

▶▶ Human Resource Management

▼ Labor-Management Relations

▼ Labor Market

▼ Labor Administration and Legislation

▼ Social Security System

Corporate In-house Education and Training and Career Formation in Japan (Part I):

In-house Skills Development

Makoto Fujimoto

I. OJT and Off-JT at Japanese companies

There are two types of education and training considered necessary for workers to improve their vocational skills. One is on-the-job training (OJT), namely, acquiring the necessary knowledge and skills for a job while working. The other is education and training conducted while they are not on duty.

For the majority of workers, the main training opportunities are OJT. Such training is particularly important in Japanese companies, where job contents may not be specified, and the vocational skills required are easily influenced by the situations surrounding the company or workplace.

Off-the-job training (Off-JT) is conducted outside the workplace but under the supervision of the company. It has certain advantages that OJT does not, such as the fact that workers are efficiently taught the necessary knowledge and skills that are common to certain departments, job types, or managerial positions, and are able to obtain knowledge and information that they would not be able to acquire in their everyday work.

Off-JT at Japanese companies can be classified into two types: 1) training by employee's position level, that is, training focused at each of the different levels within the company, such as managerial positions or grades according to vocational qualifications; and 2) training by specialty, namely, training focused on certain specialized vocational fields. The latter can be further categorized into two: a) training by division, which seeks to develop the different areas of vocational skills within the organization, such as sales, accounting, or human resources, and b) training by task, which is

aimed at achieving specific tasks in corporate management, such as reforms to the organizational climate or the establishment of more efficient management systems.

Of the above, OJT and Off-JT fall under the category of in-house education and training.



Skills Development at Japanese Companies

● On-the-job Training (OJT)*

Training conducted for the workers to acquire the necessary knowledge and skills for the job at the company while working.

● Education and training conducted away from workers' normal workplace while they are not on their own duty.

> Off-the-job Training (Off-JT)*

Education and training conducted away from workers' normal workplace but under the supervision of the company.

1. Training by employee's position level
2. Training by specialty
 - a. Training by division
 - b. Training by task

> Self-Development

Education and training conducted outside the workplace which workers autonomously pursued.

*Corporate in-house education and training.

II. How do Japanese companies conduct in-house education and training?

According to *Basic Survey of Human Resources Development* conducted annually by the Ministry of Health, Labour and Welfare (MHLW), 74.0% of the responding businesses conducted Off-JT for their regular employees in 2016. There are significant differences in the tendency to implement Off-JT according to company size; while 54.5% of businesses affiliated with companies with 30–49 employees conducted Off-JT for their regular employees, that figure is as high as 85.8% among businesses affiliated with companies with 1,000 or more employees.

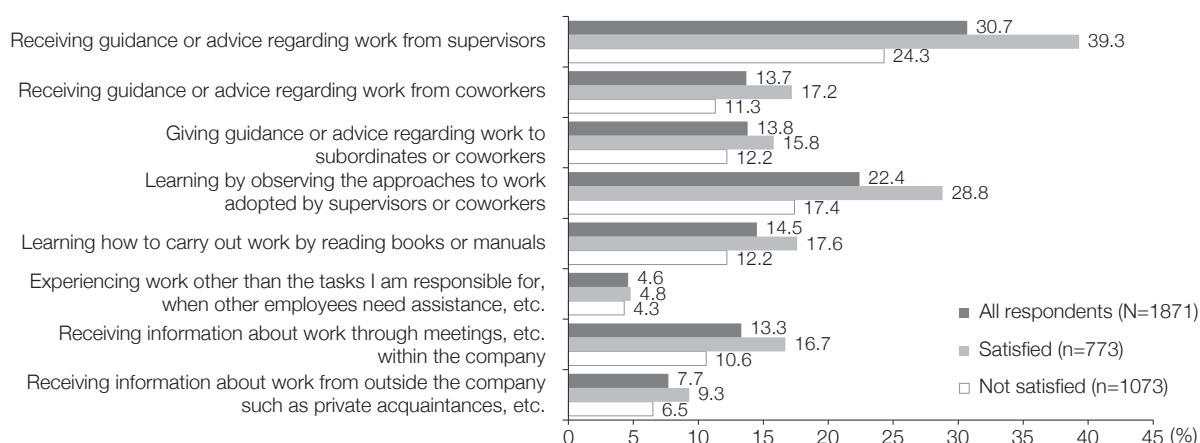
OJT is more commonly implemented in the larger company. 59.6% of businesses provided their regular employees with a type of OJT referred to as “planned OJT.” Planned OJT is education and training conducted on the basis of programs that specify details including the staff in charge of training, the employees who will receive the training, and the time period and content of said training (MHLW 2016). The tendency to implement such planned OJT shows marked differences by company size. 39.0% of businesses affiliated with companies with 30–49 employees provided planned OJT for their regular employees, while 76.5% of business affiliated with

companies with 1,000 or more employees.

Let us explore the current state of corporate in-house education and training in detail by looking at the results of another survey. The questionnaire survey on human resource development, in-house education and training, and career management conducted by the Japan Institute for Labour Policy and Training in 2016 (hereafter, “JILPT Survey 2016”) asked regular employees working at companies with 300 employees or more to what extent they experienced situations in the course of their everyday work that helped to improve their vocational skills and knowledge (Figure 1).

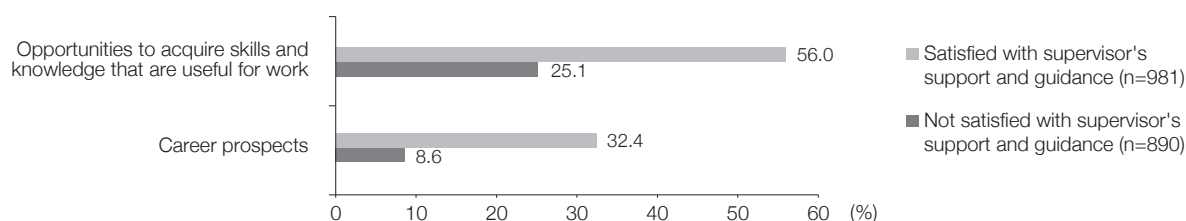
We find here that, from the perspective of employees, the main sources of vocational skills development are the daily interactions and communications with supervisors and coworkers. The kinds of situations that received the most “often experience” responses were “receiving guidance or advice regarding work from supervisors” (30.7%) followed by “learning by observing the approaches to work adopted by supervisors or coworkers” (22.4%) and “learning how to carry out work by reading books or manuals” (14.5%).

Let us then look at the state of such experiences with results divided according to whether employees were satisfied with the learning opportunities in the course of their current jobs or ways of working



Source: JILPT, “Questionnaire Survey on Human Resource Development, In-house Education and Training, and Career Management,” 2016.

Figure 1. Experiences that help to improve vocational skills and knowledge: Percentages of “often experience” responses for 2015 (January–December) and differences according to whether respondents were satisfied with learning opportunities



Source: JILPT, "Questionnaire Survey on Human Resource Development, In-house Education and Training, and Career Management," 2016.

Figure 2. Percentages of respondents satisfied with the learning opportunities and career prospects at the company which they work: Responses divided according to whether respondents were satisfied with the support and guidance provided by their department supervisor

to acquire useful skills and knowledge for work (hereafter, "learning opportunities"). Nearly 40% of respondents who were satisfied said that they often experienced learning opportunities through "receiving guidance or advice regarding work from supervisors," around 15 percentage points more than the percentage for respondents who were not satisfied. Moreover, the percentage of respondents who answered that they often experienced opportunities for "learning by observing the approaches to work adopted by supervisors and coworkers" was more than 10 percentage points higher among respondents who were satisfied.

III. Managers play key role in skill development

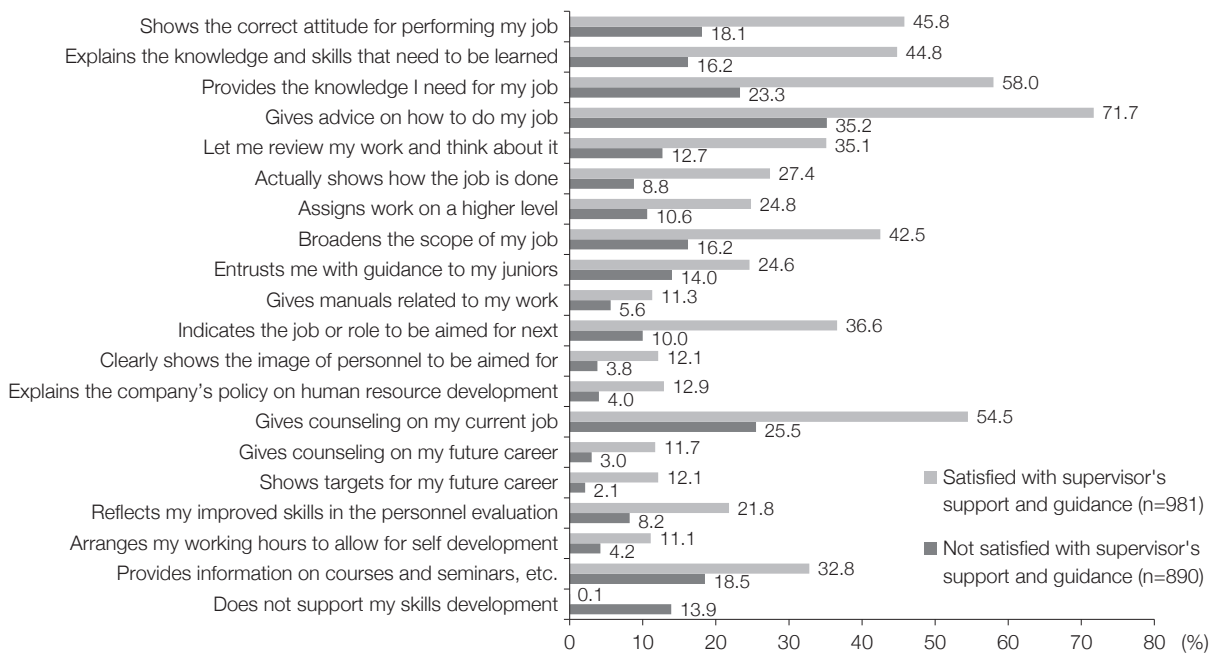
The percentage of respondents who frequently have opportunities for "receiving guidance or advice regarding work from supervisors" and "learning by observing the approaches to work adopted by supervisors and coworkers" was notably higher among respondents who were satisfied with learning opportunities than among unsatisfied respondents. Given this, it is conceivable that the place in which employees work and the department to which they belong have a significant influence on vocational skills development and career formation. Among those factors, the supervisor of an employee's department seems to have a particularly considerable effect on the improvement of employee's skills.

Figure 2 draws on the responses to the JILPT Survey 2016 to show the percentages of respondents (regular employees) satisfied with learning opportunities at the company they work and of

respondents satisfied with career prospects at the company they work, each divided into employees satisfied with the support and guidance received from the supervisor of their department and those not satisfied with such support and guidance. The percentage of those satisfied with learning opportunities was more than 50% among those satisfied with the support and guidance received from the supervisor of their department, in contrast with under 30% among those not satisfied with such support and guidance. Furthermore, while the percentage of those satisfied with career prospects was around 30% among those satisfied with the support and guidance received from their supervisor, among those not satisfied with such support and guidance, that figure was less than 10%.

How are the human resources and skills development activities pursued by supervisors regarded by employees?

In the JILPT Survey 2016, regular employees were asked about what kind of support they were receiving for their own skills development from their supervisors. Figure 3 shows the results, with respondents divided according to whether they were satisfied with the support and guidance received from supervisors. For all of the items, there is a noticeable difference in the response rates depending on whether respondents were satisfied with such support and guidance. The difference is particularly marked for the following items: the supervisor "gives advice on how to do my job" (36.5 percentage-point difference in response rate; the same applies to following percentage points),



Source: JILPT, "Questionnaire Survey on Human Resource Development, In-house Education and Training, and Career Management," 2016.

Figure 3. The support that department supervisors provide for skills development: Response divided according to whether respondents were satisfied with the support and guidance provided by their department supervisor

“provides the knowledge I need for my job” (34.7 points), “gives counseling on my current job” (29.0 points), “explains the knowledge and skills that need to be learned” (28.6 points), and “shows the correct attitude for performing my job” (27.7 points). That is, employees’ opinions regarding their supervisors are divided by the factors of whether a supervisor explains to employees the knowledge and fundamental approach essential for conducting the current work, or whether the supervisor deals with the issues and concerns that workers face in their work.

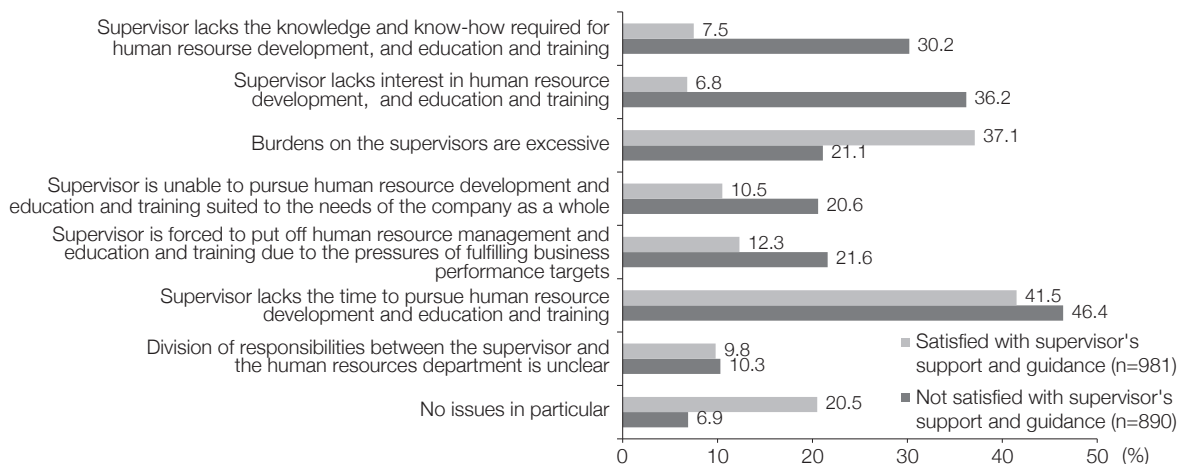
Figure 4 compiles results on the issues that employees identify regarding the human resources development conducted by their supervisors, according to whether they were satisfied with the support and guidance provided by their supervisors. The tendency among respondents who were not satisfied with such support and guidance to note their supervisor’s lack of interest in the employees’ skills development under their supervision as well as their supervisor’s lack of knowledge and know-how are especially pronounced in comparison with

respondents who were satisfied with the supervisors’ support and guidance. As a downsize trend, almost 40% of respondents who were satisfied with such support and guidance expressed concern that the “burdens on their supervisor are excessive.” This is a far greater percentage in comparison with that of those respondents who were not satisfied with the support and guidance provided by their supervisors

Moreover, regardless of whether respondents were satisfied with the support and guidance provided by their supervisors or not, the percentages of respondents are highest for the option “supervisor lacks time to pursue human resources and skills development.” This seems to be a clear indication of the problems affecting education and training in Japanese companies.

IV. Differences in opportunities for in-house education and training by form of employment

In addition to above-mentioned issues identified in the education and training environment for regular employees, issues in in-house education and training in Japan can also be found in the state of in-house



Source: JILPT, "Questionnaire Survey on Human Resource Development, In-house Education and Training, and Career Management," 2016.

Figure 4. Issues regarding human resources development pursued by department supervisors: Responses divided according to whether respondents were satisfied with the support and guidance provided by their department supervisor

education and training opportunities for regular employees and non-regular employees.

According to the *Basic Survey of Human Resources Development* (MHLW 2016), while, as noted above, around 60% of businesses conducted planned OJT for regular employees, the percentage of businesses that conducted such training for non-regular employees was 30.3%—that is, only half the number of businesses that conducted such training for regular employees. Likewise, in the case of Off-JT, there is also a significant gap. Only 37.0% of businesses provide Off-JT for non-regular employees, and in contrast, more than 70% of those for regular employees.

The fact that the education and training opportunities for non-regular employees are conspicuously scarce in comparison with those for regular employees can be seen as companies' reasonable decisions and behavior in light of factors such as the content of the tasks that non-regular

employees are in charge of, or the tendency for such employees to work at a company for shorter periods than regular employees.

In Japan, non-regular employees accounting for almost 40% of the total persons in employment. It is important for society to address what kind of processes should be adopted to enrich the opportunities available to non-regular employees to receive internal training and education, or what kind of approach should be taken to develop a new training and education and career formation as an alternative to corporate in-house education and training and career formation.

AUTHOR

Makoto Fujimoto Senior Researcher, The Japan Institute for Labour Policy and Training (JILPT). Research interest: Industrial sociology. Profile: <https://www.jil.go.jp/english/profile/fujimoto.html>