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The Employment Problem of SME and Introduction of the carrier consulting -A Case Study of Company A through Career Counseling-

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ABSTRACT: In modern society, the environment surrounding industries and labor has been greatly changed due to the influence of technological innovation and globalization, along with the declining birth rate and ageing population. This structural change in industries seems to be a cause of the rise in the job separation rate, along with changes in job market requirements.

Recently young people's mental health at the workplace has been drawing attention. It can be said that changes in our society and industrial structure are seriously affecting workers' mentality. Providing opportunities for coordination to narrow the perception gap between management and workers leads to employees' satisfaction about their jobs. Job satisfaction is positively connected to personal career formation and through various studies it is generally accepted that a company with highly motivated workers has good business performance.

This study reveals the perception gap through career counseling at Company A in Kochi Prefecture, which is suffering from young workers' job separation. It aims to bring the company's problems to the fore and then seek solutions to them.

KEYWORDS: social psychology, career counseling, cognitive behavioral psychology, mental health, motivation

1. Background

1-1. Changes in employment environment

In present-day society, the environment of industries and labor has greatly changed due to the influence of technological innovation and globalization, along with the declining birth rate and ageing population. Furthermore, due to streamlining and diversification of businesses and IT systems, the occupational skills required for employment in the labor market are also changing. It can be inferred that changes in the industrial structure and labor environment (i.e. required abilities) brought on by the growth of service, or tertiary, industry in proportion to primary and secondary industries is a factor in the rise of job turnover among young

people.

Recently, young people's mental health at the workplace has been drawing attention, as changes in our society and industrial structure are seriously affecting workers psychologically and mentally. A widening gap between companies' and workers' perception is also an issue, for if they cannot bridge this gap, individual worker's career formation will stall and his or her mental health may deteriorate, eventually leading to job separation.

1-2. Changes in human resources required for small and medium-sized enterprises

The industrial structure and labor market changes have produced a shift in the skills required of workers. However, due to the slowdown in

economic growth in recent years, pressure has been on the profitability of small and medium-sized enterprises, which now cannot afford to spend money or time on the development of human resources. These enterprises tend to seek workers who are effective immediately instead of training new employees. Furthermore, companies that could not employ new graduates during the lost decade suffer from a lack of young people in their thirties, with no core human resources to be future executive candidates within the company. As Japan is an aging society with a high life expectancy, and considering that "human resources" are an important management resource in small and medium-sized enterprises, having a medium- to long-term strategy to secure them is a modern necessity.

2. Disputed points

2-1. Perception gap between students and enterprises

The shift in skills required of workers resulting from changes in the industrial structure are clear, even to new graduates, with the definition of the 'basic ability of working adults' by the Ministry of Economy, Trade and Industry (METI), being more widely accepted.

A survey conducted by the METI in 2009 revealed a wide perception gap between companies and university students in relation to required occupational skills. Students feel they are lacking technical skills such as bookkeeping, foreign languages and other expertise. However, enterprises consider the students lack communication skills, independence and tenacity.

2-2. Reasons for job turnover

Data shows that workers who became full-time employees prior to working part-time after graduating are evaluated lower than those who

managed to gain full-time employment immediately upon graduation. Therefore, students tend to focus on obtaining full-time work when job hunting. Also, in the current tight employment market, candidates accept jobs which they would prefer not to do, leading to incompatibilities. A study conducted in 2011 on the job turnover rate of young people showed that approximately 70% of junior high graduates, 50% of high school graduates and 30% of university graduates left their jobs within three years after graduating. Companies have addressed this phenomenon by introducing strategies such as OFF-JT and OJT to provide workplace stability for young people, however the turnover rate has remained almost unchanged. In addition, a 2007 JILPT survey on job turnover and workplace stability among young people revealed that stress is becoming the top reason to quit. It has often been noted that in recent years new employees suffer from mental health problems such as depression due to workplace maladjustment, which can lead to absenteeism and job separation.

2-3. Career counseling necessity

As noted above, the top reason for young people to leave their jobs is stress. Results of a survey on workers' health conducted by the Ministry of Health, Labour and Welfare in 2007 found that 58% of workers felt "strong anxiety, worry and stress" at their workplace.

In addition, companies are implementing various initiatives such as in-house training and recognizing individuals' goals with the hope of retaining young employees. However, the turnover rate still remains flat. The implementation of risk management has become vital to deal with the health of employees who suffer psychological problems. Reduction of the number of employees who quit or take leave is an important risk management, not to mention the resulting improvement in employee

productivity. Consequently, career counseling is beginning to be even more necessary in recent years as a human resource management tactic to contribute to the improvement of corporate productivity.

This demonstrates that efficient consultations can contribute to the resolution of many challenges faced by small and medium-sized enterprises by maintaining a pleasant working environment, resulting in the retention of human resources.

3. Study methodology

3-1. Previous research

A. H. Maslow's five stage hierarchy of needs theory focuses on how when lower needs are met, subsequent higher ones are aimed for. We replaced A. H. Maslow's five stage hierarchy of needs with the motivation to work.

The top three reasons why young people who have worked less than three years leave their job are 'stress at work', 'working hours' and 'human relations', listed from the the top down to human relations. Reasons for continuing working range from 'no other jobs' and 'need to make a living' to 'work to eat' at the very lowest stage.

Additionally, in describing how employees accept the organization, Schein states that, "Employees who decide to remain in the organization show signs of acceptance towards the organization and the terms and conditions of employment. Employees who decide to quit consider that it is necessary to keep quiet about the full acceptance of their work situation so as to not be able to re-negotiate the psychological contract later." [1]

If the employee cannot build good relations with their superiors, subordinates or colleagues, renegotiation of the psychological contract, in other words, consultation on future career moves, cannot

be performed, leading to the choice to quit. This demonstrates that being mired at the 'human relations' stage rather than 'work to eat' or 'work stability' stages leads very quickly to job separation. This can be seen in the perception gap between the company and the employee. Early career consulting can play a role in dealing with this perception gap as one solution to control job turnover.

"In many cases, new employees are determined to leave the workplace, but do not feel obligated to tell a superior about this determination. They still do not feel obligated to convey this message even if they are aware that their superiors believe that new employee has no long-term potential."

Schein stated, "If planning and development of human resources is to be effective, these early career problems must be dealt with." [2], pointing out that early career problems are the most important. These problems can include communication and building relationships. Society has a clear message that communication skills are necessary for young people, but the time is right to devise better ways of communication between superiors and young employees.

3-2. Current state of Kochi Prefecture

The gross prefectural product of Kochi Prefecture's industry has seen a decline in both primary and secondary industry sectors since 1996. The employment situation has seen the tertiary industry absorbing employment coming from the significantly declining primary industry. However, business conditions of tertiary industry enterprises which have been absorbing the employment so far has become much stricter in recent years. Under such circumstances, the job turnover of newly employed graduates in Kochi Prefecture is much higher than the national figure. Results of a 2011 survey on job separation show that in Kochi

Prefecture, 46.4% of high school graduates quit after three years employment, with the rate of 44.1% for junior college graduates and 38.3% for university graduates, rather high when compared to the national figures of 40.1%, 40.3% and 30.9% respectively. The job turnover rate for college graduates in their first year of employment was particularly high in 2010 at 22.5% compared to 13.4% nationwide. This greatly affects career development of students. The high rate of job separation after only one year of employment can arise from problems such as incompatibilities with the company or difficult working conditions after employment.

4. Monitoring of counseling

The above section analyzed the mechanism of needs, focusing on 'work'. It suggested that career consulting can be used to narrow the apparent perception gap.

In this section we look at a medium-sized enterprise in Kochi which is making efforts to tackle the problems of future human resource development and job turnover of young people, analyze the problems which employees and the company face, and consider solutions to these issues.

<Example Company A>

A manufacturing company with 200 employees, of which 70 are full-time. The company hires a certain number of new graduates every year. The largest ratio of employees are part-timers in their forties, with the next being full-timers in their twenties. Employees are mostly in specialized and technical positions, except for those in general affairs and accounting.

<2009 - First-year counseling problems>

Primarily, the major problem was that superiors didn't understand the employees' grievances. Employees attempted to convey their

anxieties and frustrations, but their superiors did not think the issues were important and payed no attention to them. In addition, some employees were not aware of the various efforts underway to take care of their autonomy. However, the company decided to try to motivate employees to work on new things and change those that were insufficient.

<Results and feedback of first-year issues>

The problems the company and the employees had going unnoticed were presented as consultation issues. Awareness of management in the second year changed greatly due to the feedback and presentation problems seen in the first year. The company held training in business manners to convey its commitment to a new business direction. This approach was very helpful to eliminate the anxiety of employees to be dispatched to new contract sites and encouraged communication between them and the contractors' employees. There was a positive reduction of initial anxiety when employees met each other for the first time through intra-company transfers at dispatch sites. The quick adoption of this was due largely to the decision of an upper manager who realized that joint training would be effective in building relationships with new contractors.

Furthermore, it was considered beneficial to the work site because it was adopted in technical and specialized positions. The perception gap between anxiety faced by new employees and the abilities required on-site undoubtedly can lead to job separation. Initial communication affects the building of relationships, particularly in the case of new hires, contributing to the problems of 'job stress' and 'human relations', which are major reasons for job separation.

<2010 - Second-year counseling problems>

The fact that problems within the company

were not being communicated became clear through counseling. Management wanted to increase the number of new graduates employed each year for future business expansion, but there was also a demand from employees in the field that the new hires have a training period to bring them up to speed on work practices, as there is no room to train new employees on site.

<Results and feedback of second-year issues>

By revealing issues using counseling techniques, problems that management were not aware of and the different recognition between management and staff have been revealed. It was a chance to think about commitment to new problems and to change the company's perception gap. One source of anxiety among employees is that a clear training system for career advancement such as OJT or Off-JT had not been offered. The company management has confirmed that it will clarify to employees the fact that future career paths (within the company) are difficult to visualize.

<2011 - Summary of the two years>

After two years of employee training and career counseling, we started the third year with retrospective hearings. Employees feel that there are more opportunities for communication with management than before, and some feel the working atmosphere has improved. Management has also started a two-year plan to further revise the personnel system, clarifying the company's organization and employee career paths. In this career counseling, the opinions of employees towards the company were revealed and we saw a positive change in the attitude of management to quickly tackle problems that could be immediately addressed, while moving in a forward direction to investigate ones that would take more time.

5. Analysis of the relationship between workers and organizations

5-1. Perception gap and mismatch

When companies evaluate employees, there is fair staff evaluation ①, and misguided evaluation ②. Employees show either their present self ③, or the person they'd like to be ④. This analysis is based on these four examples.

- No gap between the company evaluation and A's self evaluation.
- A gap between the company evaluation and A's stance.
- A gap between the company's expectation and A's hopes.
- A gap between the present A and the future A would like to realize.

From the above analysis, a perception gap was revealed between each parties needs. When this gap appears, employees feels it is unjust and this brings about an attitude of dissatisfaction with work. For further analysis, a structural model of the monitoring results was made to point out this gap and learn how to deal with it.

5-2. Structural model of the problem

As seen in the case study and the structural model, the perception gap affects individual attitudes, giving rise to thoughts of unjustness and leading to absenteeism and job separation. Here, the four roles of counseling become apparent. Through counseling, it became possible to eliminate any assumptions and resolve each individual's perception gap. By becoming aware of the irrationality of their beliefs, individuals can change their attitude. From this, a

structural model of the problem was derived utilizing the framework of Ellis' rational-emotive therapy showing how career counseling can play an important role in terms of how to match the beliefs of employees and company management.

5-3. Trust and expectations

Employees have confidence and expectations towards the company, motivating them to work. However, if something is not satisfactory a perception gap develops, growing into feelings of unjustness and distrust. It is difficult for human resources departments to approach employees who feel this way. From the standpoint of the organization, the problem can be mitigated by career consultants recognizing this structural problem and dealing with the fact that these employees are difficult to approach.

For new hires and employees with few years experience, this gap accounts for a large portion of the mental stress. It can become a mental health problem which leads to job separation. In addition, this problem is not limited to years of service, and is the same for completely new workers who have no past experience. Support is especially necessary for employees with less experience and knowledge of people and organizations. The core of this assistance is career counseling. At company A, external career consultants made the presence of this gap apparent, leading to the organization making attempts to deal with it.

It can be ascertained from the results of this study that there are good reasons for external career consultants.

6. Conclusion

As seen here, it is essential for not only workers and enterprises but also society as a whole to create an environment which can avoid job separation. The analysis made in this study suggests

that the first step to lay the groundwork to promote such environment should be to utilize career consulting skills of either in-house or outside counsellors. Then the next issue is to put this structural analysis into practice in relation to actual industrial relations.

In addition, this study will be continued to further clarify the mechanism behind the current job situation which is constantly causing mismatches in the labor market and high job turnover rate to determine a structural model and then suggest solutions.

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