

5 Corporate In-house Education and Training and Career Formation

Corporate In-house Education and Training Initiatives

In order to improve professional skills, i) OJT (on-the-job training), which involves learning the knowledge and skills required for the job while actually doing the job, and ii) education and training conducted away from the workplace are required. The education and training carried out away from the workplace can take two forms: ii-a) Off-JT (off-the-job training), which is conducted under the supervision of the company, and ii-b) “personal development activities”, which are conducted autonomously by the worker who works at a company.

Of these, i) OJT and ii-a) Off-JT correspond to corporate in-house education and training. For most workers, the main form of training and education opportunity is OJT; in Japanese companies, where the concept of a profession is ambiguous and it is easy for the skills required in a job to be influenced by the situation surrounding the company or workplace, the importance of this is particularly high.

OJT is mainly conducted through i) learning by watching and copying the example of the work of a more senior employee who works nearby the junior employee; ii) the daily exchange of communication between manager and subordinate, and senior and junior employees; or iii) “planned OJT”, which involves designating an instructor and providing instruction while setting clear achievement targets and levels of achievement for the individual receiving instruction. In implementing planned OJT, there are cases in which “implementation plans” that summarize the achievement targets and education and training schedule until reaching the set achievement level, or “skill maps”, which make visible the level of achievement of the person receiving instruction, are used. Moreover, with regard to the management of work in the workplace, the allocation of work with the aim of encouraging the development of skills

among individuals can also be described as one aspect of education and training through OJT.

On the other hand, Off-JT has advantages that OJT does not, namely the fact that the knowledge and skills commonly required in specific divisions, job types and positions can be taught efficiently, and those undergoing Off-JT can learn knowledge and information that they would not be able to acquire in the course of their everyday duties. Off-JT at Japanese companies can be classified into i) training that focuses on “rank” across departments in the company organization, such as position and grades relating to ability and qualifications (training by rank); and ii) training that focuses on “specialist fields” in jobs (training by specialty). The latter can be further categorized into “training by division”, which is conducted in a way that corresponds to the functional field within the organization, such as sales, accounting or personnel, and “training by tasks”, which is undertaken to achieve specific tasks relating to the management of the company, such as reforms of the organizational climate and the establishment of a more efficient management system.

Issues relating to Corporate In-house Education and Training and Career Formation

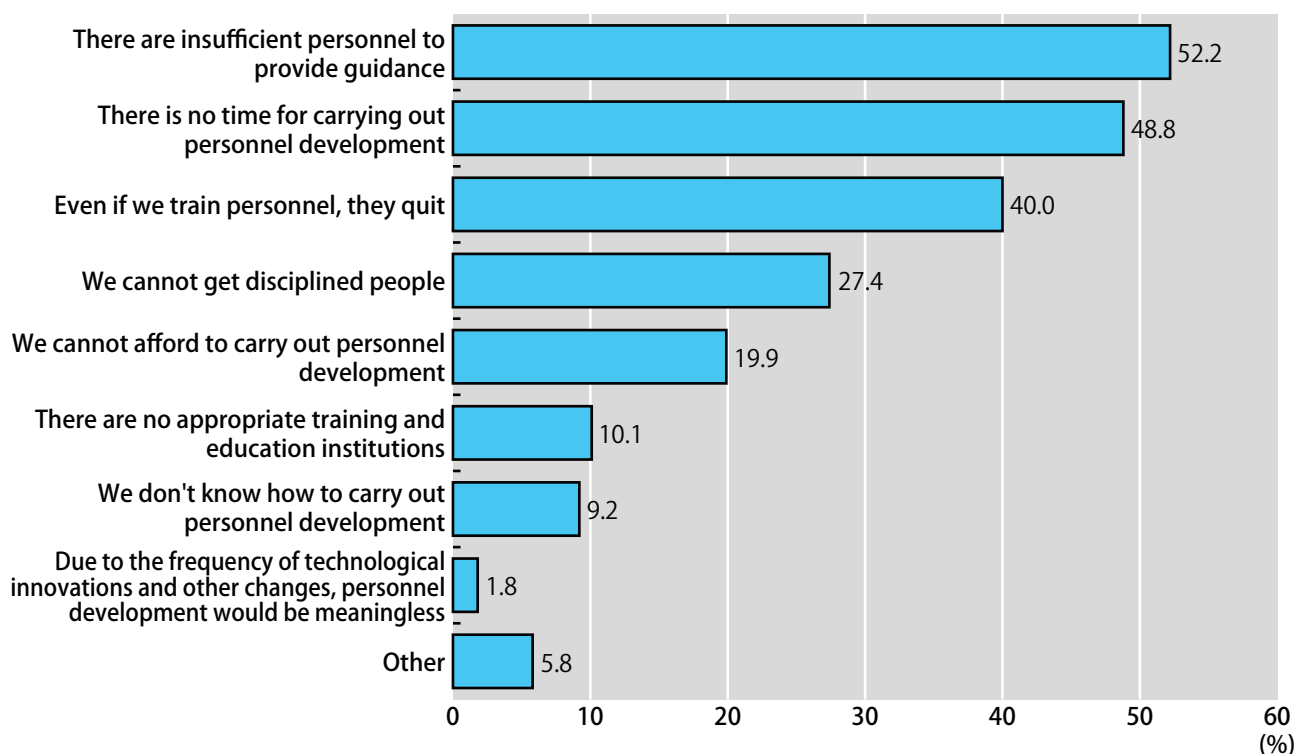
At present, various issues and limitations are becoming clear in regard to the education and training within Japanese companies that has been implemented in the forms outlined above.

The first thing that can be cited as an issue is the decreased function of the workplace, which is the venue for OJT. According to the Basic Survey of Human Resources Development conducted by the Ministry of Health, Labour and Welfare in FY2014, as many as 75.9% of the responding businesses recognized problems in their own development of human resources. As specific problems, about half of the responding businesses cited issues of time and

personnel needed for internal human resource development, including a shortage of personnel for instruction and a lack of time for human resource development. These were more numerous than

businesses citing external problems, such as the underdevelopment of education or training institutions (Figure III-12).

Figure III-12 Problems in Human Resource Development in the Workplace (Multiple Answers)



Source: Ministry of Health, Labour and Welfare, *Basic Survey of Human Resources Development, FY2014*

Furthermore, there is the problem of the motivation of employees receiving education and training within the company. Hitherto, under the stable long-term employment situation in Japanese companies, employees were guaranteed to have opportunities for advancement and the pay increases that would accompany any promotion, and this fact sustained the motivation of employees undergoing corporate in-house education and training. However, as a result of intensifying international competition, the aging of Japanese society, and a decrease in the overall population, it has become difficult for companies to depict a vision for their growth, and it is becoming harder to maintain an organizational system that can guarantee most employees a career that will enable them to reach a certain post. In fact, of the

employees who graduated from university or graduate school, the proportion who had reached section chief level by their early 40s declined from 32.3% in 1990 to 22.1% in 2008.

Moreover, the proportion of those who are able to be promoted into a managerial role within the organization has declined, and if it becomes more difficult to achieve a career of the type that involves promotion after continued long-term service, moves aimed at exploring skills development and career formation that do not rely on corporate in-house education and training will emerge. According to the aforementioned Basic Survey of Human Resources Development, when asked about their working lives, the proportion responding that "I want to plan my career myself" was 67.0% among regular employees

and 46.2% among non-regular employees, which was considerably higher than the proportion responding “I want the company to suggest a career plan” (15.7% of regular employees and 14.6% among non-regular employees). However, the development of education and training opportunities outside companies that will supplement, and sometimes replace, corporate in-house education and training, and which will lead to effective career formation, at last started to be recognized as a policy goal in Japan from 2000 onwards, but it still cannot be said that it is being adequately implemented.

With regard to problems relating to corporate in-house education and training in Japan, one can point to the fact that there is a considerable disparity between regular and non-regular employees in terms of opportunities to access this. According to the Basic Survey of Human Resources Development, whereas the proportion of companies implementing planned

OJT for regular employees was 62.2%, the proportion implementing it for non-regular employees was 31.1%; as far as Off-JT is concerned, the proportion of companies implementing it for regular employees was 72.4%, while the proportion implementing it for non-regular employees was 34.0%. Thus, in both cases, the proportion implementing training for non-regular employees is less than half the figure for those implementing it for regular employees. Amidst a situation in which the proportion of workers accounted for by non-regular employees is almost 40%, it has become increasingly important to consider how to enhance opportunities for corporate in-house education and training for workers other than regular employees, and what sort of new approach society should build to replace the education, training and career formation that is currently taking place within companies.