

Managing the Development of One's Own Vocational Skills in Japanese Companies

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1. Introduction

The objective of this article is to explain why individual development of one's vocational skills has become so important in Japanese society, and to clarify how individuals try to enhance their ability to work.

During the high-growth period that spanned from the end of 1950s to the early 1990s, Japanese society placed great value on employment stability. It is widely known that in times of economic recession, the speed of employment adjustment in Japan was much slower than in the United States, and either the same or slower than in European countries. The collapse of the "bubble economy" and the prolonged deep recession that followed, however, forced even Japanese companies, which once cherished employment security to make significant cutbacks in their workforce. The growing awareness of the need for employees to develop their own vocational skills is somehow related to concern over employment stability.¹

The ratio of regular employees to the entire workforce is dropping every year, declining from 76.8 percent in February 1997 to 69.5 percent in the October to December period of 2002.² Regular employees are defined as those with an indefinite employment contract. Thus, under Japan's labor laws, they are in little danger of being laid off, and in that sense their employment is stable. On the other hand, it is highly likely that employees with definite employment contracts will see their employment contracts terminated upon expiry of the contract period, so naturally their employment is unstable. In fact, according to the *Survey on Employment Trends*, 10.2 percent of those who responded noted that the reason for

¹ According to a survey conducted by Works Institute of Recruit Co., Ltd. from August to October 2002 and released in 2003, 56.5 percent of all respondents were worried about keeping their jobs; the figure for regular employees was 55.4 percent for males and 46.8 percent for females. The institute received replies from 13,085 people.

² The 1997 figure is from the *Labor Force Survey Special Survey* (conducted in February 1997), and the figure for October to December 2002 is from the *Labor Force Survey*.

leaving a job was expiry of their contract.

Employees with relatively stable employment could once safely assume that their vocational training would take place principally within the company which employed them. In most companies in Japan, it was the company that decided what work people were assigned to and when they would be assigned to this work. Employees would be internally transferred at the behest of the company, learning certain skills at each post. If they followed the company's request to move to another position, they were guaranteed employment until their mandatory retirement. Employees of large companies would often be seconded or transferred to subsidiaries or affiliated companies before they reached the retirement age of 60, but if the company group is viewed as a unit, it can be said that the employment security of these workers was practically guaranteed.

However, the recession afflicting the Japanese economy for the last decade has considerably weakened the employment security safeguards once offered by companies. The collapse of Hokkaido Takushoku Bank, the voluntary liquidation of Yamaichi Securities in 1997 and the effective dismantling of Snow Brand after a food poisoning scandal and subsidy fraud have fueled anxiety, with people questioning when their next large firm will fall into bankruptcy. When an employee's present company starts to look shaky, he/she must begin to look for another job. Even though an employee may have intended to extend his/her career in one company, his/her plans may suddenly become unrealizable. A worker needs to pay attention to his/her own vocational training on a daily basis to make sure that, if asked, they will be able to move to another company. I would assert that this strong awareness of the need for workers to manage their own vocational development was sparked by the tremendous changes in the Japanese economy.

2. Framework of Study — OJT, Off-JT and Employability

2.1 How to Combine OJT and Off-JT

In general, training begins at home. In a small society such as a family, one learns that there are rules that must be obeyed. School follows next, where one learns science and technology, social structure, history and

culture, as well as the ability to think, communication skills and how to place oneself as an individual within the group. When it is time to work, one obtains an education through on-the-job training (OJT). No one doubts the superiority of OJT as a form of developing skills. The ability to work is enhanced as one deals with daily changes and problems.³

However, one cannot assume that vocational development can only be obtained through OJT. To review one's work experience or to compete in a new line of work, off-the-job training (Off-JT) is more effective. The duration of Off-JT will depend on the objective, but if the goal is to review one's work experience, a period of between a few days to a week is more than adequate.⁴ On the other hand, if the purpose is to obtain new knowledge or skills, a slightly longer period, including postgraduate study, is probably more effective. The question is whether it is possible to effectively combine OJT and Off-JT.

When considering OJT there are three points to keep in mind: whether it involves the same company, or a number of companies; whether the training is organized (whether the training follows a plan, to what extent superiors are involved, etc.); and personal motivation (whether the employee takes the initiative in developing his/her own career). Meanwhile, four points might be considered in an analysis of Off-JT: location (at his/her company or elsewhere); contents; awareness of goals, and duration.

2.2 Skills Applicable to Other Companies (Employability)

The purpose of this article is to examine vocational training at a time when there is concern about the employment situation. What we are concerned about are skills that can be transferred to another company. Today, when long-term employment in one company cannot be guaranteed, it is inevitable that people will change jobs and companies.

Work skills that are applicable from one company to another have recently been termed "employability." The meaning of the word varies somewhat according to the user. Those who believe employability depends on the techniques and skills that a person possesses will propound the

³ For details, refer to Koike (1999): pp.25-29.

⁴ The effectiveness of incorporating short-term Off-JT into OJT is described in Koike (1999): pp.43-46.

importance of gaining public certifications and undergoing vocational training. On the other hand, the Education Special Committee of the Japan Federation of Employers' Association has proposed that "employability" refer to both "skills that enable worker mobility" and "skills that are demonstrated in a company and that enable a worker to be employed on a continuous basis."⁵ Both definitions stress that enhancing the value of human resources improves employability.

Matsumoto et al. (2001) have attempted to construct an employability checklist, establishing eight criteria under which there are nine or 10 categories for self-diagnosis. The criteria are: i) communication skills; ii) inter-personal skills; iii) organizing and running an organization; iv) cognitive ability/concept-making ability; v) self-learning ability; vi) mental toughness; vii) response to changes; and viii) self-sufficiency and self-enhancement. An employability rating is created by deciding where one fits on a scale of one to five. Such an attempt to arrive at one's employability is very important, however, there still are many aspects that need to be discussed, such as the reciprocity among the different criteria and the validity of the categories within each criteria.

In this article, I will avoid tackling the concept of employability directly. Instead, this article will analyze employability from the perspective of the skills people need to be successfully recruited midway through their career. If we examine the questions that are asked during interviews, the criteria of employability should become obvious. If that is the case, it is possible to devise a combination of OJT and Off-JT that enables enhanced skill development.

The following section is devoted to contemporary OJT and Off-JT. Section 4 analyzes how to enhance employability.

3. How Companies and Employees View Skills Development

3.1 Two Surveys

Let's take a look at how OJT and Off-JT are viewed by both companies and individual workers. The two main surveys I will refer to are the *Basic*

⁵ The Japan Federation of Employers' Associations (1999): pp.7-8.

Survey on Vocational Ability Development (hereafter referred to as *Vocational Ability Development Survey*) commissioned by the Ministry of Health, Labour and Welfare and carried out by the Japan Institute of Labour in November and December 2001, and the *Survey Research Aimed at Promoting the Introduction of a Long-term Leave System for Vocational Ability Development and Other Activities* (hereafter referred to as the *Fuji Research Survey*) commissioned by the Ministry of Health, Labour and Welfare and carried out by the Fuji Research Institute Corporation in March 2000. Both surveys contain a company survey and one directed toward employees. The former surveyed 10,000 companies with 30 or more employees, garnering responses from 2,176 companies (a valid response rate of 21.8%) and 5,658 employees (a valid response rate of 18.9%). The latter study surveyed 5,500 companies with 100 or more employees, gaining responses from 1,099 companies (a valid response rate of 20.0%) and 3,103 employees (a valid response rate of 20.7%).

Since the companies surveyed differ in size, the results differ slightly as well. Of the companies which responded to the *Vocational Ability Development Survey*, 89.6 percent were small and medium-sized enterprises with less than 300 employees, while the respondents to the *Fuji Research Survey* were principally large companies, 29.7 percent being companies with over 1,000 employees. It would be appropriate, then, to turn to the *Vocational Ability Development Survey* for capturing the situation of small companies and to the *Fuji Research Survey* to obtain an idea of the conditions in large companies.

3.2 Views on Who Is Responsible for Vocational Training?

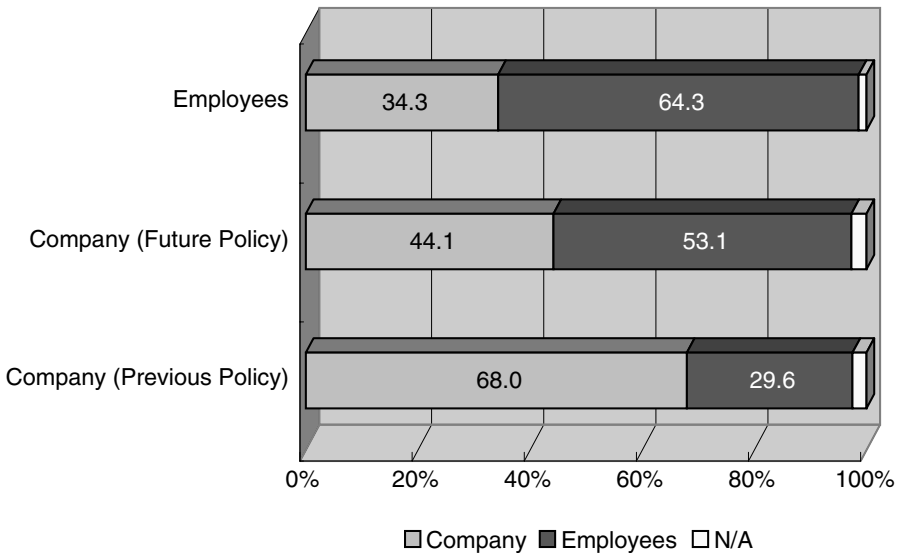
First, let's take up the question of who is responsible for vocational training. Referring to the *Fuji Research Survey* (Figure 1), almost 70 percent of the companies that responded believed that the company had been responsible for this, while over half answered that in the future this would be the responsibility of employees.

The bigger the company, the more obvious this tendency becomes. For companies with more than 2,000 regular employees (133 of the respondents), 78.2 percent said that the company had been responsible, but just 30.8 percent said they would continue to be so. On the other hand, for

companies with less than 300 employees (242 of respondent companies), these figures dropped from 65.3 percent to 56.2 percent, a very small difference. The same trend is evident in the *Vocational Ability Development Survey*: the bigger the company, the wider the shift on who is responsible for vocational training.

What do employees think? As seen in Figure 1, a higher proportion believe that vocational training is their responsibility. Around two-thirds of employees are taking initiatives to develop skills. Furthermore, the results of this survey show little difference among age groups. While it is important for employees to have a positive attitude toward taking the initiative on vocational training, whether they are taking appropriate action is another issue. Later we will examine the specific steps being taken to develop skills.

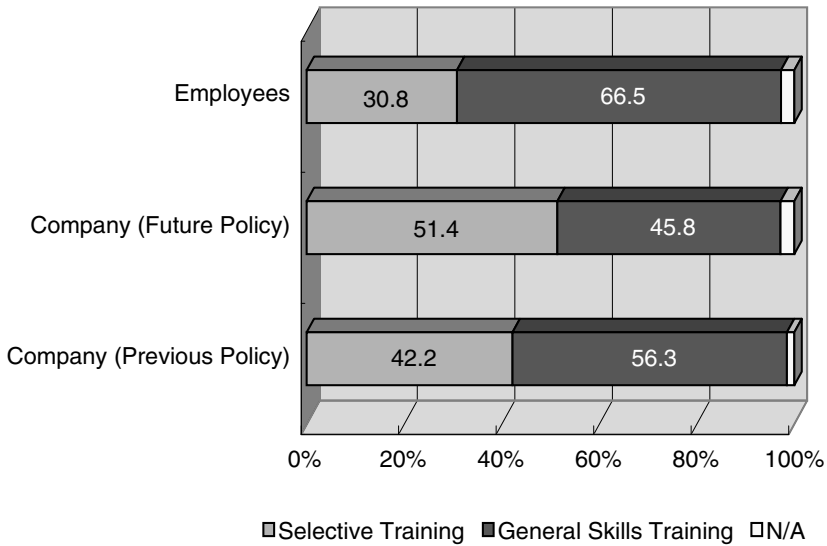
Figure 1. Who is Responsible for Vocational Training
(Fuji Research Survey)



Selective vs. General Training

Another aspect to be considered is employee training policy. Figure 2 shows the opinions on whether training should target a select band of employees or all employees. On this point, we can see a gap between employees and companies. Over half of the companies have emphasized general training to date, but are trying to move to selective training.⁶ On the other hand, two-thirds of employees placed importance on general training for all staff.

Figure 2. Employee Training Policies
(Fuji Research Survey)



⁶ There are big differences on this issue depending on the size of the company. Looking at the replies of companies with 2,000 or more employees, only 18.8 percent had previously placed importance on selective training, but this figure jumped to 78.2 percent of those that will place importance on it for the future. By contrast, for companies with less than 300 employees, 36.8 percent previously placed importance on selective training but there was only a slight increase to 39.7 percent for those planning to do so for the future. The *Vocational Ability Development Survey* asked the same question but the percentage of companies planning to place importance on selective training in the future was smaller (34.1%) than the percentage of companies that had placed importance on selective training (40.1%). This shows that small companies are going to continue to place importance on “general skills training” in the future.

If we compare the responses to this question with those concerning responsibility for vocational training, we will notice a contradiction in the views of employees. While they believe that the individual employees should be responsible for developing their own skills in the future, they expect to obtain general vocational training from their companies. However, if looked at from another perspective, they may be hoping that companies will provide them basic vocational training so they can determine their own path for additional training. Unfortunately, it is impossible to know which perspective is more likely, because these two surveys do not provide concerning data.

3.3 Effective Ways to Conduct OJT

In the previous section, I noted there were three aspects to analyze when discussing OJT: whether the same company or a number of companies are involved, organized training, and motivation in developing one's own career. A fair bit of research has been conducted concerning the practical aspects of OJT. I myself have conducted several interview-type surveys. These surveys have indicated that organized training is important for effective OJT, but these surveys are not based on sufficient wide-ranging observations. Therefore, I propose to examine on-the-job training methods using the two surveys referred to previously and one conducted by the Japanese Trade Union Confederation Research Institute for Advancement of Living Standards (*RENGO-RIALS*) in 1999 (hereafter referred to as *Rengo Survey*.)⁷

The Effectiveness of Experience at Other Companies

Firstly, to what extent is experience gained at one company effective in acquiring training? The *Rengo Survey* asked whether the experience gained at one company was useful in one's present job. Among the 3,194 employees who replied that they had work experience at other companies, 13.5 percent said their previous experience was "very useful" for their

⁷ This survey was conducted by the Japanese Trade Union Confederation Research Institute for Advancement of Living Standards (*RENGO-RIALS*) (2000) through industrial trade unions affiliated to the confederation. A total of 19,000 people were surveyed and 6,573 responded (a valid response rate of 34.1%).

present job, 36.0 percent said it was “useful to some extent,” and 23.7 percent said it was “not useful.” Among the 4,230 employees who experienced inter-departmental transfers at their current company, 14.1 percent said “very useful,” 52.4 percent said “useful to some extent,” and 19.0 percent said “not useful.” Among the 3,860 employees with inter-departmental transfer experience at their current company, the figures were 11.2 percent, 48.8 percent and 21.8 percent, respectively. Although it seems natural that more people answered that transferring within a department was useful to their current job, it is notable that experience gained at other companies is rated almost the same. However, these figures reflect only the impressions of the respondents, and of course individual case study surveys are essential to know how useful each kind of experience is to the current job of employees.

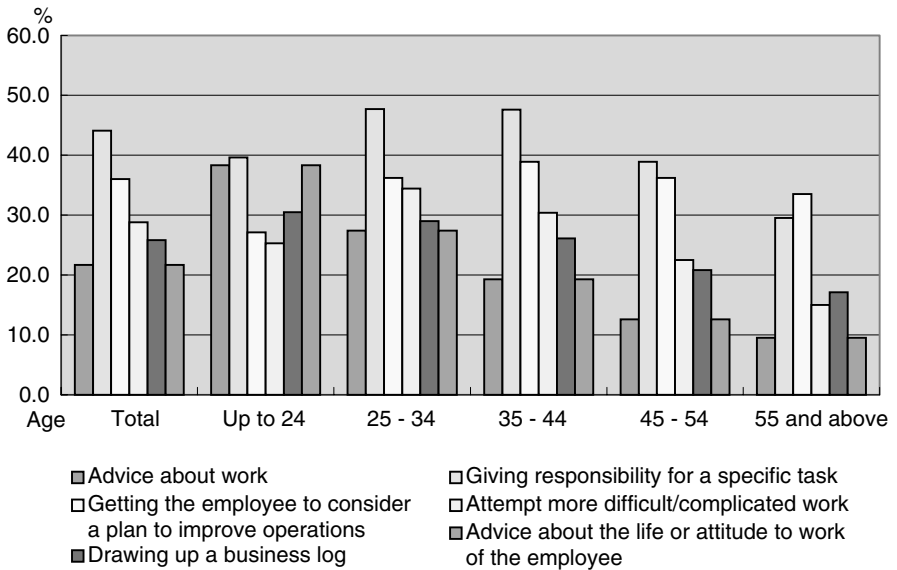
Guidance and Skill Cultivation by Superiors

The *Fuji Research Survey* provides indirect information about organized training as part of OJT. The survey asks companies the following question: “Do you think that immediate superiors fulfill the role of advisor when an employee is considering career development?” Four replies were provided, ranging from “Yes, the immediate superior fulfills an advisory role in such cases” (to which 6.8 percent of companies answered in the affirmative), to “No, the immediate superior does not fulfill an advisory role in such cases.” Of the companies which responded, 37.8 percent replied that “It is more accurate to say the immediate superior is fulfilling such a role than to say that he/she is not,” raising the total percent of companies that replied that superiors are fulfilling career advisory roles to 44.6 percent. This percentage increases in tandem with company size. For example, 51.1 percent of companies with 2,000 or more employees answered this was the case, while only 41.8 percent of companies with less than 300 employees did so. That less than half of all superiors are considered to be fulfilling advisory roles raises concerns that OJT may not be functioning well.

The *Fuji Research Survey* does not explore what kind of guidance superiors give, but the individual section of the *Vocational Ability Development Survey* asks what kind of guidance or instruction the employee has received from superiors and what was the most useful. As seen in Figure 3, the most common guidance or instruction was “giving responsibility for a specific task” (44.1%) followed by “get the employee to consider a plan to improve operations” (36.0%). Looking at the figures by age group, the most common guidance and instruction for employees 24 years old and younger was “advice about work” and “advice about one’s life or attitude to work” (both 38.3%), while for people in their late 30s or older the most common response was to “get the employee to consider a plan to improve operations.”

Figure 3. Guidance and Instruction Employees Have Received from Their Superiors

(Multiple answers allowed; Vocational Ability Development Survey)



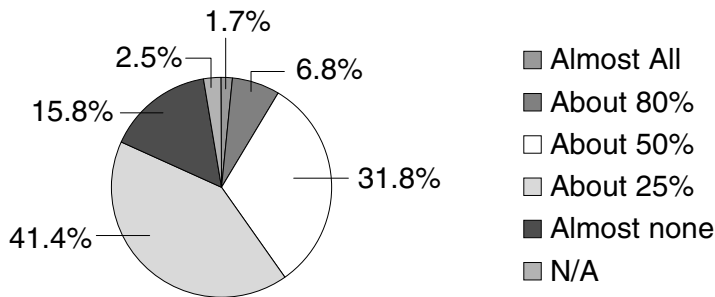
The most useful guidance and instruction for skills cultivation was “giving responsibility for a specific task” (20.0%), “advice about work” (16.7%), followed by “getting the employee to attempt more difficult/complicated work” (14.5%). Only 8.5 percent of supervisors attempted to “get the employee to consider a plan to improve operations.” It is natural to think that considering ways to improve operations is an effective tool in enhancing vocational skills, but if sufficient explanation of the goals and benefits is not given when implementing this approach, the first reaction of employees will be to feel that their amount of work has increased and that they are too busy, and the inherent benefits of this approach will be reduced. It seems necessary for superiors to thoughtfully assign work to staff.

The Motivation of Employees

In the company section of the *Fuji Research Survey* firms are asked what percentage of their employees are considering career development on their initiative, and then asks employees to what extent they have a concrete vision of the future. Figure 4 shows the results of the company

Figure 4. The Percentage of Employees Who Take the Initiative to Develop Their Own Careers

(*Fuji Research Survey: Company Survey*)



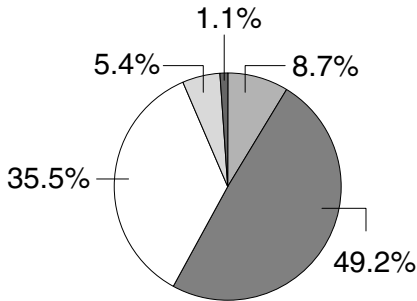
survey. Just 8.5 percent of companies replied that 80 percent or more of their employees intends to take the initiative regarding their own career development (the sum of “almost all” and “80%”). On the other hand, the survey reports that 15.8 percent of companies replied that they had few employees who were considering their own career development on their initiative. Of the responding companies, 73.2 percent replied that between one-quarter and one-half of their employees had taken the initiative in developing their own careers. This result implies that companies do not think employees are aggressive in developing their careers.

Then, to what extent do employees take their careers seriously? Figure 5 shows that just 8.7 percent of employees have concrete plans about the future, saying that “In x years I will be doing this.” On the other hand, as many as 40.9 percent of employees do not have a vision about their future working lives. It is difficult to evaluate the employees who replied, “I have not decided exact target year for doing this or that, but I am vaguely thinking about my future.” A total of 49.2 percent, nearly half, of the employees chose this answer. In many cases, the answer, “I am vaguely thinking about my future” is essentially the same as not considering it at all. Taking this into consideration, the percentage of those who have concrete thoughts about their working lives is less than 10 percent.

As I mentioned previously, while 66.5 percent of the employees answered that it is their responsibility to develop skills, only a tiny number of employees are concretely considering how to do this. It is highly likely that independent development of one’s own skills has ended up being nothing more than a slogan.

Figure 5. The Extent to Which Employees Are Considering Their Future Work Lives

(Fuji Research Survey: Employee Survey)



- I have concrete plans about the future, saying, "In x years I will be doing this."
- I have not decided exact target year, but I am considering my future work life vaguely.
- I am motivated to consider my future work life, but actually I am not considering it.
- I am not considering my future work life at all.
- N/A

3.4 Effective Ways to Conduct Off-JT

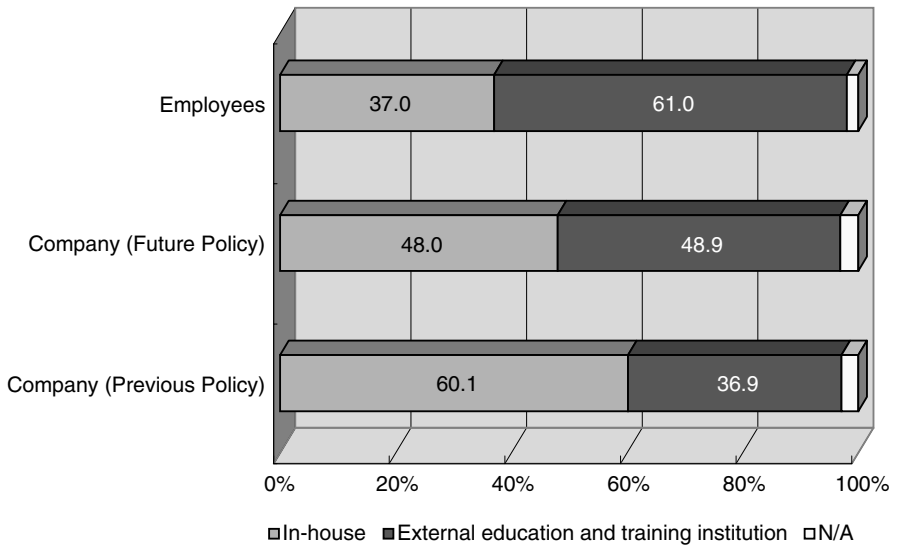
Earlier I stated that there are four important aspects to conducting Off-JT: location, contents, awareness of goals and duration. These four are closely interrelated. Ideally, the discussion should incorporate data that gives an overview of these four items taken together, but unfortunately such data is not available. Therefore, I intend to have a closer look by examining the four items separately. First, let us look at how companies and employees view the location of training.

Merits and Demerits of In-house Training and Training by External Organizations

The *Fuji Research Survey* targeted both companies and individuals. Figure 6 shows their responses on appropriate places to receive training. As can be seen, there is an obvious gap in perception between companies and employees concerning the location for training carried out by the company, with 60 percent of the companies placing importance on in-house training, but planning to use external education and training organizations more in future. However, they do not plan to abandon in-house training entirely. On the other hand, 60 percent of employees responded that outside training should be considered important.

It seems that employees prefer utilization of external education and training institutions because they consider such training as “generally applicable in society.” They believe that training received within one company is not useful when they move to a different company, but that

Figure 6. Preference of Training Location
(*Fuji Research Survey*)



training received from an external institution can be utilized generally. The survey could not confirm if this supposition is correct or not. However, there seems to be no doubt that the instability of employment affected employee responses.

The *Rengo Survey* examined methods of training that are useful at work. The survey followed up on 4,581 respondents who answered that they had received useful training by asking what methods were used to carry out that training. Employees found the most useful training was to be dispatched outside the company (37.5%); those who responded that in-house training was most effective came to 23.3 percent; and 7.2 percent thought classes within their company best suited their needs. Looking at the results by company size, the percentage of those who responded that “being dispatched outside the company for training was useful” was higher for small companies, while for large companies with 5,000 or more employees, 47.6 percent chose “in-house training.” It seems that because large companies have their own education department and their own training facilities, participation in in-house training can fulfill employee needs. Whether such training is always useful depends on whether the contents of the training and the skill level of the trainee are well matched.

Contents of Education and Training

The effectiveness of training depends on each employee. For this reason, it is not necessarily useful to discuss whether one minor detail of the training program is useful or not. Instead, I will introduce “the most useful training” section of the individual portion of the survey conducted by *RENGO-RIALS*.

The 4,581 employees who said they had received training that was useful to their work were asked to specify what kind of training had helped them. They were given a choice of answers, including “Other.” The most common reply was “Training to master basic skills related to work” (30.6%), followed by “Training to deepen special knowledge related to work” (23.8%), “Training to master general knowledge, such as leadership training” (18.1%), and “Training to obtain a certification related to work” (9.8%). What is notable is that training to enhance employees’ basic skills was appreciated more than training to master specific skills.

Goal Awareness

Information about the goals of the employees who participate in Off-JT is currently not available. However, the employee portion of the *Vocational Ability Development Survey* examines why employees seek self-enhancement. Self-enhancement is one form of Off-JT, and many companies provide support for employees in the form of subsidiaries or adjusting working hours to make allowances for class attendance. In fact, 81.1 percent of the companies that replied to the *Vocational Ability Development Survey* are providing some kind support.

The most common reasons for employees to try and better themselves were: “to obtain the knowledge and skills necessary for my current job” (79.5%), “to prepare for future work and career advancement” (38.8%), and “to obtain a certification” (34.1%). Considering the figures by company size, 51.2 percent of employees who worked for companies with 300 or more employees answered “for future work and career development.” It seems their goal is very specific, therefore they can expect to get more benefits from their training. However, there are still problems. According to the *Vocational Ability Development Survey*, these are: “the employee is too busy for self-enhancement” (43.0%), “too many expenses are incurred” (25.9%), “due to the requirements of the company he/she is not allowed to take leave or go home early” (18.3%), “it is difficult to get information about seminars and other similar information” (15.3%), and “the results of self-enhancement are not evaluated enough in the company” (15.2%). It is obvious from this survey that time constraints and expenses are obstacles to self-enhancement.⁸

Duration of Training

For the purposes of reviewing one’s work experience, Off-JT does not necessarily have to take a long time. However, as I stated earlier, it is more effective if this training occurs over a longer period of time, particularly

⁸ Systems to subsidize expenses for self-enhancement include those specific to individual companies, the national education and training benefit system, and programs managed by labor unions. The national education and training benefit system was established in 1998 and is being used by many people. Of the respondents to the *Vocational Ability Development Survey*, 5.6 percent replied that they had received benefits under this system. While this system quickly became widespread, its usefulness has not yet been sufficiently verified.

when learning new information and new skills that are difficult to acquire directly from one's own work experience. The *Fuji Research Survey* targeted companies and employees to find out their ideas about taking leave for vocational training. When confronted with a request to take a long leave to develop one's skills, more than half the companies replied that they "do nothing," and about a third said that they "instruct the employee to use existing holiday time." Only 3.1 percent of companies provide special leaves for vocational training, while six percent of the companies treated such leave as unpaid leave. This shows that less than 10 percent of the companies surveyed take measures to help employees take long-term leave for vocational training. In fact, the majority are negative about such leave.

Recently, the number of companies systematizing support for volunteer activities has been increasing. These companies provide volunteer leave in addition to regular annual leave to employees participating in volunteer activities. Generally this volunteer leave is only a few days a year, however, if the employee is participating in the Japan Overseas Cooperation Volunteers, a maximum of two and a half years is allowed. There are two reasons why companies allow this kind of long-term leave. First, it helps fulfill the company's social responsibility, and also because they feel that having a system to respond to the diverse needs of employees helps attract outstanding employees. Unpaid leave for vocational training and long-term volunteer leave probably cannot be lumped together for our discussion, but if we focus on the issue of responding to the diverse needs of employees there is not that much difference between them. The *Fuji Research Survey* reveals that about 40 percent of employees would like to take long-term leave to study, and it appears that companies also are reaching the stage of preparing some kind of systematized support for long-term learning activities of their employees.⁹

In this section, I have analyzed the strong and weak points of OJT and Off-JT by examining the results of the three surveys. This has led me to the following nine conclusions:

⁹ European countries are creating systems that would allow employees to take long-term leave to develop their vocational skills. Denmark, where an employee can take a one-year long paid leave for education and training, has progressed on this the most. For details, refer to *Arbeit und Leben*.(1999)

- (a) Both companies and employees are getting to believe that employees should be responsible for developing their own skills;
- (b) Companies tend to place importance on selective training, while employees prefer more general skills training;
- (c) Nearly half of the respondents think that acquiring experience at other companies is useful for their present job;
- (d) Only about half of superiors engage in career advisory roles;
- (e) Only a small number of employees have concrete plans of their career development, which runs against the belief that employees should be responsible for their own vocational training;
- (f) There is a strong tendency for employees to prefer to receive education and training outside the company;
- (g) It is thought that training to master basic vocational skills is more useful than studying a specific topic;
- (h) Employees do make efforts to improve themselves, with concrete goals in mind. However, time and cost restrictions prevent them from carrying this out sufficiently;
- (i) Employees look favorably on using long-term leave to develop their skills, but companies are negative about such efforts.

The next section, the conclusion, analyzes what combination of OJT and Off-JT is necessary to cultivate skills that can be utilized in other companies.

4. Cultivating Inter-Company Skills

4.1 Mid-career Employment Interviews

One easy way to know what skills are needed by employees who change jobs is to study what companies focus on during mid-career employment interviews. When interviewing people applying for a mid-career position, interviewers ask questions similar to the following:

- 1) What type of companies have you worked for previously?
- 2) Specifically, what work were you in charge of at each company?
- 3) What was your role in the projects that you have participated in

recently?

- 4) In what respect were those projects successful or unsuccessful?
- 5) How did you benefit from taking charge of those projects?

Most interviews focus on the applicant's work experience. Questions concerning projects the applicant was involved in are emphasized because it is the only way an interviewer can obtain a clear view of the applicants' skills.

The department to which a mid-career applicant will be assigned is usually involved in the screening, skills assessment, and decision-making process as to whether or not to hire the applicant. An interviewer in the same field as the applicant can usually grasp the skills and ability of the applicant is even if they are meeting for the first time. It is important to be able to objectively discuss one's previous work experience during the mid-career employment interview.

4.2 Enhancing the Value of One's Current Job

Considering the questions that are asked during mid-career employment interviews, it is important that one perform one's current work well in order to enhance skills that can be utilized by other companies. Often, one can find aspects specific to certain company. The products handled, the composition of personnel, the customers, and so on, are different from company to company. *Nemawashi* (internal negotiations before the decision-making process) and customer relations are specific to each company, and usually these skills are not transferable. However, if examined closely, work that appears to differ from company to company does have some common threads. For example, in some organizations decision-making occurs smoothly through normal channels, while in another organization a key person must be consulted before any decision is made. If someone with experience in the latter method of functioning moves to another company, the network of contacts the person had built up will certainly be useless. Nevertheless it should be possible for him/her to sufficiently utilize what he/she knows about organization management and *nemawashi* in the new workplace. After changing jobs, the person will initially be confused because he/she does not know who the key member of

the organization is. However, within a few months after getting a feel for the structure of the new organization, he/she will know who they need to talk to.

It is thought that doing work which is specific to one company is not useful in developing skills that can be utilized at other companies. However, the actual situation is contradictory. Engaging in work specific to one's company is itself a shortcut to enhancing the transferability of one's skills.

Then how can we enhance the value of work? Companies should arrange conditions so superiors are able to help improve the ability of their staff. Employees should try and obtain an overview of the entire work process. If the employee understands the role he/she must fulfill within the entire organization, he/she will become able to efficiently develop appropriate methods of work. If there is no organized training conducted by a superior, OJT will not yield fruitful results.

4.3 Managing One's Own Vocational Training

To enhance the value of their work, employees develop their own training and skills. This means they must know their own strengths, decide what skills need to be improved, and figure out how to carry out their work in a way which is useful to developing new skills.

Previously Japanese employees had delegated the leading role in skills cultivation to companies. Although skills are developed through day-to-day work, it was the company that decided what kind of work the employee was to be assigned and when. Employees generally accepted personnel transfers determined by companies because they understood that a transfer would contribute to the development of their work skills, and because they believed that if they followed the company's request when they were young, it would benefit them in the future. Large-scale personnel transfers were conducted on the basis of this tacit relationship of trust between companies and employees.

However, that relationship of trust is about to collapse. It is naturally unacceptable for an employee who has been following a company's requests for more than 20 years to be told, "Your skills are no longer useful to this company so we want you to leave." This situation might be

acceptable if re-employment was arranged, however, it often happens that he/she is abandoned without any job arrangement. Young employees are well aware of the outrageous treatment given to middle-aged and elderly employees and wonder, “Will I be treated the same way in the future?,” resulting in a decline in their work.

Previously Japanese companies guaranteed employment instead of taking the initiative in developing vocational skills. However, companies are no longer able to take responsibility for an employee until that person retires. Recently, many Japanese companies have highlighted the importance of “the principle of self-selection and self-responsibility” in skills cultivation. This is a reflection that companies hesitate to take the strong initiative in developing human resources. Employees have been responsible for managing their daily works and stimulating themselves with new challenges. In the future, in addition to these responsibilities, they will be required to conduct their daily works on their own responsibility.

To do this, sufficient information and good judgment are necessary. If daily OJT is made more systematic, and Off-JT is appropriately incorporated into the program — allowing employees to increase their information gathering skills, their ability to analyze information, and produce higher quality work— employees will develop skills that can be utilized at other companies as well. This would lead to the employee being assigned more important work at his/her present company and his/her employment situation will become more secure. The Education Special Committee of the Japan Federation of Employer's Association has stated that there are two types of skills that are essential to employability: “skills that enable worker mobility” and “skills that are specific to certain company and enable the worker to be employed on a continuous basis.” These in fact are not separate skills at all, but overlap. Here is a new form of employment security in Japanese companies.

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