

EURObiz JAPAN



ALSO INSIDE //

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People power – the key to your corporate success

7 keys to keep you and your firm on top

1. A nicer office can pay for itself. As expensive as office space seems, it is one-tenth or even one-fifteenth the cost of the payroll that sits on that floor. If ample space and an attractive office get people to be willing to join for 10% lower salary, you have paid for your rent! More importantly, some people, who otherwise would not agree to join your firm, will join if your investment and presence in Japan is impressive. Central location near a station is even more critical.

2. Desperate men will do desperate things. Yes, in this bad economy, you may be able to get professionals and staff to join your firm through advertising or your website's "Careers at..." section. If applicants are out of a job, even a performance-based interview, where you do your best to scare them away with your high expectations, will not scare them off. They will join, even if they know it won't last. But they have lost jobs before, and may be especially good at squeezing money out of past employers — and out of you! — when the axe falls. Skilled Executive Search Recruiters, who approach candidates presently employed — and know how to do research, "name collecting", scouting, and cross-reference checking among more junior people at a candidate's company — in the long run, are a less expensive and more effective way to go.

3. The Rule of 3. Interview 3 people, at least 3 times, by 3 different company interviewers, and most importantly in 3 different settings or environments: in a conference room; over dinner or drinks; walking on the street to a station together; over golf if a player; with a Japanese interviewer if truly trusted, self-confident and not threatened; with more than one interviewer at the same time, etc. We must be decisive, and really "know one when we see one."

4. Taking advantage of, and strengthening the probationary period. Especially with candidates out of a job, although we do not want to take advantage of people, it is easier to get them to join even with a longer probationary period. Perhaps you can go a step further. Back it up with a 6-month term contract, with clearly defined dates — not a separate contract — properly worded within the offer letter.

5. One young oak tree won't do it — a pyramid of ages, local hire, and expat is best. Have a balance of head office, expat, or otherwise different career-path foreign talent in your firm,



Thomas J. Nevins
Founder, TMT Inc./
Glasford International Japan

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along with the strongest local Japanese executives and staff you can get. Make sure there are multiple voices and points of view heard by the head office, and more efficient ways to explain the direction regional or head office management wants to go.

6. Waste you can't afford — don't you wish you could set up your own benefits? In Japan, it is amazing how often I hear, "well, of course, we would expect local nationals to write the Rules of Employment and set up the benefit package" — especially among trusting and naïve USA'ers, as opposed to most Europeans and, I suppose, Chinese, Indians, etc..

7. Strategically smart Rules of Employment (ROE) that give more legal protection, and the tools needed to keep people on your team and on their toes. Do you have a transfer or job change clause that includes the ability to accordingly adjust people's pay level? Do you have pay-cut language other than the Labor Standards Law maximum pay-cut of one-half a day's pay or 10% of the pay during the pay period? That one is for disciplinary action or a specific penalty. Since the power to reduce pay must come from the power of the contract — but ROE have legal precedence over the individual contract — it is important to also clearly write in the ROE that in case of underperformance for the position hired for or assigned, or based on contribution, a larger commensurate pay adjustment is possible. ☺