



慶應義塾大学ビジネス・スクール

Why Do They Resign from Japanese Companies?

After the bubble boom burst in the first half of the '90s, the Japanese economy went into a long depression called the “The Lost Decade” to a recovery in the middle of the 2000s. Even the highly reputed employment/HR systems known as the Japanese-style system which had been extolled globally as “Japan as No.1” during the second half of the '70s to the '80s continued to fall. Even domestically, unwelcomed subjects such as successive restructuring and business contraction continued. Changes in the formal institutions from the management side (= company) which were characterized by the introduction of Anglo-Saxon HR management techniques such as a market-wage system, competency management which resulted in the retreat of the traditional seniority based labor system, also played a major role. Simultaneously, the awareness of “work in the organization” of the managed side (= employee) has also changed a lot.

Even now it seems a majority of university graduates seek jobs in the traditional major companies of Japan. Another popular choice for students is foreign-affiliated firms. Compared with the first half of the '90s, the popularity of these firms in the job market increased suddenly.

I spent my undergraduate days in the early '90s and worked for a manufacturer after graduation. I am currently working for a Japanese business school. Compared with my experience and awareness at the time, present-day students' actions differ greatly in terms of employment.

The many charms of venture businesses or foreign-affiliated firms are told frequently in general publications. Conversely, I sometimes feel the opposite for major companies of Japan. It is especially hard to deny the charms of the workplace image of foreign-affiliated firms. Students actually tend to have the image of “Japanese companies are unfair because of the seniority-based system”, and “foreign companies are fair in their clear meritocracy.”

Takeshi OYABU (Assistant Professor, Graduate School of Business Administration, Keio University) prepared this case as the basis for class discussion rather than to illustrate either the effectiveness or ineffectiveness in the handling of an administrative situation.

This case is published by Keio Business School. Inquiries about reproducing the case should be referred to Keio Business School (4-1-1 Hiyoshi, Kouhoku-ku, Yokohama-shi, Kanagawa-ken, 223-8526; phone +81-45-564-2444; e-mail case@kbs.keio.ac.jp). To order copies of the case, go to <http://www.kbs.keio.ac.jp/>. No part of this case may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of Keio Business School.

Copyright © Takeshi OYABU (Created June 2009).

Is this really true? The following two cases are drawn from real life figures.

The case of Mr. O who changed his job from a Japanese maker to a foreign-affiliated company

Mr. O: 39 years old, male

Mr. O graduated from the law department of a famous private university in Kansai, and he joined a major automaker as a white-collar worker in a career-track position. At the university, while being in a travel club, he belonged to a legal aid service association. He once considered becoming a lawyer. He thought himself as a person more suitable for a steady job, and chose the A automobile company, which is still a representative car maker in Japan even now.

It was the last stage of the bubble boom in those days. For a manager and top student of school associations or study seminars at his university, it was not so difficult to find a good job at a major company. As such, Mr. O did not have any passionate wishes or motives, and he did not necessarily want to enter company A. Without any concrete reasons, he vaguely thought somehow “whether he would be able to make goods”, “or he might be able to go to overseas”, etc. In the company, his generation is the so-called “bubble generation”. Incidentally, company A is continuing to make achievements in the subsequent long depression. It is one of the few makers who are continuing to grow even now.

Just after enrolling in company A, he received workshop training for some months, some very tiring car assembly work on 1 line for 3 shifts a day. After the blue-collar worker training, he was assigned to a job in a general post in the head office. This was the start of his job career in the company. This department just competed for sales volume to wholesalers and chain-store partners. It was really hard work and he did not have any spare time to sleep. He had to be in a line by the next job rotation inside the company. Here he learned how to concentration on his work, do overtime work till midnight, entertain for high sales achievement, and make arrangements for good company customers. It was doubtful whether he could take a holiday even once a month. It was “Are you able to fight for 24 hours?” like the TV commercial for a health drink which was fashionable at the time. It was always just-like-that TV commercial phrase with working all day.

After working there for three years, he next moved to the accounting section of the factory. Here he mainly took charge of cost accounting for big machinery. He felt that the way of working and the atmosphere here differed so greatly from sales. It was desk work for inner management. The personalities of his co-workers were gentle compared with those in sales. While he had almost no expertise at the beginning, he was puzzled in his new job in many cases. Sometime later, the flow of the fundamental business of a manufacturing maker, from production to sales, could be seen from the monetary viewpoint of accounts. He soon began to participate in improving himself, such as improvement of operating-effectiveness in the workplace, and was commended several times.

Five years later, he received a written notice of a job change into the accounting section at the headquarters. He moved to the company budget group in the department. The work mainly planned the plant-and-equipment investment in the factory. This job differed a lot from his ex-job in the accounting department in the factory. He could participate in the process of determining and judging huge amounts of plant-and-equipment investments which went up to hundreds of billions of yen. The amounts he dealt with were incredibly big compared to his former job. Not only in terms of the amount, this job was also important in that it linked directly to the maker's productive capacity and profit. It can be said that it was a part of corporate strategy. The investment effect they decided would come out several years after planning. Corporate activity and achievement is influenced by market demand predictions and marketing strategy. Unlike his former job, it was necessary for him to perform with other departments, such as financial affairs, development, market research, and do interviews and adjustment. Doing the job and cooperating occasionally with other departments was more pleasurable than mere desk work. One of his jobs was making presentations directly to the company board. Doing these things got his name well-known in the company. As a result, he was able to make many connections with company executives. He was devoted to his work and was promoted to a chief position way earlier than people who entered the company at the same time he did. In his private life, he got married to a woman with whom he became acquainted with in the company.

The level of work also increased with promotion. So he had a good life both professionally and personally. However, he began to feel some mental stress. To put it simply, intense human relations within the company became mentally troublesome. He actually felt it from when he first entered the company. Little by little it became more intense. Fortunately for him, he did not run into problems with bosses in the workplace. There was also no trouble with coworkers, and he could have good human relations. Sometimes, he had to face and work with persons with strong personalities, but it was not troublesome. He performed teamwork very well which included subordinates and bosses. However, what he was poor at was not these kinds of individual relationships themselves but with the organizational ethics and culture concerning human relationships.

In sales where he first experienced in the A automobile company, he was convinced that "from the first, probably sales jobs will be so tough and they are just that." Therefore, he was able to get used to work in sales with seldom suffering troubles. In the sales department, teams of several persons (group) under a leader worked to attain a goal. Of course there was also an individual goal as well as a team goal. However, the final result of the team was far more important than that of the individual. Therefore, everyone sat up all night, and in drinking sessions they discussed frequently what was required to accomplish the target. Many close friends were also made through these work sessions. Even now, he has these connections from that time.

However, he was working in accounting which is essentially based on working objectively through calculation and logic. He strongly felt that his work depended on human relations rather than "calculation". We have a luncheon together with coworkers in the work place and play sports on holidays. Friends are made not only through formal work but also through informal and individual behavior every day. We come to have mutual good will by doing so and making friends. At the same time, a cooperative atmosphere is brewed in an office where colleagues help each other.

It is important to make friends with people who work together, of course. Good human relations are required for high productivity. However, it is natural that friendship has to be made based on individual judgment. It is not a duty to make friends with everybody, even in the work place. He strongly felt that such interference by the work place had been exerted in corporate life. Since he had his family, he sometimes thought that company-related events, such as golf and night drinking with colleagues, were honestly troublesome. As long as he is in this company, he should work at making similarly deep human relations. This will not change. Possibly he might not be suitable for such a company. He became 35 years old.

10 One day he received a telephone call from a friend from college days who worked in a personnel placement agency. It was an invitation for change of companies to a major U.S. chemical firm. Through M&A, the American company had expanded its enterprise in Japan and was asking for a finance manager specializing in plant-and-equipment investment. Supposing he agreed to come, he would be promised a higher salary and a higher promotion than his present one. At the beginning, he was completely uninterested and refused the offer, but with strong repeated approaches, he gradually got interested. The treatment was better than his present job and the job contents were also attractive. In addition, it was true that the culture of foreign-affiliated firms seemed attractive for him. He yearned after the merit system for which an individual competes based on skills.

20 There is a theory of a 35 year-old limit in the change-of-occupations. According to it, now was the last chance for him to change occupations. He wavered very much. After thinking and wondering for a long time, he finally gave his resignation to the A automobile company. He was also afraid that his wife who was a former employee of A company might oppose his resignation. However, she accepted it unexpectedly. He was strongly dissuaded from resigning from the company; it took three months to finish the procedure. In this way, he changed jobs and companies for the first time.

Mr. O jumped into a new world. However, he was soon bewildered by the foreign work culture in the new work place. Contrary to the A company's case, he thought that the human relations in the U.S. company were too weak. In another instance, his colleagues in the work place were not interested in mutual communication, even in job-related matters. The work style in the company was essentially different from the former company.

For example, the individual job is about being "independent", and the idea of "job demarcation" is strong and common. All individuals are looking only at their job, and they seemed not to be interested in their surroundings or colleagues' job situations. An individual tried to finish the job given by the manager within a decided time-limit. Except for small group meetings, (there were no work-place meetings) they did not share with other coworkers about information or knowledge about the department. Moreover, every person's desk was divided with high partitions. Everybody could not know each other's situation and job content at all. Therefore, no staff could grasp what happened or the situation of the whole work place. Of course, jobs and tasks were assigned for every individual in the former Japanese office as well as the present one. However, in times of trouble or an emergency, each group would help each other even if it meant overtime. In the present company, when the work day finishes, even if other coworkers remain, every individual goes home quickly. Nobody helps other

coworkers. I feel that it is somehow strange. It is considered that the person who works overtime cannot do their work which means that they cannot advance.

In the previous company, the situation of other colleagues' work was mutually observed indirectly every day. Some things were given even if not requested. Cooperative human relations and work culture existed in the Japanese companies. On the contrary, he thought that it did not exist in the new foreign firm. 5

There was another shocking thing. Nobody appreciated his work behavior, such as fast correspondence when there was sudden trouble, voluntary tackling a task to be improved, and doing jobs no one else liked. They were not evaluated by the boss, either. 10

For example, he investigated immediately about plant-and-equipment investment-related work, and wrote a long report about the move of rival makers. The report was submitted to the boss. He wore a strange face to Mr. O. Although it was soon distributed by group mail, there was no response from his coworkers. It was really information which was useful for everybody's work. In addition to this, although it may be trifling, even if a telephone of someone not at their desk rings, an answering machine only answers. No one else picked it up. It may have been an urgent and important call. Spontaneous cooperative behavior was not expected. 15

In the previous company, similar actions were done ordinarily by a normal worker. Some volunteer study meetings with large numbers of participants were also held after closing time. Even without formal evaluation or praise, there were words of gratitude from someone. Although he still continued doing these things several times, the situation did not change and he gradually stopped doing them. He carried out his own job only. 20

In A company, it was that intense human relations of the work place were troublesome for him. He sometimes had to sacrifice his private life especially on holidays. Compared with that, the current dry relation between an individual and a company is comfortable. The time which could be used for family or for travel increased. However, he sometimes thought "I wish I could return to A." 25

The case of Manager Y who worried about the treatment of a junior staff member who was strongly self-assertive 30

Manager Y: 45 years old, male Mr. A: 24 years old, male 35

Manager Y is a manager in a Japanese prestigious trading company. He is taking pains over the instruction of junior staff A, who joined the company last year. 40

This company has employed many excellent students from national and private prestigious universities every year. The company is very popular among students and entrance into the company is difficult. Mr. A graduated from a famous national university with an excellent achievement record. 45

In the company, he is seen as a promising cadet. He passed the C.P.A. examination during undergraduate years which is not so common.

5 So the company first assigned him to the Accounts and Finance Department at the headquarters which demands high specialty. The company was planning to develop him as an in-house certified public accountant. Contrary to the general expectations of the company, excessive utterances by Mr. A became conspicuous in the work place.

10 His understanding of what was taught was very fast. His quick memory and actually doing job was very good. Although the evaluation of his job performance was high, his reputation or character was terribly bad.

15 First, he does not help coworkers in the same group at all. The accounting section has a busy time seasonally with budgets and closing accounts. Frequently the person in charge has to work all night in those times. Thus the whole work place becomes tense in the peak season or even a state of emergency in many cases. However, Mr. A always says, "My job is now finished" and goes home early. Moreover, he always avoids intricate and troublesome work (investigation, data arrangement, etc.) saying "it is not my job" and "it is another person's job."

20 Mr. A is still in his second year. Although he has the CPA qualification, he had little knowledge and practical experience in the accounting system of the company. Therefore, Mr. A was still in the training process, and important jobs were not given to him. He had very little work from the first. After finishing their jobs, other colleagues remained till late at night together, and had actually helped the coworker's job. This is not only helping others, but also understanding other coworkers' jobs
25 which essentially related to the person's own job. It means "On the Job Training". For most workers except Mr. A, working on a holiday was not unusual.

30 His seniors and coworkers have paid attention to Mr. A to help improve his work attitude several times. However, he did not accept the advice at all. However busy the team might be, he definitely finished working at 5:00 p.m. every day, because he attended a night class at tennis school from 7:00 p.m. As a result, Mr. A became a person who is not considered reliable by colleagues on the team or in the work place.

35 It was natural that Mr. A's job evaluation by the leader (sub-manager) was not high. His manager, Mr. Y firstly thought "if Mr. A gets used to being a member in the work place, sooner or later he will come to be cooperative." However, even when Mr. A entered his second year, he had not become cooperative with his coworkers.

40 Manager Y consulted about him with the sub-manager who is Mr. A's direct boss. One afternoon, he called Mr. A to the conference room. He talked calmly about the dissatisfactions and demands from the work place to Mr. A. However Manager Y received unexpected protests from Mr. A.

1. I cannot understand why I have been criticized by the boss and colleagues although I am doing my job well enough. Originally, others should not help with a coworker's job. Such a demand of me is unreasonable "dependence", and should be disqualified as a professional. Moreover — if a company accepts such a demand — it is certainly bad for the organization. You should change it, not me.

5

2. When overtime work or help for coworkers is required, I would like to get a direct command from the boss in charge. According to formal rules, a preliminary announcement is required for overtime work even two days before. The manager should protect this rule. I would like to make sure that I have a right to refuse a command made on the day.

10

3. A company is primarily a place of jobs or working. As for me, I am not interested in human relations more than are needed. "Make friends and keep good human relationships with all colleagues" is a pain. This is an abuse of the management.

15

4. That my appraisal became bad because of these unreasonable things cannot be accepted by me at all. If such a situation continues, I will appeal it officially.

Like the above, Mr. A talked logically but strongly. Listening to them, Manager Y got angry at first. However, such logic could not be refuted head-on. "... I understand ... return to your desk ..." He was only to be able to say that then.

20

Mr. A's theory is simply the idea of new impudent employees. Based on such work logic, organizational labor is not actually realized. However, on the other hand, he also thought "what Mr. A said is partially rational." The company is shunning the respect of individual workers and legal compliance. Each exists as a rule in the company. Possibly my directions and ideas are not always true.

25

However, there was some sense of incongruity in Mr. A's theory. He thought that some important viewpoints were missing about organizations in Mr. A's logic. However, he has been irritated because he cannot explain it logically since that day.

30

35

40

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

sample

**Unauthorized
reproduction prohibited.**

Keio Business School