

Dear ECC,

Thank you for explaining our campaign for a pay raise to all native teachers.

But there are a few things we'd like to add to your letter...

Thank you for your valuable contributions to ECC's educational activities. As the Executive Managing Director of the Gaigo division, I am responsible for explaining the current situation of what is happening in the negotiations between ECC and the unions so that all teachers have the correct understanding of the company's idea.

As you may know, the native teachers' unions and ECC have negotiations to discuss labor conditions every year. This year has been no exception. Since January 2016, we have had bargaining sessions numerous times with pay adjustments being the main topic of discussion. However, we have yet to reach an agreement after half a year. In addition, the unions have exercised their right to go on strikes twice in the course of negotiations.

I write this letter today because I feel it imperative that I explain the background to you directly and transparently, with the unprecedented situation of two strikes in the same year, so that you have a clear understanding of the circumstances.

Every year, the demand from the unions is focused on pay related issues.

To begin with, the principle rule of any fixed-term contract is that there is no pay raise. An individual signs a contract if they agree to the employment conditions proposed by the company and the salary does not automatically go up every year. One's salary is decided based on individual performance, along with the financial performance of your division, before it is proposed to each employee.

Regrettably, there have been big differences in financial performance among divisions. Especially, the performance of the Gaigo division, which most of our native teachers belong to, has been hovering near the bottom. As a direct result, ECC has had no choice but to reduce the budget for pay adjustments in recent years for all employees of our division.

As noted, the idea of a pay raise does not exist in a fixed-term contract. However, the unions submit a written request for a salary increase every year. This year, the unions demanded a 100 yen per hour special pay increase for all union members. This is six to seven times as much as the average pay adjustments in the last few years. Considering the performance of Gaigo, this request is impossible to meet and we have been unable to reach an agreement.

The demand from the unions is based on the fact that, due to the alteration of the law, many full-time native teachers will be forced to enroll in health and pension insurance (shakai hoken) from October 2016. As this will mean less take-home pay, the unions are demanding the company cover some of the cost by, as the unions say, "taking special measures to ease the drastic change."

This is something the government has decided to implement, not the company. As you all know, the company has to match whatever employees have to pay into the system.

While ECC and the unions failed to reach an agreement, a strike notification came on Wednesday, April 20th. At the same time, the company was discussing the demand from the unions regarding the mitigation measures mainly on three points:

1 The increase in shakai hoken payments that the company has to bear will largely affect the profits of Gaigo.

2 About 40% of full-time native teachers are already on shakai hoken so the intention of mitigation measures is unclear.

The cost of living goes up every year; the base salary of a teacher stays the same.

If you don't like your pay, then you should just quit?

Then why do teachers get pay increases every year?

This is a lie. It's over:
-increased sales tax
-rising utility fees
-inflation
to make up for our pay increases being cut in half in 2014

This wouldn't be a concern if ECC hadn't been dodging the law with 29.5 hour contracts.

3 It is a fact that for teachers not already enrolled in shakai hoken (most of whom have been with ECC for less than three years) this new law will directly affect their lives.

In the end, ECC concluded that the demand for mitigation measures is reasonable and that the company would create a fund for pay adjustments, equivalent to 3,000 yen per month on average, to be divided in accordance with ECC policies to all full-time teachers including non-union members. The company submitted this answer to the unions before the deadline in order to avoid a strike. However, the unions still went on strike on Saturday, April 23rd, claiming that the company's answer was nowhere near their demands.

After the strike, the unions made yet another demand to raise the proposed pay adjustment fund from 3,000 yen to 6,000 yen per month (50 yen per hour).

ECC understands that it is the right of the unions to go on strike. However, the strike shortly after the start of the new school year created tremendous burden for staff, fellow teachers, and students and caused severe damage to the company's reputation. Class cancellations also meant a decrease in revenues. For all these reasons, some among our management team insisted that we take a firm attitude. Nevertheless, the company agreed to the demand for creating a fund for 6,000 yen per month increase on average. We also disclosed the sales figures of Gaigo in recent years and explained what it took for the company to accept a 6,000 yen per month average increase. As a result, the unions decided to postpone the strike scheduled for May 7th, saying that an understanding had been reached.

In the following weeks, ECC and the unions had collective bargaining twice and discussed how the fund should be divided. The unions demanded a 6,000 yen per month pay increase for all union members, whereas ECC proposed the idea of distributing the fund based upon each individual performance. The discussion never reached an agreement.

Here is what the company believes. If the purpose of this pay adjustment is to take special measures to ease the drastic change due to the enforcement of shakai hoken enrollment, we need to take into consideration the fact that the impact will be bigger for teachers with lower monthly salaries. Currently, huge gaps exist among salaries of Gaigo full-time teachers. The monthly salary for new teachers is 252,000 yen. However, there are some teachers on 20 or 25 hour contracts who make over 4,000 yen per hour. We respect and appreciate the commitment of teachers who have contributed to the company over a long period and earned their high salary. However, shouldn't the mitigation measures distribute more from the fund for teachers with less pay as long as these gaps exist?

Moreover, the unions' idea of dividing the fund equally to all union members contradicts ECC's performance-based system, which forms an essential part of the company's compensation policy. The company's fundamental policy is to award more for those who perform better. Organizations that compensate employees equally regardless of performance are doomed for failure as they promote mediocrity and discourage high performance. That is not the formula for success in any industry. What the unions are demanding is to give a 50 yen per hour pay raise for both teachers who would have gotten a 90 yen increase based on high performance and for those who would have gotten a 5 yen per hour pay increase based on poor performance. This means not recognizing teachers' good performance and rewarding those with poor performance. Management has repeatedly explained this face to face

Leaving out the part-time and keiyaku shain workers in the unions.

This is less than ¥25/hour for a teacher on a 29.5 hour contract.

Less than 1/4 of it! And no pay raise for part-timers!

Gaigo is in the red because of expansion in Kanto. investment ≠ loss

You forgot to mention: After this, the company withdrew all offers and returned negotiations to square one. SO MUCH FOR TRANSPARENCY.

2 or 3 of them. Don't exaggerate.

No teacher feels that this system works.

with the unions in all districts, only to be disappointed to see a lack of understanding toward these fundamental policies.

The unions went on a second strike on June 25th while we were unable to come to an agreement.

Upon this occasion, an executive member of the Osaka union used an altered version of ECC's logo on Facebook without permission while publicly posting reports about the strike. ECC logos are

important intellectual property of the company and therefore are strictly forbidden from use in any manner by employees without explicit permission from management. This is an illegal act not to be tolerated, although we will continue negotiations with the unions.

This labor-management dispute originates from the increase in the cost for shakai hoken enrollment beginning in October 2016. The company has seriously considered this matter and dealt with the issue.

However, the unions insist on a flat pay increase for union members, with no other proposal or cooperation with the company that everyone belongs to. It is regrettable to see the unions' unwillingness to contribute to the development of the company.

Please note ECC has applied for mediation, which is held by a third party (the Central Labour Relations Commission) in order to resolve the situation. Claims from both sides will be confirmed in public mediation meetings and hopefully an agreement will be made.

It is our sincere hope that each and every employee take this opportunity to think seriously about both the "rights" and "obligations" of company employees.

ECC has admitted to the unions that its evaluation system is broken.

This is all false.
He was called into a meeting with 2 managers, who illegally interrogated him about the strikes. Also, our lawyer believes that he had the right to use the logo in the way that he did.

It is regrettable to see the company's disregard for its employees' quality of life.

1. Organize.
2. Strike.
3. Demand better working conditions.

ECC,

We hope this helped you understand why we're demanding a pay increase to combat the rising cost of living (even though it has been explained to you at collective bargaining many times over many years).

If you still don't get it, it might help to think of your employees as people rather than as leeches. Try it!

Love,
the General Union