Series: Human Capital Management
Session 9: Introduction to Human Capital Management: The Need to Develop Proactive Human Resource to Improve the Competitiveness of Human Resources
Taiyo Miyashita, Daichi Katayama

1. Introduction.

"Human Capital Management" is a series of articles that introduces the basic concept of human capital management and systematically suggests critical points that companies should address in its implementation. The series is structured according to the 3P/5F model outlined in the "Report of the Study Group on Improving Sustainable Corporate Value and Human Capital (also referred to as the 'ITO Report for Human Capital Management')" released by the Ministry of Economy, Trade and Industry in September 2020 as "what characterizes an ideal human resources strategy for human capital management."

The ninth session focuses on proactive human resources, also mentioned in the fourth session, "Building a Dynamic Human Resources Portfolio." To achieve a state in which appropriate human resources are assigned to each job and task within an organization, it is sometimes necessary to promote the development, retraining, and redeployment of internal human resources. Internal personnel must understand the need for such measures and be proactive to encourage training, retraining, and redeployment. Therefore, for companies to achieve this state, they must have proactive human resources, that is, people engaged in active learning and proactive practice. This report describes the need for proactive human resources in Japanese companies, their conditions, and methods for developing proactive human resources.

2. What kind of proactive human resources are we talking about?

Proactive behaviors are autonomous and self-directed actions based on a medium-to long-term perspective. This paper defines proactive individuals as those who engage in proactive behaviors.

Proactive behavior has been studied in the context of organizational behavior studies since the early 2000s. Although previous studies differ in their definitions, one of the representative definitions is that it is "a forward-looking behavior in which individuals influence themselves and their environment and are future and change-oriented" (*1). Furthermore, as a framework for capturing the reality of proactive

behavior, previous studies have organized proactive behavior into several types. For example, proactive behaviors can be categorized into five types: "career strategy and innovation," "social network building," "organizational socialization behavior," "problem-solving behavior," and "learning and self-development activities" (*1), or into four types: "meaning-making behavior," "relationship building," "negotiating job changes," "positive cognitive framework" (*2).

In this paper, while considering the commonalities among the types of proactive behavior in the studies above and to make the scale easier to use in enterprise human resource management, proactive behavior is organized into the following four types: (1) innovation behavior, (2) external network exploration behavior, (3) organizational behavior, and (4) career development behavior (detailed definitions of the behaviors are shown in Figure 1).

Figure 1: Definitions of different types of proactive behavior

Types of Behavior	Summary of each Behavior
①Innovation Behavior	• Actions to change the environment in which one works by re-evaluating one's own work and that of the workplace as a whole, changing methods and procedures, and so on. It can also be said an action to change one's own work in a positive way.
②External network exploration Behavior	• Actively networking with people outside his/her own company to improve his/her own clinical trial.
③Organizational Behavior	• Behavior that usually involves building quality relationships with supervisors and coworkers in the workplace and involving all parties in the work.
④Career development Behavior	• Actions to envision one's career, learn and acquire the skills and knowledge necessary to realize that career, both inside and outside the company, and expand the scope of one's work.

Source: The Japan Research Institute, Limited.

3. The reality of proactive human resources in Japanese companies

How Proactive Are Employees in Japanese Companies? The Japan Research Institute conducted a "Comprehensive Survey on the Reality of Proactive Personne" among 20,000 employees in Japanese companies. In addition to the four types of

proactive behaviors, the survey asked about each person's work environment and job characteristics.

In this survey, each person's level of proactive behavior was indexed on a scale of 1 (minimum) to 5 (maximum) based on the results of a 5-point scale, with a higher index indicating more proactive behavior. In addition, each person's work environment and job characteristics were indexed on a scale from 1 (minimum) to 5 (maximum) based on the results of a 5-point scale, with a higher index indicating a more favorable work environment and job characteristics for each individual. Specifically, the higher the index, the more "supportive and accepting of challenges" and "discretionary and challenging" the job.

As mentioned above, the degree of proactive behavior (hereafter referred to as "proactivity"), work environment, and job characteristics of each person were determined using an index, and the survey results were analyzed based on this index to obtain the following main results.

- Employees in their 20s and 30s are highly proactive, whereas those in their 40s tend to be less proactive (Figure 2). This finding confirms the "tendency for middle-aged employees to become less proactive and spontaneous," which has become a concern for many organizations in recent years.

Figure 2: Level of Proactive Behavior Practiced by Age Group

	Average index of proactive behavior				
	Innovation Behavior	External network exploration Behavior	Organizational Behavior	Career development Behavior	Numbe Respon Age Gr
Nos of Sample(n=)	20,861	20,835	20,735	20,805	
20's	3.14	2.77	3.11	2.96	
30's	3.15	2.70	3.09	2.94	
40's	3.10	2.63	3.02	2.83	
50's	3.14	2.62	3.01	2.79	
60's	3.27	2.70	3.09	2.84	
Average	3.14	2.68	3.06	2.87	

Supplementary Figure 2
The results of the one-way ANOVA confirm that there is a significant difference (1% level of significance) in of each proactive behavior in the 40s compared to the index in the 30s.

- One of the reasons for the low level of proactive behavior among employees in their 40s is the overwhelmingly lower level of proactive behavior among general employees who do not yet have a position compared with those who do (Figure 3). Regarding the number of respondents, many employees are in their 40s (Figure 4), suggesting that non-managerial employees drive down the average index of proactive behavior in this age group. Employees who have yet to find leadership positions may become less motivated and, as a result, are less proactive. In addition, many employees in their 40s may belong to the generation that faced extremely competitive and unfavorable job-hunting conditions, often called the "employment ice age" in Japan. They might have been unable to secure jobs in their desired industries and professions. It is assumed that individuals in this group may need more motivation to engage in innovative actions to improve their work methods or to take organizational measures that involve proactively working with others.
- On the other hand, the level of proactivity among employees in their 60s is high. As shown in Figure 3, the level of proactive behavior among employees in their 60s is close to that among employees in their 30s, even among general employees. In general, it is unlikely that proactive behavior will resume among people in their 60s because their responsibilities within the organization will decrease with retirement, and the possibility of promotion will almost disappear. However, some studies have shown that the importance of values such as "earning a higher income" and "getting a promotion" decreases, and the importance of values such as "contributing to others (e.g., fulfilling one's responsibilities at work)" and "demonstrating and improving one's abilities (e.g., doing work that makes use of one's skills)" increases among workers after age 60 compared to workers before that age. Thus, one possible reason for the high level of proactivity among people in their 60s may be an increased desire to contribute to others by utilizing their own experiences.

Figure 3: Degree of Proactive Behavior Practiced by Position

Index	Overall proactive behavior					
	20's	30's	40's	50's	60's	Average
General Staff	2.97	2.89	2.75	2.73	2.87	2.84
Chief, Team Leader, Leader	3.29	3.13	3.04	3	3.28	3.08
Section Chief/Assistant Section Chief	3.4	3.28	3.11	3.02	3.18	3.12
Section Head/Active Section Chief	3.88	3.31	3.28	3.14	3.16	3.21
Assistant General Manager	-	-	3.38	3.36	3.22	3.35
Manager/General Manager	4.44	3.5	3.53	3.4	3.5	3.45
Rehired retired employee	3.05	3.5	2.38	2.35	2.88	2.87
Other	-	-	-	-	-	-
Average	2.98	2.96	2.88	2.89	2.97	2.92

Below average	
Avg. +0 to Avg. +0.5	
Avg. +0.5 to Avg. +1.0	
Above Avg.+1.0	

Supplementary Figure 3

· The results of multiple comparison tests for all age groups showed that General Staff were predominantly less proactive than their rank-and-file counterparts. (1% level of significance)

· Among the position holders, there was a significant difference between the "Chief, Team Leader, Leade and Section Chief/Assistant Section Chief " group and the "Section Head/Active Section Chief " group and the "Assistant General Manager and Manager/General Manager " minute, respectively (1% level of significance).

Figure 4: Number of Respondents by Position

		20's	30's	40's	50's	60's	Total
Number of samples	General Staff	4,005	3,722	3,965	2,788	878	15,35
	Chief, Team Leader, Leader	55	566	743	526	85	1,97
	Section Chief Assistant Section Chief	7	388	858	661	79	1,99
	Section Head Active Section Chief	2	69	371	499	72	1,01
	Assistant General Manager	0	0	47	107	20	17
	Manager/General Manager	2	6	80	223	88	39
	Rehired retired employee	5	2	2	7	305	32
	Other	0	0	0	0	0	
	Total	4,076	4,753	6,066	4,811	1,527	21,23

- The analysis was also conducted on how proactive behavior relates to an individual's work environment and job characteristics. Research of the correlation between each individual's level of proactivity and workplace and job characteristics shows that workplace and job characteristics positively correlate with the four proactive behaviors (Figure 5). The higher the index of each individual's workplace and job characteristics, that is, the more supportive the workplace is and the more it acknowledges challenges, and the more discretionary and challenging the job, the more proactive the individual tends to be in their behavior. As the results in Figure 5 are only correlation coefficients, it is impossible to determine a causal relationship that suggests workplace and job characteristics promote proactive behavior. However, since an individual's workplace and job are difficult to change through personal effort, proactive behavior can be encouraged by reviewing each individual's workplace and job situations.

Figure 5: Correlation coefficients between workplace and job characteristics and the degree to which proactive behaviors are practiced

	Correlation coefficients between environmental factors and each conduct	
	Workplace Characteristics	Job Characteristics
Innovation Behavior	0.58	0.6
External network exploration Behavior	0.42	0.43
Organizational Behavior	0.54	0.54
Career development Behavior	0.47	0.49

Supplemental Figure 5

Workplace characteristics were determined by responses to six workplace-related questions, including "Surroundings support my self-learning" and "If I fail after taking on a challenge, I will not be criticized for it.

Job characteristics were determined by responses to six job-related questions, such as "I can decide my own work procedures" and "I feel that my job contributes to society.

Source: The Japan Research Institute, Limited.

As mentioned above, proactivity is low, especially among general employees in their 40s; therefore, organizations need to focus on enhancing the level of proactivity among this age group. In addition, given the positive correlation between the level of proactivity and workplace and job characteristics, changing the workplace and job conditions could also be an effective way to improve the level of proactivity in this age group.

4. Proactive human resource development led by the organization's managers

The key to systematically developing proactive human resources in an organization

is to create conditions that facilitate the promotion of proactive behavior by employees concerning the work environment and job characteristics.

For the former, creating a work environment that actively supports employees self-learning and fosters an organizational culture that recognizes their challenges is necessary. For the latter, the key is to ensure that each employee has discretion in their work. It is desirable to have the freedom to decide how to proceed with the work and be able to perceive the results of that work. To realize these work environments and tasks, the organization must implement specific measures such as revising personnel-related systems and conducting one-on-one meetings between supervisors and subordinates.

Managers play a central role in developing measures based on their current work environment and organizational roles. Managers are expected to understand how their subordinates practice proactive behavior and the situation in their workplace and tasks, and then promote policies that address the problem. However, the reality in many organizations is that managers are often unaware of the extent to which their subordinates are engaging in proactive behavior. It is assumed that a certain number of managers "know it in their heads," but the number of those with accurate data on the situation is limited.

Managers must promote policies that encourage proactive behavior and provide appropriate individual support. In particular, a company-wide effort to reach employees in their 40s and 50s is essential, as is providing personal support to each employee. However, such engagement can only be more effective if there is a clear understanding of each person's level of proactivity and the situation.

Therefore, the management must provide local managers with information and tools to help subordinates become proactive and self-directed in promoting initiatives to develop proactive human resources. Survey tools have recently become more sophisticated, and it is now possible to monitor the status of employees regularly using simple questions. It is essential to use these tools to determine employees' level of proactivity and create a situation in which managers can use this information to promote the development of proactive human resources in the field through an integrated company-wide effort.

Reference
(*1) Grant, A. D. & Ashford, S. J. 2008 The dynamics of proactivity at work.

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(*2) Ashford, S.J. & Black, J.S. 1996 Proactivity during organizational entry: The role of desire for control. Journal of Applied Psychology, 81, 199-214