

OJT in Japan

In Japan, human resource management is made up of these aspects: planning, utilization, and development, with on-the-job training being an element of the last. In the United States, HR management is often line-driven: Line managers have responsibility and authority for many decisions, including hiring. Wages are determined by professional classification and expertise, and are connected to job performance. Training is conducted specifically for knowledge and skill acquisition, using on-the-job training to providing the necessary skills for short-term improvement.

Japanese HR management is centrally controlled by the HR division and is based on the assumption of lifetime employment, and on hiring new graduates who appear competent and have potential. Japanese firms emphasize the potential of new graduates and assign them duties with the express purpose of providing learning experiences. Because Japanese companies regularly rotate employees through different jobs, long-term OJT is provided for various assignments.

In the United States, OJT is commonly conducted to teach workers a bona fide skill or to qualify them for a particular occupation through demonstration and practice. In Japan, OJT activities provide necessary knowledge, skills, and attitudes through daily contact from instructors—supervisors and seniors in the workplace. The emphasis on OJT by Japanese companies promotes consistency with other practices in the HR management system.

Japanese firms engage in OJT because

- it's efficient in terms of time and cost
- work that is difficult to explain clearly in writing can be learned through observation
- flexible OJT can develop staff for the big picture
- the basis of OJT is individual instruction. Training can accommodate individual skills and vocational aptitude as well as work conditions.

As effective as OJT can be, there are problems. For example, all employees being trained don't necessarily receive the same quality of training. In some cases, supervisors and seniors in charge of instruction create disparities in implementa-



tion and effects. To prevent those differences, many Japanese companies motivate instructors by using OJT in the appraisal process. Supervisors often state that they

don't have time to provide OJT, or that they don't know how or what to teach.

Some solutions:

A key person in the workplace, other than the busy manager, can provide the training. That key person can be a candidate for future manager or someone who has strong influence on the assignment and the atmosphere of the workplace. Direct instruction can be delegated to that person, while the manager provides indirect guidance by monitoring workplace conditions and improving the environment. Managers must establish a way to develop the concept of the workplace and promote and motivate learning among its members, re-creating the workplace as a learning

Border Patrol

Government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (1 percent of GDP) have helped Japan advance with extraordinary rapidity to the rank of the second most powerful economy in the world. One notable characteristic of the Japanese economy is the working together of manufacturers, suppliers, and distributors in closely knit groups called *keiretsu*. A second basic feature has been the guarantee of lifetime employment for a substantial portion of the urban labor force, though that guarantee is eroding.

Source *CIA World Factbook*, odci.gov/cia/publications/factbook/index.html

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Under employment laws in Japan, private enterprises with a payroll of 56 or more workers are required to hire handicapped people. The minimum percentage of total staff is set at 1.8 percent. If a company fails to meet the target, the firm can be fined. The law applies to mentally handicapped workers as well as those with physical disabilities. A recent survey found that more than half (55 percent) of private

companies failed to meet the legal requirement. The failure rate was highest in the finance, insurance, and real estate sectors (74 percent).

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The Japanese government has instituted a new five-year plan to improve child-care systems in an effort to combat Japan's falling birthrate. Under the Angel Plan, the number of day-care placements for infants age two or younger will increase by 100,000. Workers who take leave from work to care for infants younger than 12 months will continue to earn 40 percent of their salaries, up from 25 percent.

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Monthly wage hikes in Japan averaged ¥7,053 (US\$67) per worker in 1999, up 2.4 percent from 1998, according to Nikkeiren, the Japan Federation of Employers Associations. That is the smallest rate of growth recorded since Nikkeiren began compiling such data. The small growth reflects the continued stagnation of the economy, which has squeezed companies' ability to grant pay increases.

Source Manpower *Argus*

environment. Those activities also serve as OJT for managers. Meanwhile, the key person who is acting as instructor maximizes employees' skills and potential while acquiring skills to exercise his or her own influence. Those activities double as on-the-job leadership training for the key person.

The why, how, and what should be addressed. The importance of teaching (*why*) must be communicated, teaching methods (*how*) should be acquired, and the material to be taught (*what*) should be carefully designed. For training to be effective, employees must think and take action using their own initiative. To promote that, instructors need to understand the theory and viewpoint of effective instruction and strive for consistency. Without express objectives, it's difficult to expect any certain result. Instructors should develop instruction plans and objectives, using the cycle of 1) plan, 2) do, 3) see.

Evaluate OJT results. If wages are based on roles (or job descriptions), the responsibility for providing on-the-job training can be added to the role, and the results can be measured. Not many Japanese corporations, however, apply such a wage system. They evaluate OJT results at the "seeing" stage by assessing them in comparison with the objectives established in the "plan" stage. For evaluation to be effective, objectives should be expressed by specific action as much as possible.

Japanese companies train their employees using OJT from a long-term viewpoint, based on the assumption of lifetime employment. However, that assumption is now being reexamined.

Staff development has begun to shift from an HR responsibility to an individual one. Workers are encouraged increasingly to be responsible for their own development. Therefore, we expect that OJT in Japanese companies will decline.

Others expect that instructors' roles will shift to mentoring—advising and supporting employees about various issues both in business and private life, rather than promoting learning.

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