
Policy and Measures for Youth Employment and Human Resources Development in Japan - Comments

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Good morning. My name is Takeo Kato and I work as Chairman of the Committee of Labor-Management Relations of Nippon Keidanren (Japan Federation of Economic Organizations). Keizai Doyukai (The Japan Association of Corporate Executives), a group of businessmen within Nippon Keidanren also feels a strong interest in the problems concerning the employment of young people and the development of their abilities, and active discussions are now being held.

The subject that managers should tackle

Today, I would like to pick up four issues among those that management must address immediately.

The first issue is, as Mr. Ota pointed out, to establish long-term employment plans and solid measures concerning employment. Under the prolonged depression, many companies have been forced to solicit their employees to take early retirement or to switch careers. We must admit that this has consequently narrowed the doors to opportunities for young people and caused a grave influence to their employment circumstances. Fortunately, the business climate is now on a course for recovery, and we believe that this is the time for companies to make a continued and stable employment plan from a long-term viewpoint. What we are concerned about at the moment is that the unstable employment of young people dependent on the business climate may create a distorted composition of personnel in firms in the future, and very important traditions of manufacturing firms, such as the handing down of techniques and craftsmanship may be discontinued. We, as management, would like to contemplate these grave effects and develop a stable and continuing employment plan as an important theme.

The second issue is to promote communication between schools and firms. Recently, cooperation between universities and firms has developed remarkably. But communication between middle schools and high schools, and firms has not yet been promoted sufficiently. In particular, not enough effort has been made in reflecting the needs of the firms in the curriculums of middle schools or high schools, which plays an important role in helping students to form a view on work. At the moment, Keizai Doyukai is trying to promote communications between schools and the management of firms. In practice, senior management of firms visit middle and high school to talk to the students and also to take the opportunity to talk freely with teachers. Last year, 150 senior managers visited schools and this year the number will be more than 200. In exchange, we would like to invite teachers to

experience life in one of our companies. We plan to increase the opportunity for teachers to take training courses at companies.

The third issue is the improvement of company experience for students. As Mr. Ota mentioned, there is an increasing number of firms that have adopted the system of internship. Now, one-third of large companies have adopted this system. The present system is, in most cases, accepting students who are scheduled to join the firms for three or six months as pre-employment experience. But we believe it important that companies should accept more students, not limited to those students that are to join the firm, and expand the doors to include middle and high school students as well as university and college students as at present.

As Mr. Ota mentioned just now, there are reports to the effect that middle school students experience work for one week in Hyogo Prefecture and Toyama Prefecture and this experience really helps them form their views on work. I understand that the Ministry of Education, Culture, Sports, Science and Technology is going to expand this scheme nationally in 2005, with a focus on the second year of middle schools, namely fourteen year-old students, as that is the most important age group. Many companies are hoping to take part in the work experience of students of this age.

The fourth issue is the improvement of on-the-job training within companies. According to statistics, the time spent for planned OJT by the firms has reduced over ten years from 74% in the early 1990s to 42% in the early 2000s. The training expenses over the same period are reported to have decreased by 100 billion yen. This is partly because companies tended to seek employees that provided immediate benefits. However, firms must change direction and take measures to strengthen both on-the-job and off-the-job training programs.

Recently, we have been discussing a possible decline in power of work sites in manufacturing operations. In these operations we have experienced industrial accidents. We must again improve our OJT to recover and reinforce this power of work sites that is a characteristic of Japanese industries. This is our fourth theme. I am afraid that I concentrated on the concrete themes only, but these are the themes that we in management would like to address immediately.

Thank you very much for your kind attention.