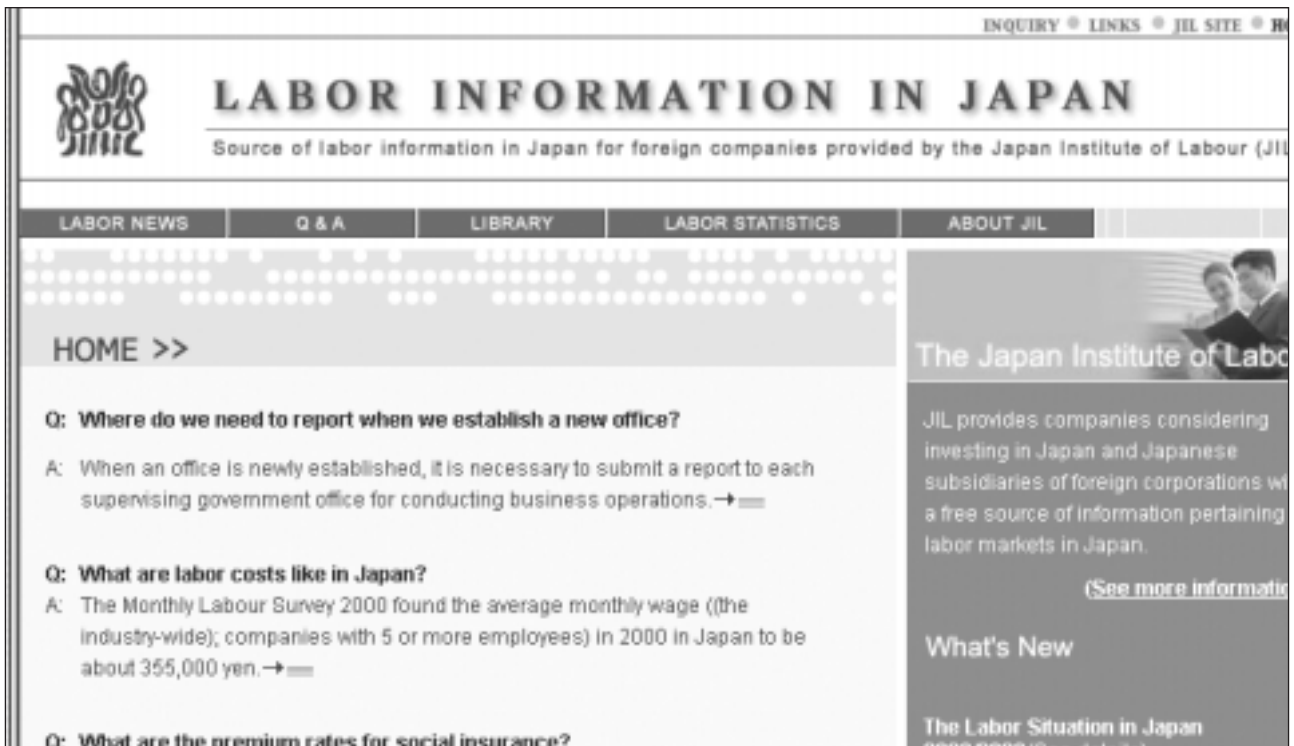
Labor Information in Japan, a Japan Institute of Labour (JIL) website, provides foreign companies that are considering investing in Japan and foreign affiliates deploying business operations here with a comprehensive package of information regarding labor issues. It can be accessed at (<http://www.jil.go.jp/laborinfo-e.htm>).

The Library Section contains English translations of various labor-related laws, including the *Labour Standards Law, Trade Union Law, Labour Dispatching Law, Labour Relations Adjustment Law, Equal Employment Opportunity Law, Employment Security Law, Human Resources Development Promotion Law, Law on Promoting the Resolution of Individual Labour Disputes, Law concerning the Succession of Labour Contracts, etc. upon the Divisive Reorganization of Company, and the Defined-Contribution Pension Law*. There are plans to translate additional labor laws.

The website has a link to “The Labor Situation in Japan 2002/2003” and provides access to other pages featuring a comparison of human resource management in Japan with the U.S., notices of upcoming JIL seminars or those already held, and briefing documents.

The Q&A Section provides information on a range of matters such as: “*What does employing people in Japan entail?*”, “*What items must be covered in employment contracts?*”, “*What are the premium rates for social insurance?*”, and so on. The Labor Statistics Section presents vital figures relating to labor issues, along with other crucial information.

You can e-mail us ([question@jil.go.jp](mailto:question@jil.go.jp)) with inquiries and requests to know more about operating a business in Japan, and we will provide appropriate information and leads to other sources. We will be pleased if our site helps you in your business operations and human resource management strategies.



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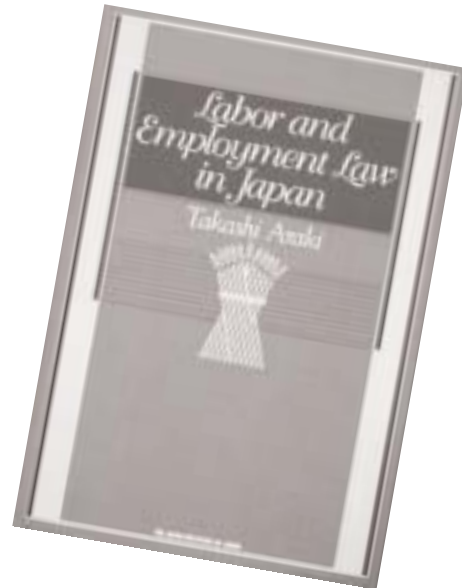
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