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Prospect of Japan's Qualifications for White-Collars:
Comparisons of Personnel Qualifications in Japan and USA

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Abstract

As for the public qualifications of the white-collar worker jobs in Japan, I would like to analyze their utilization and consider features and problems of public qualifications by the precedence research and interviews to personnel managers in corporations in Japan. Externalization of in-house jobs and shift to competency and performance based HR system will progress and the demand for the public qualifications about white-collar workers increases also in Japanese society in the near future. While examining comparison of the public qualifications of Japan (Business Career Test) and U.S. (Professionals in Human Resources) and clarifying the difference, their meaning to management and ideal state which white-collar worker public qualifications bring about would be considered.

Keyword

White-collar Workers, Public Qualifications, Job-Specialties, BCT (Business Career Test), PHR (Professional of Human Resources)

1. Introduction

In Japanese companies including large companies, human resource development through OJT and in-house education/training have been performed on condition of the long-term employment and the job achievement, promotion and rise in pay have been made as the results. Therefore, employees including white-collar workers have believed that long term service to the company, the promotion to the positions with higher authority or income as important. Job-specialties and such knowledge of jobs, such as personnel affairs, accounting, and purchase have been meaningful in evaluation in the companies, and there has been little necessity to be accepted in society.

However, after the collapse of the bubble economy after the 1990s, the Japanese management system on condition of long-term employment in specific companies has also been changing gradually. As more mobilized employment and professional, requests of job career pursuit has started, employment portfolio and performance-based HR systems have attracted attention. Recruitment by occupation and mid-career recruitment increased, ambiguous white collar jobs has also been actualized. Thus, the *raison d'être* of the public occupational qualifications for evaluating knowledge and capability required for work socially has also been occurred.

Before change of such employment occurs, there have been qualifications and tests with long history which many examinees and social acceptance existed such as "English official approval" and "bookkeeping official approval". Qualifications and approval prove that specific knowledge and skill have reached the certain level, and, thereby, objective rating and also social trust are obtained. Although there are some which are authorized by a skill test like a driver's license or proficiency measurement, it is almost the case which is authorized through the examination with paper and pen in several hours.

In this report, it surveys first about the present condition of the qualification, especially white-collar worker qualification of Japan. Then, from the precedence research and hearing result to company managers, evaluation and practical use of qualification are considered and the features and the problems of public qualifications are clarified. Next, I would like to perform comparison examination by making public qualifications for Japan-U.S. personnel jobs into an example. Finally, considering the meaning to management and the ideal state which white-collar workers public qualifications bring about in the future.

2. Qualifications about White-collar Worker Jobs

(1) Social meaning of qualifications

In the current Japanese society, typical vocational qualifications would be those of judicial officers and medical doctors. Due to recent changes, many law schools (Graduate school of law) have been founded and door to judicial officers might be slightly broadened, however, to get the qualifications has been still so difficult. On the other hand, in order to be medical doctors, to pass the national examination has been required and medical department graduation is a premise. It is well known that entrance into medical school is difficult in Japan. These qualifications have been socially recognized as profession and they are example to prove the meaning of qualifications. However, most qualifications are not connected to occupations only by it, but can check the requirements for job execution partially. About the role of qualifications, Ando (1994) has pointed out the education effect. Since qualifications serve as a target when employees master knowledge and skill, acquisition of qualifications would be encouraged in companies. Moreover, Imano and Shimoda (1995) argued that the first role of qualifications is proof of workers' abilities and the second which are the proof of laborers' capability and with which the next is provided now.

The qualifications for white collar jobs are differently used by job functions and occupations. Although there is much occupation qualification in information processing, or medical treatment and a nursing system, there is almost no public qualification corresponding to the job of white-collar workers, such as personnel affairs, accounting, and sales, and related qualification is also restricted for the Certified Social Insurance and Labour Consultant, the Small & Medium Enterprise Consultant, the Official Business Skill Test in Book-Keeping and Salesperson, etc. The reason with little tests and qualifications about white-collar worker jobs was little demand at a company and an individual because of lifetime employment and seniority HR systems. Once employed, the necessity of proving job knowledge and capability had been low under the situation,

(2) Evaluation and use of qualification in companies

In order to understand how the qualifications for white-collar workers are viewed by companies, hearing to personnel managers of four major IT companies were conducted from June to September 2007. The reason why these IT companies are selected as research target is that they are all specialized in high technologies such as software development and positive to HRD and pioneers also about use of qualifications. The hearing was enforced based on the question vote "Specialty and qualification of a job" and obtained the evaluation in five steps and the comment about evaluation and practical use of public

qualifications and business career systems. In this report, the research results are partly included.

a) Public qualification acquisition is thought as important or not

As the beginning, "whether acquisition of (public) qualification is thought as important", three took the statement as "not so important" and one company evaluated "it can be said to be neither." As were said, "qualification is not connected with direct work" and "although qualification might be the objective judgment material of potential capability, it is different to have good results in job at company", it cannot say that there is a relation with work. The manager who answered as "it can be said to be neither" told that engineering qualifications are important because they appeal to customers, but it does not think as important in clerical work without such things". Indeed, some qualifications might be thought as important and many of them are for engineering work.

b) Public qualification is utilized or not

For utilization of public qualification, one company uses it, while two companies did not give clear answer and one denied its utilization. In the company currently utilized, in order to aim at qualification acquisition, it is said that it is utilized for capability training. However, in the other company, utilization is mostly in engineering works, some qualifications for construction or public-works are indispensable as absolutely necessary and others are vendor's qualifications such as Microsoft. Based on comments, qualifications for accounting and judicial affairs are utilized to a certain extent not required for personnel affairs. The only foreign-affiliated firm among four companies is using the in-house professional system and there is almost no practical use of qualification by clerical work. However, all managers estimate that public qualifications will be used more in the future.

c) Business career system is utilized or not

When utilization of business career systems are asked, three companies answered as not utilized and one for being neither. A manager of one company did not know the system. And in the company answered none of these let other departments to decide then did not know the actual situation in company. Although research is so limited, we could confirm that four major companies do not use the business career systems. However, for the question of future utilization, personnel managers of three companies answered as "it comes to be utilized from before" and they expect more utilization in the future. The reason is that the system was reformed completely with business career official approval and became more established public qualification. As other personnel managers indicated

that the government endorsement such as national tests or government licenses are so influential.

(3) Significance of business career systems

“National Trade Skill Test” which evaluates laborers' skills has long history with nearly half century and has been established in socially. As a public qualification of white-collar worker job, the business career system founded by the Ministry of Labor (then) will serve as the first one in 1993. It is difficult to build common knowledge and capability system over individual company and industry. The business career system aiming at systematic acquisition support of professional expertise and capability required for white collar jobs would be the first step toward white-collar worker-oriented public qualification realization.

Ando (1994) indicated the following four reasons for the introduction of business career; (1)white-collar workers increased in number sharply, and the importance of the occupational skills development increased, (2) occupational skills development of a white-collar worker are proceeded mainly by OJT and job rotation, and systematic development systems are not ready, (3) although white-collar workers who want to take self-education increase, there are not enough facilities for the self-education intentionally and systematically, (4) private sector educational facilities are being prepared, however, it is difficult to form continuous and systematic study plans because of lack of unity of a level and duplication of the contents of a subject.

3. Japan-U.S. Public Qualification for Personnel Jobs

I would like to examine the purpose, contents, evaluating method of public qualifications of Japan and the U.S. for the white-collar worker engaged in a personnel job. America's PHR (Professional in Human Resources) by Society for Human Resource Management (SHRM) and Japan's Business Career Test are taken as example.

(1) Business career test

Major objective of business career development system has been check of education-and-training results, it was reformed as business career test which aim to examine ability rating since 2007. The former business career development system was divided into small examination units so that learners can study steadily. With the new business career test, its units are bundled corresponding to practical jobs, then it becomes

more objective public qualification relate to company business.

At the new business career test, typical company clerical works are ranked as the 1-3rd class at every eight fields (personnel management/human resources development/industrial relations, company judicial affairs and general affairs, accounting and financial management, management strategy, management information system, sales and marketing, logistics, production control). Totally, it has 45 examination units which cover each professional expertise required for job execution.

In this report, I would like to survey each contents and method for the 1-3rd class of "personnel management and human-resources development" and "labor management" which are applicable to personnel jobs. The 1st class is to test for person in charge of department and advanced professionals level and those who take it aim department head and director. The 2nd class is made into core members' level of a group or a team, and aim at section chief and manager. The 3rd class is the level in its duty, and aim at chief and leader. (see Table 1).

In any class, evaluation is based on a written examination. There are three questions based on general and practical cases in 150 minutes. In the 2-3rd class, applicants have to finish 50 multiple choice questions in 120 minutes. This is common to the examination of all fields. Contents of personnel management and human-resources development, personnel plan, employment management, wages, social insurance, human-resources development, are also common in classes. In labor management, four items such as industrial relations, employment management, safe health and a welfare program, and social trends surrounding labor management are common in class.

In the 1st class, company-wide management and plans such as management strategy and personnel strategy are contained. Moreover, in personnel management, plan and planning of necessary personnel, personnel expenses, personal system and human-resources development are more important in the class. Although the items of the 2nd class and the 3rd class has many common features, in the 2nd class, the contents are subdivided like a job, and it is investigating about a design and employment, and the difference from the 3rd class which is going to check an understanding of a fundamental view, structure, or an outline is clear.

Table 1: Contents of the Business Career Test for Personnel management/
Human resources development/Labor management

| class (target) | 3rd class (beginners' class: chief class) | 2nd class (middle class: section chief class) | 1st class (upper class: department head class) |
|---|---|---|---|
| Personnel Management & HRD | — | — | Management strategy and personnel strategy |
| | Outline of human-resources plan and employment management | Personnel planning | Planning and implementation of personnel systems |
| | | Employment management | Planning and implementation of a man-power development plan |
| | Outline of wages and social insurance | Wage administration | Promotion of personnel - expenses management |
| | Outline of human-resources development | Human-resources development (HRD) | Planning and implementation of HRD |
| | Social trend surrounding HRM/HRD | | |
| Labor management | Outline of employment management | Employment management | Construction and employment of employment management |
| | Outline of management labor relation | Industrial relations | Improvement and maintenance of management labor relation |
| | Outline of safe health and a welfare program | Safe health and welfare program | Construction and implementation for safety and sanitation |
| | | | Planning and implementation of a welfare program measure |
| Social trend surrounding labor management | | | — |

Source: Japan Vocational Ability Development Association HP "business Carrier (<http://www.bc.javada.or.jp/career/>)

(2) America's SHRM and Personnel qualification

The Society for Human Resource Management in USA, founded in 1948 and has 220,000 or more members in the 125 nations of the world, offers newest and suitable resources, and makes it the mission to respond to the request of members. The society also plays the role of backing up development of personnel jobs by promoting important and strategic role of personnel management.

In order that SHRM may authorize personnel qualification, it established personnel accreditation organization as HRCI (Human Resource Certification Institute) in 1973 and start carrying out accreditation in 1976. There are three kinds of certificates by SHRM, namely PHR (Professional in Human Resources), SPHR (Senior Professional in Human Resources), and GPHR (Global Professional in Human Resources). This report is describing Professional in Human Resources such as PHR.

In SHRM, about the meaning of official approval (Certification), it is public authorization about achievement of professionals business, and that this official approval shows supposes that it is proving an acquisition person having the knowledge of personnel management. Official approval acquisition tested knowledge, it is the method of measuring it and becoming a target on an occupation and official approval have caught that it is what supports career promotion. SHRM doesn't have certificates other than personnel management such as PHR, which are different that Japan's business career tests cover broad range of job functions. In this paper, we just focus on personnel jobs and related qualifications.

(3) PHR/SPHR/GPHR certification test

Tests to be certified as the PHR are created from all the fields of personnel management based on U.S. Federal Law, regulations, practices, general custom, etc. and all answers multiple chosen are calculated by computer. Specifically, 225 questions of PHR and SPHR are answered in 4 hours. 200 questions are actually evaluated and 25 tests are for test evaluation. For GPHR, it takes 3 hours to finish 165 questions. Accordingly, much more questions and time are required to have American qualifications by SHRM than the comparable Japan's business career test.

PHR and SPHR are examinations which check the knowledge of the personnel field in the United States, while GPHR is the one for HR staff who takes charge of global business or personnel matters related overseas. Personnel management experience on the exempt level for two years or more is necessary to take an examination of the certification.

Difference of recommended experience of PHR with two to four years and SPHR with six to eight years are shown contents of examinations as many problems about strategy and policy in SPHR and operation and function of personnel in PHR.

The contents of both PHR and SPHR tests are divided into six parts such as strategic management, human resources planning and employment, human resources development, remuneration and employee and labor relation and risk management. In SPHR, strategic management may be set about 30 percent of the whole problem, emphasis has set on the side of planning and strategic management as the upper class (see Table 2).

Aside from that advanced and company-wide problem, routine personnel issues can be certainly performed independently for the level of PHR. On the other hand, SPHR is for the management and the specialist who have important responsibility in personnel, and it requires problem solution to deal with complicated problems in connection with the whole personnel section, having a company-wide viewpoint.

Table 2: Contents of PHR/SPHR Tests and their Ratios

| Test Specifications* | PHR | SPHR |
|-----------------------------------|-----|------|
| Strategic Management | 12% | 29% |
| Workforce Planning and Employment | 26% | 17% |
| Human Resource Development | 17% | 17% |
| Total Rewards | 16% | 12% |
| Employee and Labor Relations | 22% | 18% |
| Risk Management | 7% | 7% |

Note*: In each specification, responsibilities and knowledge are shown.

Source: PHR/SPHR/GPHR, Handbook 2007 (<http://www.hrci.org/Certification/2007HB/>)

The contents of the test questions of GPHR are six items such as strategic HR management, organizational effectiveness and employee development, global staffing, international assignment management, global compensation and benefits, international

employee relations and regulations and they are considerably differ from those of PHR and SPHR. What importance has set is to managing support staff engaged in international business and strategic personnel management.

(4) Personnel Qualifications' Comparison of Japan and the U.S.

When the personnel qualifications of Japan and the U.S. are compared, the first feature is the huge difference in number of applicants. There are about 11,000 annual examinees of business career tests of Japan for the past five year's average in all the unit sum totals. Annual applicant's number to corresponding personnel qualifications such as "personnel management and human resource development", "labor management" calculated to about 3,000 persons in 1-3 class totals. About 14,000 people have passed the tests for 20 years in total. On the other hand, the numbers of examinees of US's comparable personnel qualifications such as PHRs are 20,000-25,000 people scales per year. According to HRCL, accumulated acquisition person's total will be 89,170 persons (PHR: 50,174, SPHR: 38, 531, GPHR: 826 person) as of August, 2007.

As the contents of PHR are strategy, planning, employment, wages, human-resources development, safe health and welfare program, labor relation, they are mostly common although some difference seen how to bundle. There might be some difference in regulation system, industrial features, strategy and operating custom of each company. In operation level, we need to check both Japan-U.S. personnel qualifications closer, however, the role of personnel would be found the same through both tests. GPHR is interesting only for the personnel qualification for common global business. Around 800 persons acquired GPHR just started in 2004. It is noticeable as it can be the global personnel qualification in the future.

When it comes to compare the exempt level as prerequisite for taking tests of the U.S. qualification to Japanese, it is appropriate the experienced staff who can handle finite works independently. Accordingly, we may estimate university graduates staff with two years experience as personnel staff.

Although there is a difference in the history of 12 years and 30 years in Japan-U.S. qualifications, it seems to be larger difference existed in number of applicants. Although this has the large difference of social positioning of qualifications, one of the reasons is that the term of validity for three years is imposed in U.S. qualification such as PHR. If the term of validity and a re-authorization system are introduced, number of applicants and training programs would be increased. Reconfirmation rate in the United States is a little more than 70%, and those who reconfirm understand new topics of personnel matters by passing through re-authorization, and it is supposed that update of knowledge can be aimed at.

4. Merit and limit of qualifications for white-collars

In the Japanese company, in order to introduce white-collars' qualification completely and to use practically, it is likely to take still considerable time. However, it is not necessary to wait for the situation in the United States, or the indication of personnel managers, it seems that public qualification permeates Japanese society gradually. From the creation process of public qualification like the business career system, the common job standard was set up and it led to extraction of white-collar worker jobs. Unified white-collar worker job would be recognized socially, and new results such as productivity improvement and achievement for a company, job satisfaction and improvement in motivation for an individual may be produced.

As Fujimura (1997) says that the capability that public qualification division liberal-arts qualification can be proved is restricted to the power of understanding and the operating-related knowledge which can be measured by a written examination. When the capability that qualification can be authorized is considered from the management skills which Katz (1955) discusses, the capability based on knowledge mostly corresponds to technical skill. Therefore, authorization in qualification is difficult for human skill such as communications skill and leadership, and conceptual skill such as problem solving and strategy formation. In the competency model by McClelland (1977), the knowledge and skill which are visible from outside are part of an iceberg, and it is supposed that a motive, character, the characteristic, etc. exist under the water surfaces which are not visible. If based on this competency model, authorization of surface knowledge can be performed, but the evaluation and authorization of the invisible portion which affects job capability may be difficult.

On the other hand, about the merit of public qualification, socialization of white-collar worker jobs is in the first place. Not like the conventional qualifications, it does not stop at fragmentary knowledge, but comprehensive knowledge and a dormant faculty are socially recognized by considering a white-collar worker job as a settlement, and it becomes possible to evaluate these. The second merit is actualization of a white-collar worker job. Rather than academic knowledge such as strategy theory and organizational theory, knowledge required for actual job execution is applicable. Furthermore, comprehensive and case problems promote to raise actual capability which leads to business such as management capability and synthetic judgment.

The third one is the contribution to career or human resource development. At

present, exact and broad personnel training might be available only in companies where personnel and educational system were well prepared such as major companies. With the public qualifications which include wisdom and experience of excellent managers is actualized, white collar job knowledge will be properly found and better education and training can be performed based on the qualifications. It leads to realization of a white collar active career or independent capability development.

5. Conclusion

In this paper, it surveyed that there are almost no qualifications for Japanese white-collar workers until now and the measure has been made in recent years. It also checked that qualifications for white-collar worker's job are not utilized yet at the present condition. From the 2007 fiscal year, the new business career test has been more clearly positioned as public qualification and it may become the fundamental qualification of white-collar workers in the future. Introduction of qualification, such as business career test, leads not only to training and management of human resource but to business and an organizational climate change. Qualifications of personnel jobs have permeated and their supporting system and operation are more progressed in the United States; the contents of tests are not so different from those of comparative ones of Japan. More autonomous career orientation is pursued and employability and performance based system are further progressed, demand for the public qualification, which can authorize and evaluate the capability with externally valid will be expected to increase further from now on also in Japan.

From the present condition, it seems to still take time for osmosis of white-collar workers' qualification, and is asked for fructifying the requests from not only the industry but each worker to social systems. It will be an important key whether such qualifications will be authorized by a social policy or a legal basis to receive further social acceptance. As was argued, white collars' qualifications have little accumulation, and the full-scale consideration for examination contents and valuation methods would be a future subject. In this sense, it has fairly a portion improvable by the contents and operations as well as a social policy. The process of such improvements will exceed the limit of qualification, and it will lead to raising the validity.

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