



慶應義塾大学ビジネス・スクール

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Why Do They Resign from Japanese Companies?

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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.

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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.

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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.”

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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.

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