

## **MHLW HRD Information “Special Edition” (November 2014)**

### **— Outline of Governments’ Vocational Training —**

Every year, the Ministry of Health, Labour and Welfare of Japan designates November as “the HRD Promotion Month” and November 10th as “the Trade Skill Day”, aiming to develop attractive vocational abilities. During this month, the MHLW and prefectural governments (hereafter, prefectures) hold series of events including National Skills Competitions and Award for Outstanding Skilled Workers. These events highlight skills which have supported the Japanese economy for a long time.

In the HRD Promotion Month this year, the MHLW requested employers’ organizations to promote further development of vocational abilities at companies and actively disseminated/publicized measures which support companies’ HRD activities according to employers’ needs.

In this regard, keeping in mind the purpose of the HRD Promotion Month, the MHLW issues this special edition of “MHLW HRD Information” which outlines vocational training implemented by the governments.

### **Outline of Governments’ Vocational Training**

#### **1 Types of Training**

Vocational Training implemented by the governments in Japan consists of three main types of training, “training for unemployed workers”, “training for employed workers” (hereafter, Employed Workers Training) and “training for school graduates” (hereafter, School Graduates Training). Training for unemployed workers consists of two types of training, “Unemployed Workers Training” and “Job Seeker Support Training”. The former targets persons who are registered as job seekers at local Public Employment Security Offices (Public Employment Service Offices, often called as “Hello Work”) and receive employment insurance benefits. The latter targets persons who are registered as job seekers at local Public Employment Security Offices, but not eligible for receiving employment insurance benefits. Detailed information on these types of training is provided in the Appendix 1.

\* Japan’s employment insurance is an obligatory insurance managed by the central government, which compulsorily applies to any enterprise which employs more than one worker in principle. Under the employment insurance system, unemployment benefits are provided to workers who got displaced without source of income, with the aim of stabilizing their well-being and employment or promoting reemployment.

#### **2 Legal basis, History and Financial Resources**

Unemployed Workers Training, Employed Workers Training and School Graduates Training are implemented based on the “Human Resources Development Promotion Law”. Job Seeker Support Training is implemented based on the “Act on Support for Employment of Specified Job Seekers through the Provision of Vocational Training, etc.”. In Japan, the

first fundamental law on vocational training is the “Vocational Training Act”, which was enacted in 1958. The current vocational training based on the “Human Resources Development Promotion Law” originates in the training based on this Act. On the other hand, Job Seeker Support Training was introduced in relatively recent years and originates in the training under Emergency Human Resources Development Project, which was conducted for two years from July 2009 responding to deteriorating employment situations after the global financial crisis in 2008.

Regarding financial resources, Unemployed Workers Training, Employed Workers Training and School Graduates Training are financed from premiums collected under the employment insurance system, while Job Seeker Support Training is financed from state contribution as well as premiums collected under the employment insurance system.

### 3 Bodies Providing Training

Governments’ vocational training is provided by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED), prefectures, and private education and training institutions. The JEED is a training provider which takes over the duty of the central government.

The Japanese “central government” consists of one cabinet office and twelve ministries. Out of these agencies, it is the Ministry of Health, Labour and Welfare that is responsible for governments’ vocational training. The Human Resources Development Bureau of the MHLW operates the governments’ vocational training system as a whole and formulates the overall policies.

The MHLW and each prefecture formulate plans for the governments’ vocational training and they implement training based on these plans. In the formulation of the plans, the MHLW and other related ministries, the JEED, prefectures, private education and training institutions, trade unions, employers’ associations, and other stakeholders are involved.

### 4 Employment Support

Employment support services are provided to trainees of “training for unemployed workers” with collaboration with Public Employment Security Offices. The services include advice/guidance by experts who are called as “career consultants”.

### 5 Assurance and Improvement of Training Quality

#### (1) Training Provided by Private Education and Training Institutions

Out of the abovementioned training, “training for unemployed workers” attracts the largest number of trainees. In 2012, approximately 250,000 persons participated in “training for unemployed workers” and 80% of them are trained by private education and training institutions. As this fact indicates, the role played by private education and training institutions in governments’ vocational training has been growing. Therefore, the

quality assurance and improvement of training provided by private education and training institutions has become an importance issue.

In light of this situation, the MHLW formulated “Guidelines for Vocational Training Services by Private Education and Training Institutions” (please refer to the Appendix 2 for more details). The guidelines explain training management methods which employ the PDCA cycle: designing of training courses based on the needs of companies and trainees (Plan), implementation of training (Do), evaluation of training results (Check) and review of training courses based on the evaluation (Act).

## (2) Training Provided by the JEED and Prefectures

Regarding the quality assurance and improvement of training provided by the JEED, the MHLW sets standards in the form of law (ordinance) for each training course concerning its curriculum, training hours, equipment or other matters. Then, JEED provides training based on these standards. Likewise, each prefecture also sets its own standards by using the standards which are set by MHLW as a reference, and provides training based on these standards.

In addition, the JEED and each prefectures review its own training courses through the PDCA cycle. For example, the JEED sets its own guidelines called “Guidelines for Education and Training”, and assure and improve the quality of its training based on these guidelines.

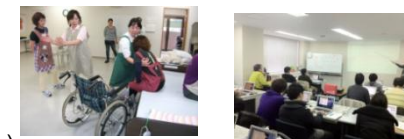
## Unemployed Workers Training

- (1) Target: job seekers at Hello Work, **mainly persons receiving employment insurance benefits**
- (2) Training period: about 3 months to 1 year
- (3) Benefits: various allowances under the Employment Insurance Act  
The sum of (basic allowance + participation allowance (500 yen per training day) + commuting allowance + allowance for living in a boarding house) is paid.  
\* In the case of receiving training, a measure may be taken to increase the number of days for payment of basic allowance.
- (4) Bodies providing training
  - **Central government (JEED's Polytechnic Centers)**  
Mainly provides advanced training in the manufacturing field (metal processing dept., housing reform technique dept., etc.)  
[Running expenses] grants from the central government
  - **Prefectures**  
Provide various training programs according to local circumstances (e.g. automobile maintenance dept., etc.)  
[Running expenses] grants from the central government + contribution by prefectures
  - **Contractors: private education and training institutions (entrusted by prefectures, etc.)**  
Provide clerical work, nursing care, information processing and other training programs that do not require expensive facilities  
[Running expenses] outsourcing fees: **standard maximum amount of 60,000 yen per person-month**  
\* In some courses, different outsourcing fees are set according to the employment rate of participants who completed training to enhance the incentive for employment (**50,000 to 70,000 yen per person-month**)

Job-Cards are issued and employment support is provided through cooperation between training institutions (some of which obtained permissions for employment placement services) and Public Employment Security Offices (Hello Work).

## Job Seeker Support Training

- (1) Target: job seekers at Hello Work, **mainly persons not eligible for receiving employment insurance benefits**
  - (2) Training period: 3 to 6 months
  - (3) Benefits: benefits for participation in vocational training  
The sum of 100,000 yen per month and transportation fees (prescribed amount) is paid.  
\* This applies to cases where certain requirements, one of which is that monthly income of the participant must be 80,000 yen or less, are met.
  - (4) Bodies providing training
    - **Private education and training institutions** (they are accredited by the Minister of Health, Labour and Welfare for each course)  
[Running expenses] financial incentives for bodies providing training  
<Practical course> Different amounts of incentives are set according to the employment rate of participants who completed training to enhance the incentive for employment (**50,000 to 70,000 yen per person-month**)  
<Basic course> Fixed-amount system according to the number of participants (**60,000 yen per person-month**)
- Main practical training courses**
- Nursing care (Nursing case welfare service dept., etc.)
  - Information processing (Web creator dept., etc.)
  - Medical coding (Medical coding and prescription dept., etc.)



For unemployed workers (free of charge (excluding actual costs of textbooks, etc.))

For employed workers

For school graduates

- (1) Target: persons in employment (with charge)
- (2) Training period: about 2 to 5 days
- (3) Bodies providing training:
  - **Central government (JEED's Polytechnic Centers)** [Running expenses] grants from the central government
  - **Prefectures** [Running expenses] grants from the central government + contribution by prefectures

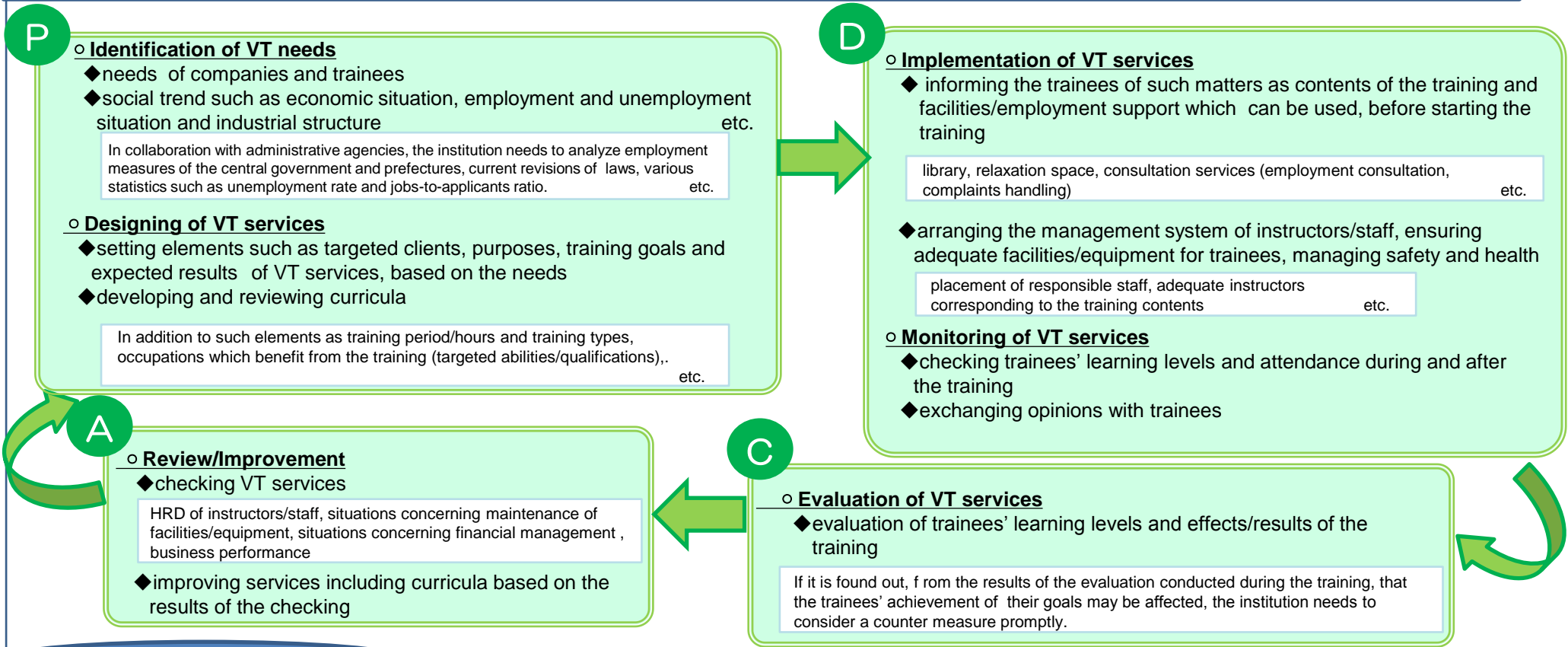
- (1) Target: high school graduates, etc. (with charge)
- (2) Training period: 1 or 2 years
- (3) Bodies providing training:
  - **Central government (JEED's Polytechnic Colleges)** [Running expenses] grants from the central government
  - **Prefectures** [Running expenses] grants from the central government + contribution by prefectures

FY2013	Total		Central government (Polytechnic Centers, etc.)		Prefectures	
	Participants (persons)	Employment rate	Participants (persons)	Employment rate	Participants (persons)	Employment rate
Results of public vocational training						
Training for unemployed workers	140,934	-	29,961	-	110,973	-
Training (in house)	40,824	82.2%	29,899	86.5%	10,925	72.9%
Training by contractors	100,110	72.0%	62	-	100,048	72.0%
Training for employed workers	102,178	-	50,124	-	52,054	-
Training for school graduates	18,809	95.4%	5,764	99.2%	13,045	94.4%
Total	261,921	-	85,849	-	176,072	-

Results of Job Seeker Support Training in FY2013, No. of participants: 74,939 in total  
(Basic course) 22,997 persons, employment rate: 83.3%,  
(Practical course) 51,942 persons, employment rate: 84.1%

- The role of private education and training institutions, which undertake Entrusted Training and Job Seeker, is growing. Therefore, **the improvement of the training quality is the urgent issue.** (In 2014, **80% of vocational training was provided by private education and training institutions.**)
- In light of the publication of **“ISO29990”(Learning services for non-formal education and training — Basic requirements for service providers)** on Sept. 2010, **Ministry of Health, Labour and Welfare formulated “Guidelines for Vocational Training Services by Private Education and Training Institutions” on Dec. 2011.**

Management of VT through PDCA cycle – Improve the whole service quality, not only training results –



Basis of business operation

- ① Establishment of management system  
(Introduce PDCA cycle and appoint responsible staff, then set policies/goals concerning the quality, thus establish a system for the achievement of the goals)
- ② Documentation of business strategies/plan
- ③ Sharing information of the management system among instructors/staff
- ④ Management of records/documents on the management system operation
- ⑤ Financial management/Risk management