Series: Human Capital Management
Session 7: Introduction to Human Capital Management - Survey Results on Reskilling (Part 2)
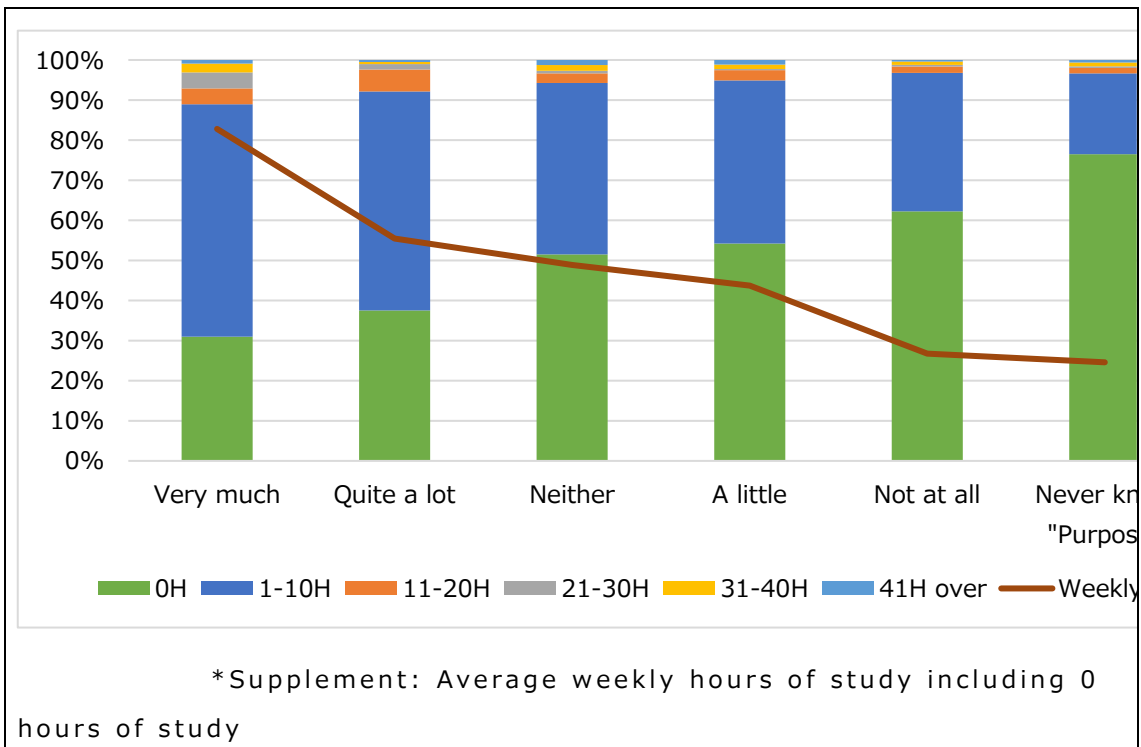
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1. Relationship between Vision, Philosophy, Purpose, and Reskilling

In Session 7 of the "Series: Human Capital Management," we explain the relationship between vision, philosophy, purpose, and reskilling. This article will focus on the relationship between the company's communicated purpose and reskilling, as revealed by a survey conducted by the Japan Research Institute (see Part I for an overview).

Figure 1 shows the weekly learning hours for each "level of understanding of the workplace vision, philosophy, and path. Most of the group members responded negatively, such as "Not really," "Not at all," or "I didn't even know they existed," to the question, "Do you fully understand the vision, philosophy, and purpose?" had no study time per week. By contrast, the "True" and "Somewhat True" reported dedicating 1–10 hours to weekly study. Those with a higher understanding of the vision, philosophy, and purpose generally demonstrated more weekly study hours.

Figure 1: Understanding of Vision, Philosophy, and Purpose and Hours of Study per Week

*Supplement: Average weekly hours of study including 0 hours of study

Table 1 also shows the level of understanding of the skills needed in the future for each of the "understanding of the vision, philosophy, and perspectives of the workplace." As a measure of understanding, we used the average responses to the question, "Do you understand the skills your job will require in the future, 3-5 years from now?" (indicated by 0–1 with higher numbers indicating higher levels of understanding). The results showed that the group with more excellent knowledge of the workplace's vision, philosophy, and purpose generally better grasped the requisite skills (the differences being statistically significant).

Table 1: Understanding of Vision, Philosophy, and Purpose

Do you understand the abilities your job will require in the next 3~5 years?

Answer to "Do you fully understand the vision, philosophy, and goals of the workplace where you work? "	Answer to "Do you understand the competencies your position will require in the next 3-5 years?" (Average)
Very much	0.48
Quite a lot	0.40
Neither	0.34
A little	0.31
Not at all	0.28
Never knew the vision, philosophy, nor goals of the workplace	0.27

※Higher numbers indicate better understanding

Source: The Japan Research Institute, Limited.

Figure 1 shows some correlation between "understanding of vision, philosophy, and purpose" and "weekly study time. The following three hypotheses can be considered from these results: "A: Study time increases owing to a high level of understanding of the Purpose," "B: Understanding of the purpose is high because of a long study time (eager to study)," and "C: A third factor that affects the understanding of the purpose and study time is hidden."

Although it is difficult to identify a clear causal relationship from the data, this article will examine the relationship between parsing and reskilling in a way that deepens Hypothesis A, "Learning time increases because parsing is better understood." This discussion is based on an experiential learning cycle that is often used in the context of learning. The experiential learning cycle is a theorization of the process of learning and consists of four stages: "experience: work history," "reflection: looking back on actions," "lessons learned: generalization of what was learned," and "practice: retry on the job" (*1). In the "lessons learned," the most challenging stage of the experiential learning cycle involves generalizing the learning while adapting it to other operations to be put into practice. In other words, the "lessons learned" phase is problematic because it involves a two-step shift in thinking from concrete to abstract and from abstract to concrete. The 1-on-1 interview presented in the

previous section supports this phase transition. In addition, if the vision, philosophy, and purpose have been well instilled, it will be easier for the interviewer to guide reflection and lesson-learning from the perspective of "Did you take action based on the philosophy?" This is expected to increase the employees' learning times.

Based on Hypothesis A, it is believed that if the company presents its vision, philosophy, and perspectives so that employees can understand them, they will become aware of "what is expected of them in the future." In addition, as shown in Table 1, it is believed that employees' clear understanding of "what they need to learn now" will lead to intrinsic motivation to engage in reskilling. Of course, the hypotheses presented here may have complementary elements, and both Hypotheses A and B are correct; both pathways have an impact. More detailed analysis and examination of the data are needed to clarify the causal relationship.

Notably, about 1/3 of all respondents answered that they "don't know it exists" when asked about their understanding of the vision, philosophy, and purpose. The "don't know it exists" group has an exceptionally high percentage of respondents who spend zero hours a week on learning and have almost no learning habits. This group is indifferent to the company's vision, philosophy, and direction and is likely indifferent to their careers and education. In another survey, we found that "people with low proactivity levels were unable to determine the type of support they should seek from the company" (For more details on proactivity, see the previous section). While low proactivity and low desire to learn are not entirely related, they share the same point of indifference to one's career. Reducing the number of such employees, even by one, would increase the organization's vitality.

2. Initiatives Aimed At Instilling Vision, Philosophy, and Purpose

What specific initiatives effectively communicate the vision, philosophy, and purposes? However, vision, philosophy, and purpose are abstract concepts that take more work to translate into concrete actions. Management and employees who have been with the company for a long time often know the background of the philosophy and have a clear picture of the steps to be taken based on their years of experience.

Nevertheless, younger and mid-career employees may know the words of vision, philosophy, and purpose but may find connecting them to action images challenging. For example, even if "change" is part of the company's philosophy, the philosophy will differ depending on the type of job or department. Whether the required action is to improve the efficiency of daily operations or present new business ideas for management remains to be determined. Since visions, philosophies, and perspectives are abstract, the range of interpretations varies widely by person, making it difficult to translate them into concrete actions.

Although most companies have many employees who "just know" the company's vision, philosophy, and purpose, only a limited number of employees can "embody and act" the vision, philosophy, and purpose. The SCORE framework (Table 2) proposed by Robert Younger is practical for encouraging employees to take active action. (*2)

Table 2: SCORE Frame for Purpose Penetration

	Key word	Position	Definition
S	Simple	Management	Purpose is clear and simple
C	Connect		The purpose is linked to the company's overall strategy and integrated into the organization's strategy.
O	Own	Employee	Every employee takes responsibility for Purpose.
R	Reward		Behaviors that embody the purpose are linked to incentives and rewards.
E	Exemplify	Both	Fostering a common mindset through top-to-bottom dialogue and empathy

The SCORE framework is used for embedding purposes in an organization. "Simple" and "Connect" are more from a management perspective. Meanwhile, "Own: Every employee is responsible for the purpose" and "Reward: Practicing the purpose leads to rewards" are from the employee perspective, and "Exemplify" is a dialogue and empathy between management and employees that can be said to come from both sides. "Ownership" and "Reward" are critical to inspiring employee action.

Rather than having upper management make decisions and unilaterally impose them on employees, carefully aligning individual and organizational goals and behavioral expectations makes it easier to envision specific actions that reflect the purpose. It is also important to encourage such behavior from a systemic perspective; for example, by providing high recognition and rewards to employees who take appropriate action. Management tends to focus on some aspects from a managerial standpoint. However, focusing on the employee's perspective makes it possible to identify behaviors that embody the purpose in many areas of an organization.

3. Summary

Our survey demonstrated that individuals with a firm grasp of their company's vision, philosophy, and purpose invested more time studying each week. Conversely, we observed that those unaware of the existence of their company's vision, philosophy, and purpose generally displayed indifference toward their career progression and learning.

To instill the vision, philosophy, and purpose, it is crucial to establish a system that encourages employees to internalize these principles and promotes the expected behaviors. Consequently, as these guiding principles permeate the organization and are comprehended by the employees, more individuals will feel motivated to contemplate their career paths and participate in reskilling. Such persistent endeavors can lay the groundwork for sustainable growth within the company.

References

1: Kolb, D. A. (1984) *Experiential Learning: Experience as a Source of Learning and Development*, Prentice Hall.

2: Younger, R., Mayer, C. & Eccles, R. G. (2020) *Enacting Purpose Within the Modern Corporation*, EPI.