

Manpower: Talents in Reserve

By Toshio Iwasaki, editor of the *Journal of Japanese Trade & Industry*

The time is around the mid-1940s. The place, Milwaukee, Wisconsin. A secretary at a law office suddenly falls ill and is hospitalized in the midst of preparing papers for a court hearing. The date of the hearing is drawing near. The two attorney partners of the law office frantically contact all their old secretaries, and finally find one willing to work temporarily on condition the office provide a baby-sitter to take care of her 3-year-old son. Familiar with the office work procedures, she more than adequately fills the bill, then returns to her housework when the regular secretary recovers.

It was a typical case, nothing extraordinary, something that could happen in any office. And it was because it could happen in any office that the two lawyers would be able to change the way the world thinks about hiring and firing. Seeing in their own near-miss with disaster a chance for new business, they began studying the feasibility of supplying temporary workers to stand in for employees away on vacation or down with illness. The result, in 1948, was the creation of a company called Manpower Inc.

Manpower started out handling temporary and emergency paperwork for its client firms, and it was an instant hit. Soon other firms were rushing into the field, and before long the temporary work service had developed into a full-fledged industry.

Manpower, for its part, continued to flourish. As its domestic business got firmly on track, the company began to energetically extend its business overseas. In 1966, the company established in Japan a wholly owned subsidiary, Manpower Japan Co., Ltd., as a key link in its Asia-Oceania operations.

Today, 22 years after its founding, Manpower Japan has 26 offices throughout the country, staffed by 147 full-time employees. It has under its umbrella some 12,000 "field staff" workers, 98% of them women, who undertake clerical work at



Antony F.J. Finnerty: lifetime employment in Japan was a nice, comfortable joke.

the request of client firms. Manpower Japan's client firms number 7,500, and its sales are growing by 15-20% annually. Manpower Japan ranks fifth in sales among Manpower's operations in 32 countries, following only the U.S. parent and the British, Canadian and French subsidiaries. It has firmly secured an unrivaled position in Japan, both as a pioneer in its field and as the nation's largest such company.

Accurate analysis

Yet the path to success in the Japanese market has not always been smooth. Back in 1966 the U.S. parent company was unsure of the prospects for its Japanese subsidiary. The Japanese market in those days was not yet attractive enough to draw worldwide attention, and for a time Manpower even mulled over establishing the base of its activities in Asia and the Pacific area in Hong Kong, not Tokyo. Although Japan's spectacular economic growth was already under way, employment practices were so utterly different than in the West that it doubted there would be sufficient business.

Antony F. J. Finnerty, founding president of Manpower Japan and concurrent Manpower Inc.'s director in charge of

Asia and Oceania, saw things differently. Finnerty is still president of Manpower Japan more than two decades later, and when asked, he maintains he was optimistic at the time, albeit cautiously, that the company would succeed.

"Eventually, yes," he says, "although to say anything stronger than that would be, if I may say so, strongly opinionated. At the time there was no strong reason to think Japan was going to come up as strongly as it did. Nonetheless, there was very strong reason to think Japan had the potential to come up.

"If I had been given my choice at that time, I would have thought possibly China would come up further and faster than Japan. Indeed, that's why I was here to start with, looking at the China market, not the Japanese market. As it turned out, I was totally wrong, but I can't be 100% right all the time."

It was Finnerty's decision to override company preferences and choose Tokyo for Manpower's base of operations in Asia that would lead to the Japanese subsidiary's subsequent rapid growth. Manpower Japan would not have flourished as it has if Finnerty had chosen Hong Kong and only occasionally visited Tokyo to check up on how things were going.

Finnerty, a student of Asian economies in college with ample experience of doing business in the region even before joining Manpower, settled in Japan and analyzed the market from a specialist's perspective. His accurate analysis paved the way for Manpower Japan's success. Even in those days, he realized that hidden beneath the veneer of Japan's lifetime employment system were circumstances which compelled women clerical workers to quit when they married or were regarded as "too old."

He says, "The practice of lifetime employment in Japan was a nice, comfortable joke. As far as I am concerned, there was no real truth to the expression 'lifetime employment.' Japan was a throw-away society."

Herein lay the potential for developing the temporary work business in Japan. Yet Japanese companies' traditional belief that everything should be done in-house did not change overnight. Manpower Japan's principal clients in those days were foreign-owned companies familiar with temporary work services and less bound by traditional Japanese employment practices. Manpower Japan at first had to advertise in the English-language newspapers published in Japan rather than in Japanese language media. But then some Japanese *sogo shosha* (general trading companies) joined its client list.

Japanese companies seldom take on mid-career workers, usually hiring workers only once a year in the spring. When vacancies occurred for whatever reason, the *sogo shosha* found themselves in need of competent, skilled women workers who could immediately fill in until permanent employees were hired during the next annual recruiting season. Next were engineering service companies which exported industrial plants overseas. These companies had numerous projects lasting only three to four years, and had no constant flow of orders.

Rather than employing large numbers of full-time workers, they made use of Manpower Japan's service to cover peak periods.

From the latter half of the 1960s through the early 1970s, Manpower Japan grew slowly but surely. Then, in 1973, came the first oil crisis. *Sogo shosha*, hit hard, cut back sharply on hiring temps, and Manpower Japan's business went into a tailspin. It was the biggest management crisis since the company's founding, but it also became the wellspring of future development.

Worker prejudice

Manpower Japan began making strenuous efforts to diversify its range of clients in order to tide itself over the crisis. At the same time, the oil crisis spurred Japanese enterprises to rethink their employment policies. They began to consider paring down their complement of full-time employees to a core of competent people, and to use temporary workers whenever work volume increased. The traditional "in-house" prejudice was blown away by the oil crisis typhoon.

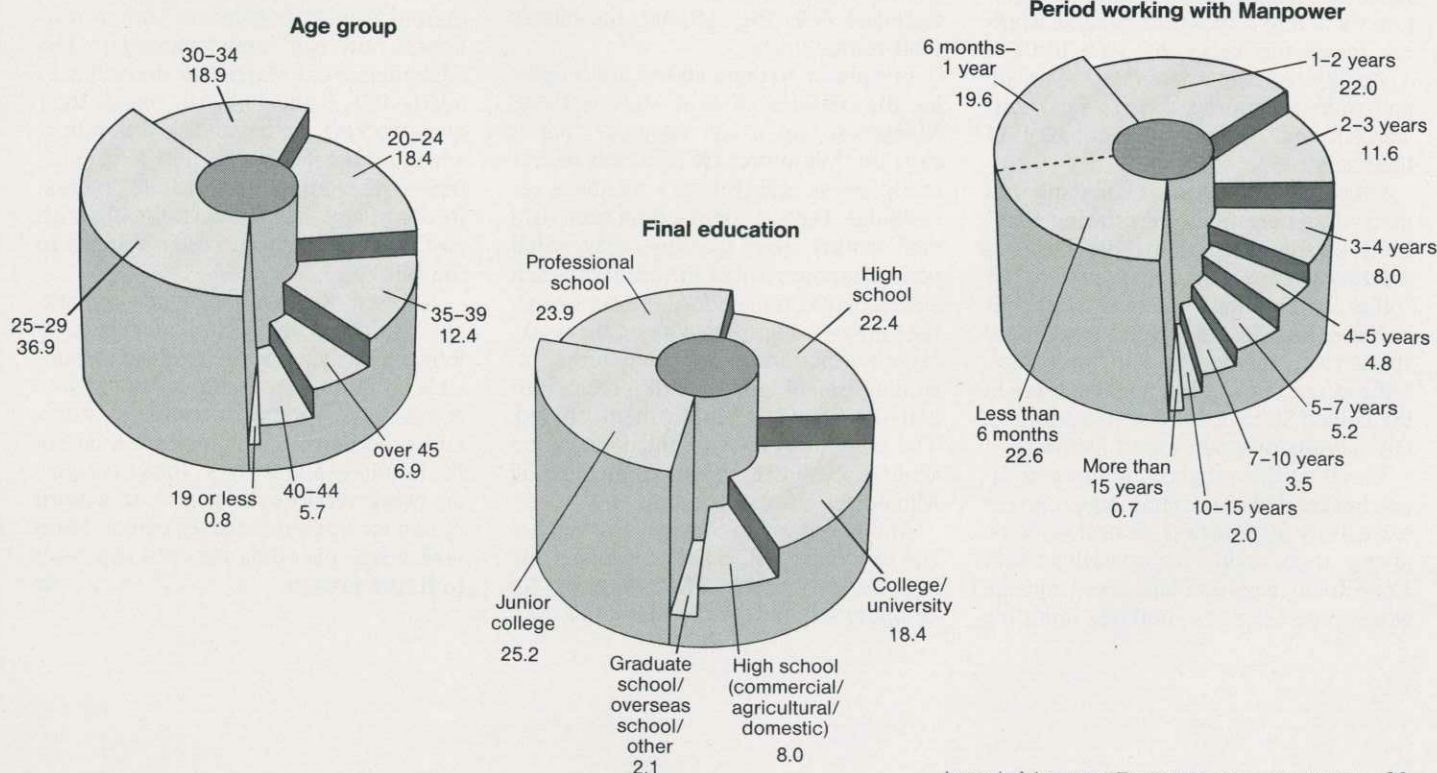
But that was only half the battle. Clerical work subcontracting companies like

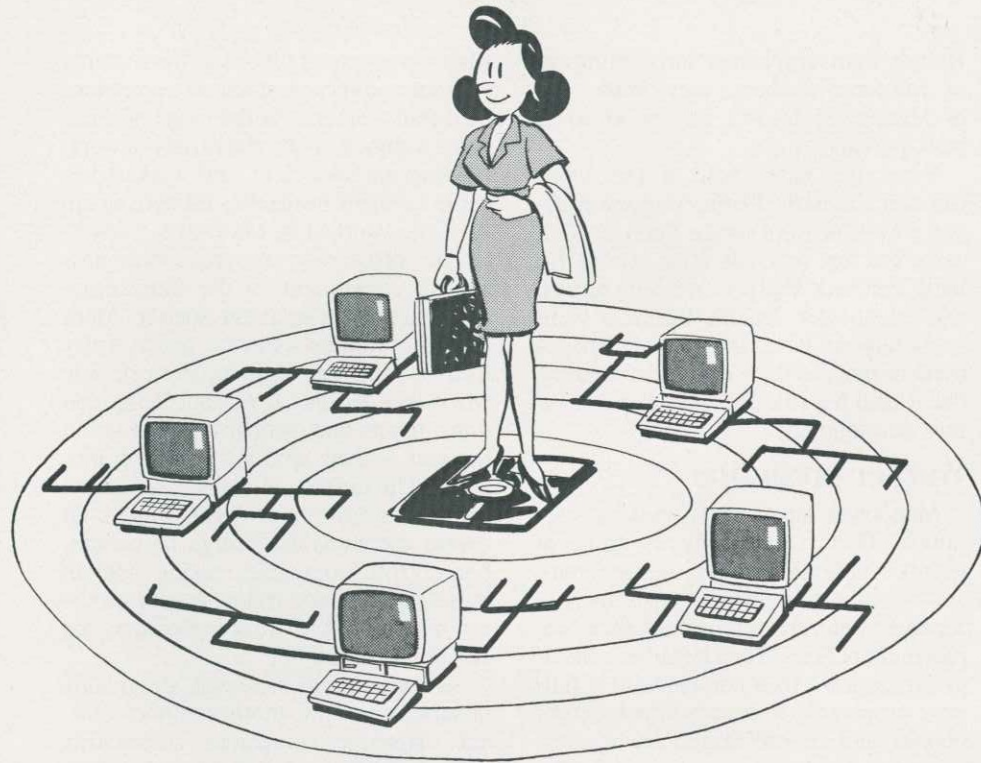
Manpower cannot fill orders from clients without a sufficient stable of competent field staff workers. As the range of client firms widened, so did the variety of work. Finding qualified field staff workers became a serious headache. Yet here again, the times worked in Manpower's favor.

The 1970s saw women's awareness change consequent to the transformations sweeping Japanese society. More and more women wanted to give full play to their skills and abilities, to work only when they felt like it without being tied down to any one company, and to spend the rest of their time for their own purposes. The number of women applicants coming to Manpower Japan surged. Of course, there was also a surge in the number of rival companies taking note of these changes, and trying to get into the promising clerical work subcontracting business themselves.

As competition increased, the quality of service became another important issue. Japanese companies customarily hire graduates fresh from university and senior high school and give them in-house or on-the-job training to develop their skills. However, when they ask for temporary workers, they expect person-

Manpower's 12,000 Field Staff Workers (%)





nel who already possess the skills they need and can be put to work immediately.

According to Finnerty, it is Manpower Japan's responsibility to society to give Japanese women practical skills and nurture them into competent, capable workers. It was this belief that gave birth to a quality control system to educate and train Manpower Japan's field staff workers and improve the quality of their service.

Office work in Japan is changing dramatically as a result of the growing popularity of computers and other business machines, known in Japan as OA, for "office automation." Clerical work has become both more diverse and more specialized. Anticipating early on today's diffusion of OA machines, Manpower in the United States was quick to develop an OA training program called Skillware.

Based on this program, Manpower Japan has created its own training programs exclusively for Japanese clerical workers, giving them skills in operating both English-language and Japanese-language word processors as well as inputting

data into personal computers. Manpower Japan's field staff workers receive this training free of charge at Career Path Centers in the Tokyo head office and regional branch offices. The greater the technical skills they acquire, the higher their remuneration.

In addition to these efforts to strengthen the abilities of field staff workers, Manpower Japan has adopted what it calls the Manpower QC Systems to correctly assess each worker's technical capabilities. Data is compiled on each field staff worker from the time they enroll with Manpower Japan, growing with each assignment completed. At the same time, the company compiles data on the working environment at its client firms, including safety and health precautions and the terms of employment offered. The computerized QC functions via an on-line computer system connecting all Manpower offices in Japan.

Manpower Japan provides five categories of service: Office Services, undertaking clerical work; EDP Services for computer-related work; Marketing Ser-

vices for promotion, events and market research; Linguapower Services for translation and interpreting work; and Techpower Services for technical projects, such as technical design. In all five areas, Manpower Japan can offer either dispatching services or contract services. The Office Services category, which has the longest history of the five, accounts for 80% of the company's business, followed by the EDP Services at 10%.

Awareness survey

What kind of people work for Manpower Japan? The largest group of field staff workers, 37%, are between 25 and 29 years old. They are followed by workers in the 30-34 and 20-24 age groups respectively, accounting for 18% each, while workers above the age of 40 constitute 13%. Two-thirds of all field staff workers are single.

Every year Manpower Japan conducts an awareness survey of its field staff workers. According to the latest survey, conducted in April, almost all field staff workers had office experience prior to applying to Manpower Japan. Nearly 60% had worked in offices for three to six years. The largest number, or one-third, of respondents replied that they had quit their first job because they wanted to "test their ability" in another place. Other reasons were "troublesome human relations," "low pay" and "marriage." The best thing about Manpower, according to nearly 40%, is the ability to choose their own working hours and job duration, which makes it easier to take long vacations. Other attractions include "mental freedom and lack of restraints," "high pay" and "the chance to use my ability to the full."

Japanese women have made remarkable strides in the job market. It is no longer a rarity for women to hold responsible positions in government and private companies. Working part-time at stores and supermarkets has become a fact of life for many housewives. Today, temporary work services have become a third option for women seeking a career. Manpower Japan is riding the crest of a wave to future growth.