On the Vocational Career Development and Labor Market  
~ A Comparative Study of Employees’ Self-development Training in Japan and Taiwan (2) ~

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Abstract

Today, employees are encouraged to take self-development training to complement required knowledge, skills and abilities, and to facilitate their mobility. This study found that workers used to depend on Japanese Management might cause insensible of coming risks during the period of transition to more flexible labor market. Taiwanese employees accustomed to adapt the changes and map out their career clearly since the labor market wasn’t impeccable. Deterioration of human resource might be a hindrance to economic and social development. Insufficient assistant for manpower might restrict the possibilities of technical innovation similarly. Implications for the future progress within manpower shall be emphasized.

Examination and Analysis

According to the result of our survey, we manifested that approximately 52.2%, over half of Japanese employees had been implemented self-development training in the past 5 years as well as 65.3%, near two-thirds majority Taiwanese employees had did (see Table 12). We sought to solve the mystery that Taiwanese workers seem to have an eagerness for doing self-development training than Japanese workers, using statistical data to distinguish the difference between labor market in Japan and Taiwan, and the influences within the Japan Management.

Review the historical process of industrialization occurring in the United Kingdom, Germany, the United States, or Japan, most of the industrialized nations spent more or less a century to accomplish the industrialization. Yet, Taiwan itself has took to get out of agricultural economy
within nearly 4 decades, and suddenly became an attractive industrial country also as well known as one of the Newly Industrializing Economics (NIEs). Although the innovation of machinery and technology transfer could be done in a short-term time, partial business administration and scheme of employment could not be modified as the time passed. That’s why the employment in Taiwan still represented a combination of the former patriarchal system and the external appearance of modern framework until now.

Whereas the economic fabric of Taiwan society has advanced toward an industrial country hastily since the 1960s, Taiwanese firms remain small in scale. It has shown that number of employees in establishments where employed persons worked for in Taiwan on table 13. If we defined the number of employees in establishments less than 29 persons as small business, those hiring over 500 persons as large-sized corporations in Taiwan, there were nearly two-thirds majority workers occupied in small business, while a little less than five percent employees hired in large-sized corporations in the past two decades, excluding the public servant and workers employed by government. It means that Taiwanese workers engaged in small companies have overwhelmed those in large-sized corporations, and there seems no explicit fluctuation.

In contrast, the industrialization in Japan had launched in the Meiji Restoration, and it had transformed from agriculture economy into industrial one gently. The constitution of industry in Japan veered from labor-intensive industries to technological- and capital-intensive industries within a long period of time, medium-sized and small companies are still alive and well, besides the

<table>
<thead>
<tr>
<th>Table 12. Ratio of Self-development Training Conducted</th>
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<tbody>
<tr>
<td>Nation of Employees</td>
</tr>
<tr>
<td>Grand Total</td>
</tr>
<tr>
<td>Sex</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>Under 29</td>
</tr>
<tr>
<td>30-39</td>
</tr>
<tr>
<td>40-49</td>
</tr>
<tr>
<td>Over 50</td>
</tr>
<tr>
<td>Educational Attainment</td>
</tr>
<tr>
<td>Under High School</td>
</tr>
<tr>
<td>College</td>
</tr>
<tr>
<td>University</td>
</tr>
<tr>
<td>Graduate School</td>
</tr>
</tbody>
</table>
large-sized corporations also stand not a little at the same time. If we represented number of employees in establishments less than 29 persons as small business, those having over one thousand full-time workers as large-sized corporations in Japan, there were not only about two-fifths workers used by small companies, but 14.3% of labor force retained by large-sized corporations generally, setting those employed by government and others aside.

Even if we weighed with the proportion of employed persons in establishments by industry in Japan against those in Taiwan, the reality that the scale of Japanese enterprises is relatively greater than its of Taiwanese companies in general. At manufacturing industry of Japan, around thirty percent of manpower occupied in the small business where hiring less than 29 persons, but they reached to 46.7% in Taiwan. In addition, at the service sector which including trade industry, accommodation & eating-drinking places industry of Japan, more than one-thirds minority labor force engaged in small companies, however, there were almost two-thirds majority human resource used in small companies of Taiwan. At the whole service-producing industries, there were under five percent of manpower employed in the company which keeping over 200 workers in Taiwan, but there were about 14.6% of labor force employed in the large-sized corporations which having over one thousand persons in Japan.

Due to the scale of companies in Taiwan remains tiny, and the restriction of raising working expenditure, it becomes a complicated task for business owner to organize the research and development plan for their business or to improve the quality of their manpower in the long run. As

<table>
<thead>
<tr>
<th>Year</th>
<th>Employed Persons</th>
<th>Unit: %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2.9</td>
</tr>
<tr>
<td>1980</td>
<td>12.8</td>
<td>40.9</td>
</tr>
<tr>
<td>1985</td>
<td>13.7</td>
<td>41.9</td>
</tr>
<tr>
<td>1990</td>
<td>12.9</td>
<td>40.3</td>
</tr>
<tr>
<td>1995</td>
<td>11.8</td>
<td>41.3</td>
</tr>
<tr>
<td>2000</td>
<td>11.0</td>
<td>39.4</td>
</tr>
<tr>
<td>2003</td>
<td>10.6</td>
<td>39.1</td>
</tr>
</tbody>
</table>

Table 13. Distribution of Employed Persons Worked for by Year in Taiwan

From "Manpower Survey," by Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Taiwan
Chen (2003, p.143) noted, despite of the process in fostering human resource through planned OJT leading an avenue to success in the era of rapid economic growth after the World War II, it seems not to be generalized among the private enterprises in Taiwan.

Incidentally, training expenditure in all industries continued to account for only a few percentages of operating costs although the number of workers under going training was increasing steadily year by year. Financial Data Center, Ministry of Finance announced the expenditure on training as percentage of operating costs in establishments with the average for all industries has been at 0.05% roughly in the fiscal year of 1997, decreased to 0.02% in 2001.

Huang (1999, pp. 49-53), as a professor of Graduate School of Human Resource Management at Taiwan National Central University, found that an annual education expenditure per capital had been at NT$ 3120, approximately ¥ 9984 in relatively large-sized corporations as well as NT$ 5093, approximately ¥ 16298 in medium-sized and small companies. The sample were extracted randomly from top 1000 firms in manufacturing industry made public at the business magazine called Tenka [The World] in 1998 and one hundred of companies registered on the List of Factories in Taiwan issued by the Ministry of Economic Affairs.

**Figure 14. International Comparison with Annual Training Expenditure**

![Bar chart showing annual training expenditure per capital in different countries](image)


Precisely, it is difficult to measure the funds for employees to do vocational career development. An annual training expenditure per capital in 1999 had been achieved ¥ 95285 in the U.S., and ¥ 85870, ¥ 99235 in Canada and the EU countries respectively according to an extensive survey took place by the ASTD (Sanno Institute of Management, 2000, p. 51), an abbreviation of the American Society for Training & Development, however, there was only ¥ 47322 in Japan. If we made a
comparison within the average expense for enlightening workers paid by the enterprises among countries, per capital in Japan was as fewer as half of those in the U.S. and the EU countries, but it was also definitely more than that in Taiwan, although there were some differences of evaluation system, business practice and so on between Japan and Taiwan (see Figure 14).

Concerning the sponsorship of trainees, we found that more than two-thirds majority Japanese workers born the partial or entire expense for self-development training, but there were preponderant Taiwanese workers disbursed for that. Specifically, 94.3% of them paid for self-development was revealed itself. On the other hand, it also represented more than half of Japanese workers got partiality or entirety of subsidy offered by the enterprises while they advanced toward self-development training, but there were only 44.1% of Taiwanese workers awarded according to the result of our questionnaire (see Figure 15).

![Figure 15. Ratio of Contribution Toward Training Expenditure](image)

Briefly, the Japanese firms were not only absorbed in developing necessary human resources, but they also invested much money encouraging employees to do training meet the corporation’s need and the future vision aggressively than the Taiwanese firms did. Incidentally, most of the Taiwanese employees paid for their vocational career development, it might reasonably assume that the Taiwanese employees acted in participating the training independently, neither following the recommendation from the supervisor nor on the enterprises’ initiative.

To motivate employees who working for medium-sized and small companies learning continuously, the Small and Medium Enterprise Administration, Ministry of Economic Affairs constituted the Small and Medium Enterprise Research & Learning Centers, the Northern, Central, and the Southern Region Centers are located at National Chengchi University, Tunghai University and the National Sun Yet-sen University respectively since 1996.
Managerial courses have provided to improve the executive officers’ managerial capabilities by these centers. They also had been putting efforts into helping employees of the small and medium enterprises to learn new technology and knowledge on an ongoing basis. Taiwan authority realized that it would be a significant contribution to boost Taiwan’s economic vitality if the manpower cultivation of small and medium enterprises was strengthened. Indeed, total number of employees participating in vocational training has increased, however, most of the participants in training have belonged to comparatively large-sized companies and agencies with more than 200 staff. It means that greater part of the training resources still occupied by the employees of large-sized companies, though the proportion of trainee’s number in establishments with more than 200 staff of total number of participants was 58.3% in 2001, decreased from 69.5% in 1995. Let’s think about the distribution of training resources from a different viewpoint, although the trainees in companies with less than 200 staff was 163698 persons in 2001, had increased two times since 1995. It told us that only about 2% of individuals working in companies with less than 200 staff had been undertaken the vocational training if we assumed that each worker involved in the training only one time. On the other hand, there had one in two workers employed in firms with more than 200 staff have the occasion doing vocational training.

Specifically, the outcomes are quite distinct from the original substances and schemes that executive authority expected. Differ to Japanese enterprises, the backbone of Taiwan’s industry consists of small and medium-sized enterprises that looking for short-term profit. In their race to drive down costs, improve the quality of their manpower is an unaffordable luxury. The small size of Taiwanese enterprises makes it difficult for small and med-size business owners or managers to improve the quality of their manpower.

Besides, most of the trainees who taking part in vocational training held by public institutions are the workers of large-sized companies where employed more than 200 full-time workers. It has clarified that workers in small and med-size companies have less chance to improve the quality of human resources on their initiative.

**Investment of human resource requires a stable labor market**

Job mobility rate has been another remarkable distinction between Japan and Taiwan. Years of tenure seems to remain the tendency toward permanent employment in Japan, the ratio of regular employees working on present jobs over ten years to all has been at 48.2% in 2003, grew up from
41.9% in 1993. While the proportion of those employees working on the present jobs less than two years has decreased from 26.3% to 21.4% between 1993 and 2003 as we could view with table 16 based on the results of the Basic Survey on Wage Structure by the MHLW (1994-2003, pp. 74-75).

Table 16. Distribution of Employed Persons by the Duration of Employment in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Duration of Employment on Present Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 Year</td>
</tr>
<tr>
<td>1993</td>
<td>8.9</td>
</tr>
<tr>
<td>1998</td>
<td>8.3</td>
</tr>
<tr>
<td>2003</td>
<td>7.4</td>
</tr>
</tbody>
</table>


On the opposite side, the condition of employment in Taiwan has still mobilized until nowadays. It represents that one-thirds Taiwanese employees working on present jobs over ten years in 2003, increased from more than one-fourths in 1980 as well as the duration of employment extended to 102 months in 2003 from 92 months in 1980 according to the Report on the Manpower Utilization Survey (see Figure 17). Whatever more and more Taiwanese workers have desired to serve for the firms as long as possible, the average length of their services also became longer and longer in the past two decades, Japanese workers have still had longer services over Taiwan workers by a wide margin.

In particular, the monthly rate of labor turnover in three main industries including manufacturing industry, financing & insurance industry, and professional, scientific, technical services industry of Taiwan had kept at more or less than 4% before the middle of the 1980s. Namely, workers are here today, half may quit the company all the year indefinably, all of them will left their present jobs by the end of next year in general. The economic would obstruct the movement of labor force as the Japanese firms had been faced the insufficient of manpower while the business climate of Japan was in top shape during the 1960s and 1980s. Meanwhile, Deyo (1989) found the following,

“The relationship between prosperity and labor movements is itself unclear suggests caution in attributing the weakness of East Asia labor to economic growth” (p. 7)
the economic growth hasn’t a factor in preventing the movement of labor force in Taiwan, it might work as a plus factor in advancing the mobility of labor market instead. Thriving companies of the sunrise industry usually had a severe struggle for securing human resource with each other, mainly because of Taiwanese workers accustomed to get a new job with a better working condition, such as higher wages, any merit-payment and so on, rather than to stay at the present company. Therefore, the rate of labor turnover has still at a high level in manufacturing industry by the middle of the 1990s. Also, reflecting enormous demands on talent, the accession rate as well as the separate rate of employees in professional, scientific, technical services industry also raised since 1983.

On the other hand, the rate of separation in financing & insurance industry had held at 3% along, also much better than those rates in the above-mentioned industries, the condition of employment was not stable exactly. Though the proportion of long-service workers served for 5-9 years, over 10 years to all were 24.2% and 27.9%, but the ratio of those workers employed in financing & insurance industry on present job less than three years to all was as higher as 32.3%, the employees’ average length of long-service lasted for only 84 months, it showed whereas one-fourths long-service workers existed, plenty of young people frequent changed their jobs also could not be ignored. We could find the same phenomenon happened at the most of the goods- and the service-producing industries in Taiwan, excluding electricity, gas & water industry where making up with a

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Months</th>
<th>Less than 1 Year</th>
<th>1-2 Years</th>
<th>3-4 Years</th>
<th>5-9 Years</th>
<th>Over 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>92</td>
<td>13.4</td>
<td>25.5</td>
<td>17.8</td>
<td>16.8</td>
<td>26.6</td>
</tr>
<tr>
<td>1985</td>
<td>97</td>
<td>14.9</td>
<td>23.1</td>
<td>17.4</td>
<td>16.3</td>
<td>28.3</td>
</tr>
<tr>
<td>1990</td>
<td>92</td>
<td>13.3</td>
<td>22.7</td>
<td>18.4</td>
<td>19.0</td>
<td>26.6</td>
</tr>
<tr>
<td>1995</td>
<td>94</td>
<td>11.2</td>
<td>23.7</td>
<td>17.0</td>
<td>19.1</td>
<td>29.0</td>
</tr>
<tr>
<td>2000</td>
<td>100</td>
<td>11.5</td>
<td>20.7</td>
<td>15.7</td>
<td>19.6</td>
<td>32.6</td>
</tr>
<tr>
<td>2003</td>
<td>102</td>
<td>11.5</td>
<td>20.4</td>
<td>16.0</td>
<td>18.9</td>
<td>33.3</td>
</tr>
</tbody>
</table>

compound of state-owned companies and public enterprises virtually. It has more than half of the employees working on present jobs over ten years as well as the average length of working on current job lasted to 163 months. Not a little staff who employed by government and public enterprises served until the retirement age had realized.

In contrast, the majority of Taiwanese workers had engaged in small and medium-sized enterprises without a fixed contract term, and usually dismissed without prior notice. It means they might force to change their jobs involuntarily because the stability of employment cannot be expected. Another, Taiwan, ruled by the tyrannical Kuomintang party which opposed the conflict between labor and capital, displays comparatively low level of labor conflict along with a fairly smooth conflict trajectory, the labor-management negotiations hasn’t been worked, needless to say, the police and the force of Kuomintang party had been intrude on labor disputes, slowdown or so-called sabotage, and work stoppages for better working condition had all prohibited before the martial law lifted in 1987. Consequently, the Taiwanese workers would like to transfer to other firms negatively, rather than expressing their dissatisfaction at not getting well treatment positively (Chang, 2000, pp. 23-24).

As Sumiya, Liu and Tu (1992) stated Taiwan has a mobilized labor marker (p. 168). Table 18 shows

<table>
<thead>
<tr>
<th>Number of Establishment for Current Job</th>
<th>Number of Establishment for Previous Job</th>
<th>Employed by Government</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2-9</td>
</tr>
<tr>
<td>1</td>
<td>6.1</td>
<td>23.7</td>
</tr>
<tr>
<td>2-9</td>
<td>34.8</td>
<td>34.0</td>
</tr>
<tr>
<td>10-29</td>
<td>20.2</td>
<td>15.2</td>
</tr>
<tr>
<td>30-49</td>
<td>9.4</td>
<td>1.3</td>
</tr>
<tr>
<td>50-99</td>
<td>6.6</td>
<td>5.1</td>
</tr>
<tr>
<td>100-199</td>
<td>6.1</td>
<td>4.2</td>
</tr>
<tr>
<td>200-499</td>
<td>3.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Over 500</td>
<td>4.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Employed by Government</td>
<td>8.7</td>
<td>11.7</td>
</tr>
</tbody>
</table>

From “Report on the Manpower Utilization Survey 2004,” by Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Taiwan
that workers of small business where occupying less than 49 persons have chiefly moved to the same class of companies, one-fifths of them have transferred to medium-sized and large corporations also cannot be overlooked. Clearly, employees who served for medium-sized and small companies with 50-199 regular workers have widely made a movement toward all classes of companies. In this connection, beyond two-fifths staff of relatively large-sized corporations where leading more than 200 persons have gotten new jobs with the medium-sized and large corporations that over 100 persons employed, around the same time, one-fourths of them have became workers of small business that less than 30 persons occupied. It reveals that employment of comparatively large-sized enterprises is unrestricted, and there isn’t a closed labor market of Taiwan, especially within the large-sized corporations. Again, there aren’t any marked differences among various size of establishments.

![Figure 19. Working on Present Job Until Retirement](image)

![Figure 20. Getting a New Job if Occasion Offered](image)

Lifetime Employment Commitment and Investment of Human Resource

Using data from questionnaires and analysis of samples, it has more than 2 in 3 Japanese employees want to serve for present company until retirement age, with eagerness, instead, over
half of Taiwanese employees don’t have a career plan with that (see Figure 19). Another, about 3 in 4 Taiwanese employees tend to get a new job if occasion offered, a little less than 2 in 3 Japanese employees seem to engage in their present business although the chance given to individuals (see Figure 20). Only 2 in 5 Taiwanese employees awarded subsidies for self-development training, but near 3 in 5 Japanese employees got it. In contrast, about two-thirds Japanese employees had paid the training expenditure partial or entirely, 94.3% of Taiwanese employees had taken care of the bill for enhancing their vocational competence (see Figure 15). Therefore, it would be a reasonable assumption that Taiwanese employer don’t desire to invest in human capital due to most of the workers may not keen to work on present job as the rate of labor turnover has still at a high standard.

As Becker (1975) stated, once training expenditures made, the firm incurs a greater loss if the worker quits. So only if costs and returns can be shared by the worker and the firm, the optimal investment in human resource can be obtained. Koeikei and Taniura (1987) also cited, Taiwanese workers may suffer a disadvantage in their own vocational career development if they used to transfer from one company to another more often, in other words, if the worker could not continue a relationship after training, the management would disagree to invest in human capital (pp. 198-201). Accompanying with the cause of low spending for Taiwanese employees mentioned above, it has also showed both sides of the shield. We predict the opportunity offered to improve the quality of human resource will shrank in a highly mobilized labor market. And Taiwan is an example without exception.

Under in the principle of the Japan Management, system the effect of fostering workers’ capacity has anticipated, seniority wage system has introduced into plenty of Japanese enterprises, especially in relatively large-sized ones. It would work not only as a mechanism to obtain required manpower, encouraging them to serve for the company until retirement by tacit agreement, but also to prevent them from switching jobs, a kind of economic disadvantage simultaneously.

To comprehend the transition of employees’ contractual cash earning by age based on male and regular workers hasn’t an easy affair. The earnings would be at the peak in his fifties at ¥ 411 thousands(a month) in 1993, in the late forties and early fifties at ¥ 412 thousands(a month) in 2003 (see Figure 21). It shows the earnings rose with age until the peak, and then dropped according to the Basic Survey on Wage Structure. Though it has an undeniable possibility that the determination of the earnings affected by other factors like educational attainment, industry,
occupation, and the amount of employees in establishments, but the differences of age also made a
impact on male and regular workers’ earnings certainly since the early-1990s speculative bubble.

Figure 21. Contractual Cash Earning of Employee by age in Japan

![Graph showing contractual cash earning by age in Japan from 1993 to 2003.]

From “Basic Survey on Wage Structure (1993, 2003),” by Statistics and Information Department,
Ministry of Health, Labour and Welfare, Japan

In Taiwan, the wage system based on seniority wasn’t a significant phenomenon if we focused on
employees’ monthly income by age extracted from the Report on the Manpower Utilization Survey.
Monthly income raised with age before 40-year-old of male, moved sideways at 40-somethings, then
dropped. The similar movement of monthly income appeared in the past decade. A decisive
distinction between the monthly income in 1989 and its in 2002 is the extension of maximum wage
period. It reached the peak in male’s early forties, and held for about 25 years.

Figure 22. Monthly Income of Employees by Age in Taiwan

![Graph showing monthly income by age in Taiwan from 1989 to 2002.]

From “Report on the Manpower Utilization Survey 2002,” by Directorate-General of Budget,
Accounting and Statistics, Executive Yuan, Taiwan

The nature of wage system in Japanese enterprises based on seniority generally, while the
common characteristic could not be found easily in Taiwan. Su (1986) regarded that shape of
workers’ wage system in Taiwan as skill-based pay basically, only a few large-sized enterprises
based on seniority like most of Japanese companies did. The wage system in Taiwan also reflects
the supply-demand situation of labor market (p. 22). Sumiya, Liu and Tu (1992) revealed, neither apprentice system like the European society had, nor rigid scheme of occupation has ever happened in Taiwan, the criterions of wage system would be determined by the supply-demand situation of labor market and the performance of his or her operations. It means working experiences and physical strength make meaningful contributions to his or her emolument (p. 175).

Labor in Taiwan switch to another company for just a slight higher wages as usual since recruiting occurs normally among Taiwanese enterprises, and workers don’t regard the enterprises as a kind of their family like most of Japanese workers do. In addition, Taiwanese workers lack of a sense of belonging, and have a relatively low loyalty to their company. Therefore, we might consider higher job mobility rate put the labor at a distinct disadvantage. It discourages the company executives to improve the quality of their manpower.

In addition, the relation of employment is nothing more than a kind of business relations in Taiwan, as the current state we represented, such as the length of service, the progress of monthly income by age during 1989 and 2002. Personnel management with a more stable employment on a long-term basis, as the majority of Japanese corporations has, could not be found equally in Taiwan. The perspective of executive will likely recruit new employee who is supposed to make an immediate contribution to their company from the external labor market, a fully mobilized labor market, than to secure human resource existed and training them because the latter seems to be unprofitable. Meanwhile, the short-term management purposes, such as cost reduction etc., might be achieved easily, the development of the firm’s core skills and capabilities that directly influence the long-term performance may be ignored unconsciously.

Around the same time, undoubtedly, plenty of workers would shift to his or her favorite job where offering better working condition to meet the demand of manpower. Needless to say, Taiwanese enterprisers who are glad to offer training opportunities diminished with time. Although not a few Taiwanese workers develop their talent or move to upper career stage to master advanced business through times of turnover, the way they acquire knowledge and skill to be useful in their job usually according to the self-development training on their own initiative, not by the in-house training. Even, not all Taiwanese workers can afford the adequate expenditure to enrich their own quality of human resource.
Another set of lessons concerns the rate of firms newly registered in Taiwan. It has been the lowest level of workers’ earnings in the manufacturing industry until 2000 according to the data of the Earning and Productivity Statistics. In other industrial nations including Japan, manufacturing industries had a higher wage level than those in the trade industry and service industry. Earnings held down deliberately for the sake of keeping competition for international trade, also to strengthen the exportation what contributed to the growth of economic by labor-intensive industries between the latter of sixties and the former of the 1980s.

Moreover, prior research (Hsiao, 1992) criticized that it would inspire low-paid workers to start their own business under the system of lower earnings in Taiwan’s manufacturing industry (pp. 139-167). Sumiya and Liou stated that new graduate in Taiwan had been hired as a regular worker in the firm, then some of them became entrepreneurs after necessary accomplishment acquired, required capital accumulated, usually gained from the relative. Other studies (Shieh, 1989, pp. 29-69., & Hsia, 1989, pp. 189-214) also showed it was a typical way to become an entrepreneur in Taiwan. Compared with Sumiya, Liou and Tuo’s study, Shieh and Shiya clarified that most of the founders hadn’t desired to start their business initially, but employed as low-paid workers with less opportunities for advancement and there was no real barrier to establish a firm also had encouraged them to become self-employed business owner and employers later. According to the data released by Financial Data Center, Ministry of Finance, there were more than 1 million registered business units where corporation tax paid in 2002 while the population was a little less than 23 millions. In other word, there were approximately five company executives in hundred people regardless age and sex.

One mentioned the most significant characteristic of Taiwan’s structure of industry was easy for new companies to get a start and for old ones to fail in Taiwan as a secret of success on economic growth. (The Economists, 1998, p. 73) If we divided business units into companies and factories, the number of existing registered companies showed a rising tendency since 1986, the annual rate of newly registered companies was at 9.7% accompanied with its closed rate at 6.9%. On the other hand, it maintained a number of existing registered factories about 98 thousand establishments. Department of Commerce and Industrial Development Bureau, MOEA announced that the annual rate of newly registered factories was over 7.8% as well as the rate of closed factories reached 4.9%.
between 1986 and 2002. Another data based on the payment of corporate tax also revealed the annual rate of newly opened business units and closed ones hit 7.4% and 5.1% respectively.

In sum, Taiwanese were keen to set up a practice, meanwhile the annual rate of closed business units still kept high. It seems the newcomers to establish their place in the market by forcing old-timers out of business. Whatever the truly reason is, it exactly causes the employees lost their job, also as well-known as involuntary jobless, easily without doubt. Therefore, most Taiwanese employees have putted his or her capability and acquirement meet the demand of labor market before everything else.

As a subsidiary subject derived from the shorter lifetime of business and the smaller scale of enterprises in Taiwan has weakened the labor union of influence (Sago, 2002, pp. 240-241). The firm was small for the labor market at all, and it was also readily to have talks between the management and the workers, and to shorten distance with each other, so labor dispute seldom occurred in Taiwan. In fact, the possibility a Taiwanese worker engaged in the identical company on the fundamental of permanent or lifetime employment was a bare in practice, due to the duration of administration was brief. Although industrial strife took place occasionally the labor had rather transferred to another firm immediately, and some of them ran his or her own business if gathering enough initial capital than fought against the management in a long-running dispute.

With the climate of Taiwan’s labor market, call for a healthy labor union is still the ideal could not be achieved nowadays.

To facilitate understanding the background of an absence of labor union and its impact on employees’ training activities indirectly, trace the labor movement to its source needed. In Taiwan, it had been ruled under martial law between May 1949 and July 1987, also the longest time all over the world, the labor movement had restricted rigidly, needless to say, collective bargaining and labor dispute also hadn’t permitted at all, it means that the right of workers to organize, to bargain, and act collectively weren’t guaranteed, pushed aside practically. Even though the labor of export-oriented industries had oppressed lower earnings with displeasure in the 60s and 70s, labor dispute and labor management cooperation happened in those days were negligible.

Again, here we could verify Taiwanese employees were obliged to leave their jobs quietly that we had mentioned above. The annual case of dispute occurred under 100 in the 60s on the base of
statistics data released by Ministry of Interior, it raised to 500-something in the latter half of the seventies according to the Yearbook of Labor Statistics. With the lifting of martial law in 1987, the labor dispute came to the surface and restrained labor movement blew out. Wang (1990) manifested the unprecedented strikes and lockouts had become more common and persistent after the martial law abolished (p. 58). Before and after the martial law removed, annual case of dispute climbed to 1000-something swiftly, then exceeded 10 thousand cases in 2001 according to the labor statistics by Council of Labor Affairs. On the other hand, amount of workers involved dispute in 1989 had escalated into 62 thousand people hastily, it was also beyond 6 times of dispute-involved workers in 1984.

If we weighed the condition of labor movement in Taiwan against its in Japan, and Korea, dispute annal case of strikes and lockouts in Taiwan was more than the number in Japan and Korea overwhelmingly. Dispute-involved workers also hadn’t less than those in Japan did since 1997, the loss of working days in Taiwan was only a bit could be detected (see Table 23). A comprehensive field research concerning about the disproportionate labor management relations in Taiwan has been addressed (Shieh, 1999). It noted an important element of industrial dispute ending in a short time was nothing but Council of Labor Affairs, the executive authority administering welfare of labor force and securing safety net of employment. It had failed to implement the policy of labor inspection and administrative sanction actively, just urged the consequence of labor management cooperation had been unveiled (pp. 156- 159). Wang (1990) stated collective bargaining didn’t work well in Taiwan, besides the employees had lacked of experiences and funds for labor movement also caused the failure of industrial dispute. Last, the blunder of labor dispute also had had its root in the intervention and mediation by local authorities (Sago, 2002, p. 240).

The laborers in Taiwan has recognized that they would gain nothing notwithstanding the industrial dispute lasted. Most workers thought that the optimum policy for them was to abandon dispute against the management and to apply for a new job as soon as possible was a logical judicious if regarded their future livelihood. Ultimately, the most effective safety net of employment for them was to improve their quality of human resource.

 Taiwanese employees recognized to be managing their own career. It has forced employees to improve current performance, keep up with advances in their profession since skill gaps will widen in the era of technical innovation.
### Table 23. Strikes and Lock-outs in Taiwan, Japan, Korea

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Strikes and Lock-outs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taiwan</td>
<td>Japan</td>
</tr>
<tr>
<td>1981</td>
<td>1060</td>
<td>955</td>
</tr>
<tr>
<td>1986</td>
<td>1485</td>
<td>620</td>
</tr>
<tr>
<td>1991</td>
<td>1810</td>
<td>310</td>
</tr>
<tr>
<td>1996</td>
<td>2659</td>
<td>193</td>
</tr>
<tr>
<td>2001</td>
<td>10955</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand Workers Involved</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taiwan</td>
<td>Japan</td>
</tr>
<tr>
<td>1981</td>
<td>6.9</td>
<td>247.1</td>
</tr>
<tr>
<td>1986</td>
<td>11.3</td>
<td>118.0</td>
</tr>
<tr>
<td>1991</td>
<td>12.7</td>
<td>52.8</td>
</tr>
<tr>
<td>1996</td>
<td>21.7</td>
<td>23.2</td>
</tr>
<tr>
<td>2001</td>
<td>58.6</td>
<td>12.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand Work-Days not Worked</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taiwan</td>
<td>Japan</td>
</tr>
<tr>
<td>1981</td>
<td>N.A.</td>
<td>553.7</td>
</tr>
<tr>
<td>1986</td>
<td>N.A.</td>
<td>253.4</td>
</tr>
<tr>
<td>1991</td>
<td>0</td>
<td>96.5</td>
</tr>
<tr>
<td>1996</td>
<td>2.2</td>
<td>42.8</td>
</tr>
<tr>
<td>2001</td>
<td>0</td>
<td>29.1</td>
</tr>
</tbody>
</table>

From “Yearbook of Labour Statistics,” by ILO & “Yearbook of Labour Statistics,” by Council of Labor Affairs, Executive Yuan, Taiwan


Discussion

According to the survey, we found that Taiwanese employees are eager for self-development training. It had usually told that Japanese firms accustomed to offer dozens of educational opportunities for their workers, and the highly-motivated employees tended to involve in training to enhance their work-related knowledge, abilities, capabilities. However, Japanese workers used to depend on Japanese Management seem to become insensible of incoming challenges during this period of transition to more flexible labor market. In Japan, implementation of career development has to be in decline since the early-1990s recession. As we introduced, implementing planned OJT, Off-JT, even self-development has been declined, annual training expenditures per capital hadn’t in the same class with U.S. and E.U. countries, we might assume that Japan will face an uphill struggle in technical innovation and economic development due to the inadequate investment for human resource. Japanese employers declared that they had worked hard on employees’ vocational career development while they also revealed the responsibility of career development has shifted to workers’ shoulders. We are apprehensive that Japan workers seem to have unconscious of skill gap that should be accumulated originally. Although the prospect of future is still uncertain, improvement of quality in human resource can not be wait any more. The importance and necessity for employees’ self-development should be emphasized as soon as possible.

Unexpectedly, it showed that Taiwanese workers are forced to map out the future due to they have the flexible labor market and unstable employment. In spite of most Taiwanese employers can not afford the training expenditures. And the rate of labor turnover keeps at a high level, Taiwanese workers seem to find its own way to struggle for survive, that is, to make the most of external labor market’s advantages such as easy to transfer to a new job and so on, to establish his or her own career. Meanwhile, we just wonder the possibilities of technical innovation and economic development will be continuing with insufficient assistant for manpower? Each country has its own trial on the way to the next apex, what Japan and Taiwan have is nothing, but human resource. Here we underline the application of self-development training have not to be forgot.

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I am grateful to professor Mogi for helpful comments, on an earlier version, I alone am responsible for any errors that remain.
On the Vocational Career Development and Labor Market (MOGI · WANG)

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