E-LEARNING FOR NEW GRADUATE EMPLOYEES

Another Function of e-Learning for New Graduate Employees of Japanese and Korean Companies

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Abstract: Japanese companies tend to consider that e-learning is important for a reason other than human capital development in new graduate employee training and development programs, namely for improving employee retention. Two remarkable features of the Japanese employment system are the seasonally scheduled hiring of new graduates and company commitment to the T&D programs for new graduate employees before and after their official hiring. Today, large- and medium-sized Japanese companies make their offers to candidates nearly one year prior to their graduation from university or college. Many of these companies also provide various T&D programs, including e-learning, for the potential new graduate employees until their graduation. We call these "pre-entry training" programs. They are distinguished from internship programs in that pre-entry training programs are provided only for those students who are due to be officially hired the next fiscal year. Besides Japanese companies, a number of foreign companies in Japan and some Korean companies provide pre-entry training programs that utilize e-learning. This study examines, based on case studies, the hypothesis that e-learning in the pre-entry training programs for new graduate employees has the function of retention as well as human capital development.

1 INTRODUCTION

Many Japanese companies utilize e-learning in the training and development programs for new graduate employees, before and after their official hiring.

New graduate hiring is done seasonally in Japan. Large- and medium-sized companies make their offers to candidates nearly one year prior to their graduation from university or college. During this long period until graduation, many of these companies provide various T&D programs, including e-learning, for the potential new graduate employees, which we call "pre-entry training" programs. They are distinguished from internship programs in that pre-entry training programs are provided only for those students who are due to be officially hired the next fiscal year.

Besides Japanese companies, a number of foreign companies in Japan and some Korean companies also provide pre-entry training programs that utilize e-learning.

This study examines the hypothesis that e-learning in the pre-entry training programs has the function of retaining potential new graduate employees as well as developing human capital, based on case studies.

In Japan and Korea, there is intense competition among companies hiring new graduates, which makes employee retention a critical issue. Japanese companies need to retain potential new graduate employees for about one year prior to official hiring, and tend to consider that e-learning in the pre-entry training programs is an effective retention strategy.

This study comprises the following chapters. Chapter 2 provides an overview of the new graduate hiring schedule in Japan and typical e-learning menus in the pre-entry training programs. Chapter 3 presents a theoretical model and hypothesis on the function of e-learning in the pre-entry training programs. Chapter 4 analyzes the objectives of companies utilizing e-learning in the pre-entry training programs for potential new graduate employees, based on case studies. Chapter 5 provides conclusions.

2 HIRING SCHEDULE & E-LEARNING

Large- and medium-sized Japanese companies tend to hire a certain number of new graduates every April when the new fiscal year begins. By the time they are officially hired, many of these new graduate employees have experienced a variety of e-learning courses provided by the companies.

This chapter presents an overview of the new graduate hiring schedule in Japan and typical e-learning menus in the pre-entry training programs.

2.1 New Graduate Hiring Schedule in Japan

The new graduate hiring season starts more than one year prior to graduation. Students graduate in March and the Japanese fiscal and academic year begins in April. Hiring tends to be scheduled as follows.

First, from October to December, many Japanese companies announce their new graduate recruiting to students in their third year of university or college. From December to March of the following year, job fairs are held in several big cities in Japan. Companies also provide career guidance and conduct on-campus recruiting. From January to April, written tests and job interviews are conducted for candidates in their last year of school.

From April to June, companies select the new graduate employees for the next fiscal year, and make their offers to the candidates. During a period of about six months from October of the students' last year to March when they graduate, many of these companies provide pre-entry training programs that include e-learning courses, events, classroom instruction, camp training, and on-the-job training for those students who are due to be officially hired after graduation. According to a survey conducted by the Institute of Labor Administration, over 60% of large- and medium-sized companies provided pre-entry training programs in 2005.

Then, on the first business day in April of the new fiscal year, initiation ceremonies are held and new graduates are officially hired.

2.2 Typical e-Learning Menus

E-learning in the pre-entry training programs has a variety of menus. Large enterprises tend to develop their own e-learning courses. Typical menus of outsourced e-learning are language education (English, Chinese, etc.), PC skills development (Word, Excel, PowerPoint, etc.), business skills development (bookkeeping, marketing, etc.), and business etiquette and communication (business greeting protocol, telephone etiquette, etc.). There are also orientation programs that include company overviews and support programs for acquiring business certificates.

3 MODEL AND HYPOTHESIS

What is the function of e-learning in the pre-entry training programs for new graduate employees?

Many large- and medium-sized Japanese companies provide Off-JT programs such as class instruction, role-play training and camp training after officially hiring new graduates. On the other hand, in the pre-entry training programs, e-learning tends to be easier to provide since the trainees are still attending university or college at various locations including overseas. Therefore, companies recognize the effectiveness of e-learning.

This chapter presents a theoretical model and hypothesis on the function of e-learning in the pre-entry training programs.

3.1 Theoretical Model

The principal objective of e-learning is human capital development. According to Becker (1975), the major idea underlying human capital theory is that an individual's performance is determined by his/her stock of knowledge and productive skills.

Applying this theory to the case of new graduate employees, those who have accumulated some stock of knowledge and skills by the time they are officially hired would demonstrate good work performance from the outset. In addition, providing Off-JT programs after their hiring would be efficient and performance on the job would be high.

Figure 1 shows a basic human capital development model. Dotted and solid lines indicate, respectively, the performance of new graduate employees who experienced Off-JT after being hired, and those who experienced only OJT.

Figure 2 is a human capital development model for a case in which pre-entry training programs are provided. The broken line indicates the performance of new graduate employees who experienced pre-entry training before being hired and OJT afterwards. The movement of the dotted line indicates that pre-entry training shortens the time for Off-JT programs after hiring and improves its efficiency.

This model suggests that companies could accelerate the human capital development of new

graduate employees, improve the efficiency of T&D programs for them, and gain high performance sooner by making e-learning programs available to all trainees wherever they are located. However, the model does not refer to the relationship between e-learning and employee retention.

Figure 1: Basic Human Capital Development.

Figure 2: Pre-Entry T. & Human Capital Development.

3.2 Hypothesis

With today's expanded menus and contents for new graduate employees, e-learning has become an easy tool for developing the human capital of students who are due to start working after graduation. However, we believe that there is another reason why Japanese and Korean companies are utilizing e-learning in the pre-entry training programs, besides human capital development and improving the efficiency of T&D programs (Figure 3). We provide a hypothesis for our analyses.

Figure 3: New Function of E-learning.

Hypothesis: Companies recognize that e-learning in the pre-entry training programs is important for retaining potential new graduate employees as well as

accelerating human capital development and improving the efficiency of T&D programs for them.

4 ANALYSES

What are the actual objectives of the companies that utilize e-learning in the pre-entry training programs?

Usugami (2006) conducted a survey in 2005 and found that Japanese and Korean companies of 137 samples aimed to maintain the motivation of potential new graduate employees, improve their interpersonal skills and retain them by providing pre-entry training programs that include e-learning.

Hanada & GaiaX (2008) conducted a survey for companies that provided pre-entry training programs including SNS (Social Networking Service) in 2008. They reported that of those that replied, 24 companies recognized the prime importance of retaining potential new graduate employees, easing their anxiety, and building their interpersonal skills by providing activities for them until their graduation. Furthermore, Hanada & GaiaX revealed that these companies adopted SNS in the pre-entry training programs in order to build the interpersonal skills of potential new graduate employees, retain them, and maintain their motivation.

This chapter provides three case studies and discusses the company's recognition of the function of e-learning in the pre-entry training programs.

4.1 Case Study 1

Case 1 is a large Japanese insurance company. They adopted e-learning in their six-month pre-entry training programs in October 2006. In their e-learning program, potential new graduate employees are given individual pages and provided with compulsory and optional menus.

Compulsory menus are comprised of certificate acquisition courses such as security trading and financial planning, PC skills development courses such as Excel and PowerPoint, TOEIC courses, management overview, and business etiquette. Trainees who tend to lag behind are encouraged by emails from Human Resource Development staff. As an optional menu, video courses are provided for about 300 subjects. The most popular subjects among trainees are business communication, team building, time management, and marketing.

The company in Case 1 indicated that the objectives of adopting e-learning were to retain potential new graduate employees, average out their
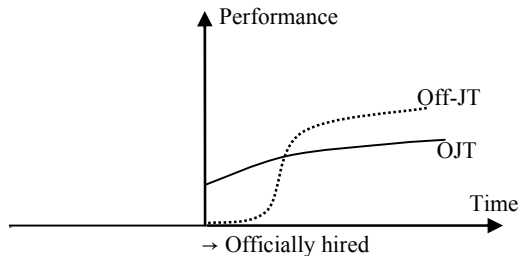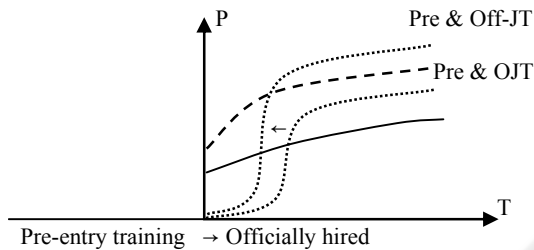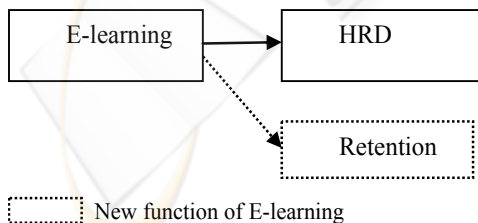
knowledge and skills, develop human capital, and improve the efficiency of T&D programs after officially hiring them.

4.2 Case Study 2

Case 2 is a large Japanese service company that regards employee retention as an important issue. In July 2007, they adopted SNS for potential new graduate employees.

The company is building a specific community in the SNS, and provides CEO messages, overviews of management and group companies, and a variety of information. In addition, recruiters and young employees join the community as advisers.

This company adopted SNS in order to retain potential new graduate employees. They are asked to post their opinions about events held for them on the community board. The company utilizes their opinions for the next new graduate recruiting and pre-entry training programs.

4.3 Case Study 3

Case 3 is a large Korean manufacturing company. As in Japan, there is seasonally scheduled hiring of new graduates in Korea also. Large- and medium-sized companies tend to make their offers to candidates three to six months prior to their graduation from university or college. The period until official hiring is shorter than that in Japan, but the competition between Korean companies is just as intense, and potential new graduate employee retention is a critical issue.

According to an interview survey that we conducted in February 2008, this company provides e-learning courses, events, and mentoring in the pre-entry training programs for potential new graduate employees. Their e-learning menus comprise orientation and PC skills development in programming. The contents of orientation include overviews of management philosophy, company history, business model, and products and services.

The company in Case 3 mentioned that they recognized e-learning as an effective means of retaining potential new graduate employees, developing their basic business skills, and improving the efficiency of T&D programs for them (Table 1).

Table 1: Functions of E-learning (Case 3).

	E-learning	Mentoring	Events
Maintenance of motivation		✓	✓
Improvement of retention	✓	✓	✓
Interpersonal skills		✓	✓
Elimination of job mismatching			
Reduction of early job hopping		✓	✓
Basic business skills	✓	✓	
Professional business skills			
Efficiency of T&D programs	✓	✓	

✓ = Effective

Note: Interview results of Case 3

4.4 Discussion

E-learning is utilized as a tool to develop the human capital of employees and improve the efficiency of T&D programs for them.

In fact, the companies of the three case studies recognize that e-learning is important for developing the human capital of potential new graduate employees and improving the efficiency of T&D programs for them. Besides these known functions, the case studies show that Japanese and Korean companies expect e-learning to help improve employee retention when hiring new graduates. This feature was demonstrated by the survey of Hanada & GaiaX.

Japanese and Korean companies make their offers more than a few months prior to students' graduation amid intense competition to hire new graduates, and provide pre-entry training programs until officially hiring them. As a result, companies tend to focus on e-learning's function of retaining potential new graduate employees, besides the conventional functions of maintaining their motivation, developing their basic business skills, and improving the efficiency of T&D programs for them.

5 CONCLUSIONS

This study examined the hypothesis that e-learning in the T&D programs for potential new graduate employees has the function of retention as well as

human capital development, based on the recent survey and case studies.

Many Japanese companies and some Korean companies provide T&D programs that include e-learning for potential new graduate employees prior to official hiring. These are known as pre-entry training programs. Today, e-learning has numerous menus and contents and is an easy means of providing pre-entry training programs to potential new graduate employees who are located in various places including overseas.

E-learning has been utilized for human capital development. We investigated another reason why companies adopt e-learning in their pre-entry training programs, based on the recent survey and three case studies. We found that companies tend to consider that e-learning in the pre-entry training programs is important for retaining potential new graduate employees as well as accelerating human capital development and improving the efficiency of T&D programs for them.

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