

## The TOEIC® in Japan: A scandal made in heaven

James McCrostie (Daito Bunka University)

First implemented in 1979, the Test of English for International Communication™ (TOEIC) has become ubiquitous in Japan, where the test was administered 1,718,000 times in 2008 (A. Yoshida, personal communication, June 5, 2009). Korea is about the only other country sharing Japan's enthusiasm for the test. About 5 million people in more than 90 countries take the TOEIC annually, but approximately 80% of them live in Japan or Korea (ETS, 2006, p. 4).

Despite the TOEIC's popularity, few people seem aware of the organization administrating the test in Japan. Called the Institute for International Business Communication (IIBC), even authors mildly or highly critical of the TOEIC have virtually ignored it (Chapman & Newfields, 2008; Chapman, 2006; Childs, 1995; Hirai, 2002; McCrostie, 2006). The one exception, an explanation of the IIBC's marketing strategy co-authored by a former employee, contains little in the way of critical analysis (Ihara & Tsuroka, 2001).

The IIBC is a public interest corporation (*zaidan houjin*), a type of non-profit requiring government approval to be formed. In the case of the IIBC, the former Ministry of International Trade and Industry, which in 2001 became the Ministry of Economy, Trade and Industry, threw its weight behind IIBC and the TOEIC in the 1970s and 80s (Chapman, 2004, p. 10). The IIBC also has origins as an *amakudari* organization. Literally meaning “descent from heaven”, *amakudari* refers to the practice of providing Japanese bureaucrats with patronage posts when they retire from the civil service.

This article briefly examines IIBC's early history, its executive hiring practices, its relationships with for-profit partners, and its misuse of TOEIC fees. On the basis of those facts, I will then assert that IIBC is an organization which appears to be more concerned more with benefiting itself than with the English ability of test-takers.

### TOEIC's Descent From Heaven: The Early History

A man named Kitaoka Yasuo (1928 - 1997) deserves most of the credit for the TOEIC's creation (IIBC, 2009b). As the owner of a now defunct business named International Communications Inc., Kitaoka first planned to market English textbooks - but decided to enter the testing business.

In the mid-1970s, Kitaoka approached Educational Testing Service (ETS) with his idea for a new English test for use in Japan. According to Ihara and Tsuoka (2001, p. 37), ETS informed Kitaoka that they required a non-profit organization to work as their partner. According to Prey (2001, p. 55), while the TOEIC was being established ETS preferred these non-profit partners to have government support.

Kitaoka first approached the Ministry of Education, but its bureaucrats obstructed his efforts because they did not want to foster competition against the STEP-Eiken, which the Ministry already supported (Ihara & Tsuroka, 2001, p. 37). Undeterred, Kitaoka received assistance from a friend named Watanabe Yaeji. Watanabe's influence as a retired high-ranking MITI bureaucrat proved crucial to establishing the TOEIC. In his memoirs, Watanabe describes taking cover “behind the Ministry of Trade shield” to overcome Ministry of Education opposition (Watanabe, 2003, p. 114).

Watanabe had remained in close contact with his old ministry after taking *amakudari* posts as chair of the Japan-China Economic Association and World Economic Information Services (WEIS) board member. Both are public interest corporations that operated under MITI authority.

Watanabe received permission to form and chair a TOEIC Steering Committee within WEIS. Members of the committee included other retired MITI bureaucrats and business executives. With government support secured, ETS agreed to create the test and in 1979 the TOEIC Steering Committee administered the first TOEIC in Japan (Chapman, 2004, p. 10).

While the TOEIC has now become synonymous with business English testing in Japan, this success was by no means assured. During TOEIC's early years it attracted fewer than the expected number of test takers, resulting in serious financial difficulties. Circumstances became so clamant that Watanabe prayed to God for help (Watanabe, 2003, p. 114). His prayers were answered in the form of a new version of the TOEIC and a little help from some friends.

In 1981, the IIBC began offering a second format of the test called the TOEIC Institutional Program (IP). Unlike the TOEIC Secure Program (SP) offered at fixed places and times of the year, the TOEIC IP could be offered at a company's convenience for a slightly cheaper price. The year after its introduction, the IP test passed the SP in terms of number of test takers and has remained the more popular format ever since. In 2008, test-takers in Japan took the TOEIC IP 940,000 times and the TOEIC SP 778,000 times (A. Yoshida, personal communication, June 5, 2009).

Two of the first companies to force their employees to take the TOEIC IP were Matsushita Electric Industrial Co., Ltd. (now Panasonic) and Fujitsu. At first glance, their early adoption of the TOEIC IP seems natural since high-level managers from both companies helped Watanabe establish the TOEIC. Harata Akira, a Matsushita vice-president, and Akazawa Shoichi, an advisor for Fujitsu Computers, were two of the TOEIC Steering Committee's original 23 members (Ihara & Tsuoka, 2001, p. 50).

A closer look shows that neither had any formal training in language teaching or testing. Like Watanabe, both gentlemen were retired MITI bureau chiefs. Both men had also deployed golden *amakudari* parachutes to drop into their high-level management positions. For example Akazawa, the former director of MITI's Heavy Industries Bureau, undertook a "major" descent from the MITI in 1973 when he became an advisor to Fujitsu (Johnson, 1974, p. 956). At the time, Fujitsu was in fierce competition with American computer makers and a major recipient of MITI subsidies to develop a Japanese computer industry (Johnson, 1974, p. 956).

Their MITI connections led to Akazawa and Harata's serving on the steering committee, which facilitated Fujitsu and Matsushita's adoption of the TOEIC IP. This certainly did not lead directly to continued ministry subsidies for their computer divisions; however, being reliant on the Ministry of Trade, it would have been difficult for them to refuse a request from their former colleague to support the new ministry-backed test.

Fujitsu and Matsushita's support for the TOEIC IP helped secure a market and high profile users for the test (Ihara & Tsuoka, 2001, p. 43). This proved a significant boost as the TOEIC struggled to win market share. Government connections proved vital not only to the test's creation but also its early survival. Without the support from Watanabe's old colleagues it seems likely that a lack of demand would have smothered the newly born TOEIC in its cradle.

By 1986, the TOEIC had 100,000 annual test takers in Japan and Watanabe became chair of a new public interest corporation called the Institute for International Business Communication (IIBC). Created with the permission of the MITI and operating under its supervision, the IIBC assumed responsibilities for administering the TOEIC in Japan.

### **Getting a Job at Heaven on Earth: Nepotistic Hiring**

Hiring practices for IIBC executives seem to have more to do with connections than with knowledge about language learning or testing. Ever since the IIBC's creation, it has provided positions to ex-bureaucrats from the MITI/METI. In 2007, one of four full-time members and three of ten part-time members of the IIBC's Board of Directors were ex-bureaucrats. Most, if not all, of these part-timers were connected to Watanabe. The part-time members of the board are technically volunteers, so one is reminded of the adage you get what you pay for when considering the contributions made by such appointees. Since these ex-bureaucrats possess little or no experience related to language learning or testing they can play little role in improving the TOEIC or helping ensure businesses or schools use it properly. Instead, they helped serve a role in continuing to cement the relationship between the IIBC and the METI and ensure the support of the Ministry during any bureaucratic turf battles.

Watanabe Yaeji, IIBC chair from its foundation in 1986 until his sudden retirement in 2009 at the age of 92, deserves special attention when discussing the lack of qualifications for IIBC executives. Until he helped his friend Kitaoka establish the TOEIC, Watanabe confessed he possessed no interest in, or knowledge of, language testing. Watanabe only began studying English in 1982 at the age of 65 and did not begin studying in earnest until after becoming IIBC chair in 1986 (Watanabe, 2003, p. 3, 117).

Nor did Watanabe devote his undivided attention to the IIBC. Despite holding a full-time position as IIBC chair, he also worked as a partner in his own law firm and chair of the Beautiful Aging Association (BAA). Established by Watanabe in 1992, the BAA is another public interest corporation operating under METI authority. The BAA organizes lectures and activities for member-company retirees including: karaoke outings, *go* tournaments, and cooking classes (BAA, 2008).

Another member of the IIBC executive board with questionable qualifications is a man named Murofushi Takayuki. *FRIDAY*, a weekly Japanese magazine best known for reporting on scandals connected to celebrities and government officials, caused some surprise in the language teaching community when it ran an expose of Murofushi's appointment to the IIBC. According to *FRIDAY*, Murofushi started working for IIBC's for-profit partner International Communications School (ICS) following his graduation from university (*FRIDAY*, 2009, p. 16). ICS was founded in 1983 to promote the TOEIC IP, initially on behalf of the WEIS TOEIC Steering Committee and presently on behalf of the IIBC. In 2008, he resigned from his position on ICS' board of directors to join the IIBC's board. His main qualification for both posts seemed to be his third job as Watanabe's personal secretary. In July 2009, Murofushi became IIBC chair, replacing Watanabe who suddenly resigned for health reasons.

Watanabe and Murofushi's mother, a poetry teacher named Murofushi Jukan, have had a long relationship. Since the 1980s, she and Watanabe worked together to increase the popularity of classical Chinese poetry (Watanabe, 2003, pp. 80-83). The two are also romantically linked, living in adjacent apartments in the same building (*FRIDAY*, 2009, p. 16). The blatant nepotism of appointing Watanabe's girlfriend's son to an executive position shocked even the IIBC Board of Directors. To force the appointment Watanabe had to purge half the board (*FRIDAY*, 2009, p. 15).

### **Heaven's Streets Are Paved with Gold: Private Companies Profiting from the TOEIC**

Despite ETS' original refusal to deal with Kitaoka's business, several connected companies in Japan have enjoyed a profitable partnership with the IIBC. Kitaoka's efforts to create the TOEIC and his friendship with Watanabe did not go uncompensated. Kitaoka became IIBC vice-chair and the IIBC rewarded his company International Communications Inc. with contracts for administering the test's official Japanese fan club, publishing the magazine *TOEIC Friends*, and developing an online registration system (McCrostie, Aug. 11, 2009). In addition, ICI subsidiaries promoted the TOEIC in the United States, Canada, and other countries in the mid-1990s. Appendix A outlines the connections between IIBC and its main for-profit partners.

Following Kitaoka's death in 1997, ICI seemed to begin having difficulties. According to Yoshida Atsuko, an IIBC public relations manager, "It closed after Mr. Kitaoka passed away" (A. Yoshida, personal communication, June 5, 2009). However, archived web pages show that ICI continued operations until 2003. In 2003, ICI changed its name to T. F. Communications, which shut down in 2004.

Another for-profit company that continues enjoying close ties with the IIBC is International Communication School (ICS). Established in 1983 to promote the TOEIC IP in Japan, it offers customer support to organizations using the test. ICS operations, while not top secret, are not exactly widely advertised either; it has no website and the only mention of the company on the IIBC website is on a privacy policy page at [www.toEIC.or.jp/privacy/privacy\\_05\\_01.html](http://www.toEIC.or.jp/privacy/privacy_05_01.html).

When asked during a June 2009 interview why IIBC needed a for-profit partner IIBC public relations manager, Yoshida Atsuko, stated, "International Communications School was established purely for the purpose of promoting TOEIC business. As to why it had to be established, I'm sorry but I don't have an answer for that" (A. Yoshida, personal communication, June 5, 2009). Despite promises to find the answer, another public relations employee informed me in a follow-up email, "We are not in a position to answer the

question” (R. Hanai, personal communication, June 9, 2009). Similarly, ICS spokespeople refuse to reveal the names of the corporate owners (McCrostie, Aug. 18, 2009).

The IIBC and ICS share a very close partnership. Watanabe formerly served on its board of directors and ICS' 70 employees operate out of offices located next door to IIBC, sharing a common lobby area and security guard. IIBC and ICS employees also have nearly identical business cards, both prominently displaying the TOEIC logo with only “International Communications School Inc.” or “The Institute for International Business Communication” in fine print distinguishing them.

ICS is involved in the TOEIC several different ways. It acts as the publisher for IIBC-produced TOEIC textbooks, but its main duty is promoting the TOEIC IP. ICS sales staff work for one of two divisions promoting the TOEIC IP to either businesses or schools. Financial statements for 2008 show the IIBC spent ¥375 million (45% of the TOEIC IP's administration costs) for the vague service of “popularizing” the test. According to an expert in Japanese non-profits, such partnerships are a standard technique for public interest corporations to engage in off-the-book profiteering (S. Carpenter, personal communication, July 10, 2009).

ICS may also be making money by printing exams and through the dispatch of test proctors. The IIBC spent ¥250 million in exam printing fees in 2008. IIBC financial statements do not reveal which company received the contract, but ICS is the publisher for IIBC approved textbooks. The IIBC's biggest expense for administering the TOEIC SP is dispatch fees for test examiners. In 2008, dispatch fees totalled ¥862 million, making up 39% of the total expenses for administering the TOEIC SP (IIBC, 2009a). Suspiciously, company websites show that ICS owns its own dispatch company called Fellowship Inc. through a subsidiary called Odyssey Communications (Fellowship Inc, 2009; Odyssey Communications, 2009).

At some point, the ownership of ICI/T.F. Communications' subsidiaries was transferred to ICS. One of these subsidiaries is a company called E-Communications ([www.e-coms.co.jp](http://www.e-coms.co.jp)). Its primary clients are the IIBC and ICS and its office is located down the hall from their offices. E-Communications' main business is managing TOEIC's Japanese online application system. The company web page shows that it is also involved in the TOEIC preparation business, offering an online programme that recycles questions from the old TOEIC fan club magazine.

E-Communications has been consistently profitable, generating a net profit of ¥36 million in fiscal 2005, ¥13.6 million in 2006, ¥30 million in 2007, and nearly ¥11 million in 2008. They closed the 2008 financial year with net assets worth ¥246 million (E-Communications, 2009). The three members of E-Communications' board (Representative Director Sato Shinya, ICS' Representative Director Noguchi Hisao, and a third board member) received a total of ¥33 million for their services in 2008 (E-Communications, 2009, p. 4).

Another connected company making money off the TOEIC through their relationship with the IIBC is a business called ICC. This English training and consulting company, whose initials do not seem to stand for anything, offers English and TOEIC training classes. ICC's Representative Director is a man named Chida Junichi and he worked with Kitaoka at Time magazine. Chida also worked as a special advisor to *TOEIC Friends* magazine when it was published by Kitaoka's company, International Communications Inc. He currently offers TOEIC preparation advice on the TOEIC Square website at [http://www.toEIC.or.jp/square/advice/advice\\_score/](http://www.toEIC.or.jp/square/advice/advice_score/).

According to Chida, Kitaoka inspired him to start ICC. On ICC's web page Chida explains how as Kitaoka lay dying of cancer in the hospital he instructed Chida to create an English counselling system in his last telephone call to him. As a result, Chida started ICC (Chida, 2008). Conveniently, ICC's offices are located in the same building as IIBC, International Communications School, and E-Communications.

In addition to the TOEIC preparation classes they offer, ICC receives contracts from the IIBC to give TOEIC information lectures. After the IIBC introduced the TOEIC Bridge to Japan, ICC representatives gave 16 information lectures across Japan in 2003 and 2004 (ICC, 2008). Chida has also recently given a

series of lectures explaining the TOEIC Speaking and Writing test. It is unclear why the IIBC's own public relations department is unable to perform these duties.

It is nearly impossible for the public to know how much the IIBC pays its for-profit partners. While the IIBC is required by law to publish financial statements, their vagueness makes it difficult to track the movement of funds between the IIBC and companies such as ICS, E-Communications, and ICC. Furthermore, my experience is that IIBC spokespeople become very defensive when queried about these for-profit partners. When asked about E-Communications for a newspaper article, IIBC public relations manager Yoshida Atsuko replied, "How do you know about E-Communications?" then later "Why do you have to mention E-communications in your article?" (A. Yoshida, personal communication, June 5, 2009).

In the 1990s, ETS' attitude towards for-profits underwent a volte-face and it established its own for-profit subsidiary to take over responsibility for the TOEIC. From 1996-2004, a private company owned by ETS, called The Chauncey Group International, controlled the TOEIC. ETS established The Chauncey Group to run a number of tests, including the TOEIC, that it decided lay outside ETS' main educational mission. This allowed ETS to continue generating revenue from the tests without threatening its tax-exempt status (Bennett, 2008, p. 2). Transfer of TOEIC control to The Chauncey Group suggests ETS viewed the test as laying outside its main educational mission but at the same time an important source of revenue.

In 2004, ETS regained direct control of the TOEIC following a series of mergers and acquisitions. (Canadian Press, 2004). Today, ETS licenses the right to use the TOEIC to private companies in exchange for a per-test royalty fee. In Korea, an English education conglomerate called YBM/Si-sa administers the TOEIC. According to Y.B. Min, president of that company, ETS now "prefer[s] commercial companies in order to make profit" (Prey, 2001, p. 56).

The questionable partnerships between the IIBC and private companies, ETS' decision to transfer control of the test to its own for-profit subsidiary as well as the relative lack of actual TOEIC research (Chapman, 2003, pp. 2-4) suggests IIBC and ETS have been more concerned with building their own organizations than with creating a valid measure of English proficiency and promoting effective language instruction improving the English ability of test-takers.

### **The Price of Heaven: Where Do the Test Fees Go?**

Despite being a public interest corporation, it is my belief that the IIBC misuses TOEIC fees in a number of ways that fail to benefit the test-taking public. For one, fees are spent subsidizing the remarkably high cost of some less popular TOEIC brand tests. Those paying to take the TOEIC Listening and Reading test subsidize less popular TOEIC brand tests. In fiscal 2008, the IIBC took in ¥36 million in test fees from the computer-based TOEIC Speaking and Writing Test (SW) - well short of the estimated ¥79 million - but spent ¥551 million administering the test (IIBC, 2009a). With only 4,000 people taking the test in 2008, it cost the IIBC more than ¥138,000 per test-taker. The IIBC lost a further ¥28 million on other unpopular tests including the TOEIC Language Proficiency Interview - which is no longer being offered after February 2010 - and the French TOEIC, which was taken by only four people in fiscal 2008 (IIBC, 2008a). The IIBC's willingness to promote the testing of communicative English skills, even at a financial loss, is admirable. However, the extent of that loss, ¥515 million per year in the case of the TOEIC SW, raises the question where is all the money going? That question is impossible to answer by examining the IIBC's public financial statements.

Secondly, the IIBC's budget includes several expenses that have little to do with testing English proficiency. The previously mentioned Beautiful Aging Association received funds from both the IIBC and its for-profit partner ICS. However, IIBC and BAA financial statements fail to clearly show how much money. After my Japan Times articles showing the financial links between the IIBC and BAA were published the IIBC's name was taken off the list of supporting organizations published on the BAA's web site, but it is unclear whether the funding itself has also been cut. ICS continues to be listed as a supporting member.

TOEIC test fees also help pay for an IIBC division called Global Human Resources Development (GHRD). This division gathers information from around the world to help Japanese become better “global managers” (GHRD, 2004). It maintains a website, magazine, and hosts information seminars. IIBC spokespeople declined to reveal how much money the GHRD division spends each year (R. Hanai, personal communication, June 9, 2009). However, financial statements show that it was nearly ¥265 million in fiscal 2007, over a ¥100 million in fiscal 2008, and about ¥78 million in fiscal 2009 (IIBC, 2009a; 2009d). The smaller budget in 2009 was the result of cutting funding to the Chinese Poetry Recitation Association and an end to a “leadership consultation project” that cost ¥161 million in 2007.

Furthermore, in a conflict of interest, from 1989-2009 through this GHRD division, the IIBC spent about ¥13 million annually on “research into adapting to Chinese culture” (IIBC, 2008a; 2009a). This money was actually funneled to the Chinese Poetry Recitation Association. Starting in 1989, the IIBC sponsored the association's Chinese poetry appreciation meetings in Japan as well as the United States and Europe. The poetry association's head teacher, Murofushi Jukan, is the IIBC's ex-chair's girlfriend and the current chair's mother. After the magazine FRIDAY began investigating Watanabe and Murofushi, the IIBC suddenly cut off this poetry funding.

These conflicts of interest show how Watanabe viewed IIBC assets as his private property. Furthermore, while he only showed up at the IIBC office one day a week in 2009 Watanabe received an annual salary of about ¥20 million (FRIDAY, 2009; IIBC 2008a). Four IIBC executives received a total of ¥77.5 million in fiscal 2007 and ¥79 million in 2008. Budget estimates showed plans to increase pay for four executives to ¥121 million in fiscal 2009 but it was cut to ¥75 million for three executives (IIBC, 2008a; 2009). The salaries of IIBC executives can be described as very generous. For comparison, the average annual income of 29 *amakudari* bureaucrats working for independent government administrative agencies in 2008 was ¥18.58 million, with the ¥22.31 million salary for the chair of the METI's Japan External Trade Organization being the highest (Kyodo News, 2009). Murofushi earns about ¥25 million yen to manage the IIBC's 156 employees and three offices in Tokyo, Osaka and Nagoya. JETRO's chair earns ¥22.31 million to manage that organization's 1,580 employees and 72 offices in 55 countries (JETRO, 2010).

Thirdly, ETS takes a cut of the test fee through dramatically rising royalty fees. The IIBC pays ETS royalties for each TOEIC brand test taken in Japan. IIBC financial records show test royalties paid to ETS doubled from ¥800 million to ¥1.6 billion between 2007 and 2008 (IIBC, 2008a). According to a Japanese journalist who wrote an article on the IIBC's TOEIC scandal, IIBC's contract with ETS expired in 2007 and the new deal required the dramatic increase in royalty payments (K. Ishii, personal communication, Sept. 8, 2009).

Despite these large expenses, the IIBC remains comfortably in the black, recording a profit over ¥600 million in fiscal 2008 (IIBC, 2009a). Since it is a public interest corporation, laws regulating how the IIBC can use its annual surpluses mean most of the money sits in bank accounts. In addition to nearly ¥1.7 billion in cash on hand and savings accounts the IIBC also holds government bonds, time deposits, and investment securities worth ¥215 million. The IIBC's total assets add up to about ¥4 billion (IIBC, 2009a).

The profits generated by the TOEIC, as well as the conflicts of interest and misuse of test taker fees, finally caught up with the IIBC. Shortly after the IIBC began attracting unwanted press attention, Watanabe resigned citing health reasons and the Ministry of Trade warned the IIBC that their profits were excessive and issued non-binding guidance to reduce test fees. In August 2009, the IIBC announced a reduction in the cost of the TOEIC SP from ¥6,615 to ¥5,895, effective immediately. The decision was so sudden the IIBC also announced an automatic refund for test-takers who had pre-paid for the September and October tests. The cost of other TOEIC brand tests, including the TOEIC IP, remained unchanged.

Ironically, the same month TOEIC SP fees were cut in response to Ministry warnings of excessive profits, the IIBC also announced a new source of revenue. A September 2009 IIBC press release publicized the start of sales for official TOEIC training software (IIBC, 2009c). The software was the result of a licensing agreement between the IIBC and a software developer known as IE Institute to produce official IIBC/ETS approved TOEIC training software for the Nintendo DS, a handheld computer game console. A similar

licensing deal between the Japan Kanji Aptitude Testing Foundation and software companies brought in ¥76 million in revenues for that organization in only two years. However, 90% of those revenues were siphoned off to a private company owned by the foundation's vice-chair (Asahi Shimbun, 2009).

## **Conclusion**

TOEIC's 30th anniversary is a time to reflect on the business priorities of the IIBC. From its origins as a cover for the profit-seeking founder of TOEIC to its present day spending habits the IIBC's behaviour has been scandalous. A critical look at TOEIC's history shows that its founder, Kitaoka Yasuo, seemed driven by money making motives in addition to a desire to improve English education in Japan. Similarly, Watanabe Yaeji appeared to have been more concerned with creating his own public interest corporation, which as we have seen, he treated as his personal property.

This article has pointed out four criticisms of IIBC: 1) the profit-oriented motives for starting the test, 2) nepotistic executive appointments, 3) questionable partnerships with companies such as International Communications Inc. and International Communications School whose services have cost hundreds of millions of yen, and 4) the misuse of test-taker fees for expenses including staggering executive salaries and funding the former chair's pet projects such as a Chinese poetry association and the Beautiful Aging Association. For the IIBC and its affiliated companies profiting from the test, the TOEIC truly is a small piece of heaven.

Partly, to avert a METI investigative raid on the IIBC similar to the one the Ministry of Education launched against the Japan Kanji Aptitude Testing Foundation, which resulted in legal charges for misappropriation of funds against that organization's father and son chair and co-chair, the IIBC recently lowered the price of the TOEIC IP by ¥630. More substantial changes at the IIBC are necessary. There are four things the IIBC should do, as a start, if they are truly concerned about the interests of TOEIC test-takers in Japan.

1) The IIBC's current chair, Murofushi Takayuki, managing director, Yoshizawa Seiji, and executive director, Umezawa Naomi, as well as the board of directors and board of trustees should all resign. These individuals have proven themselves either unable to spend TOEIC test fees appropriately or unable to properly oversee the IIBC's budgetary and executive appointment decisions. The replacement board of directors and board of trustees should include more individuals who are knowledgeable about language testing and learning.

2) Having more people knowledgeable about language testing and learning would also help the IIBC to stop relying entirely on ETS for decisions about test design, form, and content. Despite the fact that the IIBC and Korean TOEIC preferred vendor YBM/Si-sa enjoy a near duopsonistic relationship with ETS, the IIBC has failed to exert any pressure on ETS to improve the TOEIC or to make it a better test of communicative ability. In a 2009 interview, IIBC spokesperson, Yoshida Atsuko, explained that the IIBC leaves all decisions about writing the TOEIC up to ETS (A. Yoshida, personal communication, June 5, 2009). I believe that the IIBC should be using their influence to encourage ETS to make meaningful improvements to the TOEIC.

3) The IIBC should also end its relationship with International Communication School. There is no need for the IIBC to pay ICS to promote the TOEIC when they have their own in-house public relations department. If the IIBC needs a company to provide services they are unable to perform in-house they should be able to tender contract bids. One example would be designing and maintaining the test's online application system. The IIBC should also reveal more than the current legal minimum in their financial statements and clearly show how much it is paying to which private companies and for what services. Giving summaries of the costs for a non-profit's major programmes is a level of transparency recommended by the United States based Charities Review Council (Charities Review Council, 2009).

4) If the non-profit IIBC (staffed with more executives knowledgeable about testing) takes over responsibilities for selling the TOEIC IP from the for-profit ICS, it should be able to curb some of the more egregious misuses of the test by companies and schools. For example, the TOEIC was never designed to be used for university EFL classroom placement or to judge student progress, yet many of the TOEIC IP exams

are administered precisely for those purposes. Furthermore, the IIBC should abandon annual targets for increasing the number of test-takers. An organization truly dedicated to the public interest should persuade organizations to refrain from using its products for purposes they were never designed for and not focus on increasing the number of TOEIC test takers every year.

### References

- Asahi Shimbun. (2009, April 15). DS, Wii yo softo rieki kantei miuchi kigyou ni 9 wari. [90% of DS and Wii software returns given to Kanji Foundation related business]. *Asahi Shimbun*. p. 13.
- BAA. (2008). *Heisei 20 Jigyuhoukoku*. [2008 Operations Report]. Retrieved January 6, 2010 from <http://www.baa.or.jp/newpage26.htm>
- Canadian Press. (2004, August 16). Thomson buys testing service. *The Globe and Mail*. Retrieved May 31, 2009 from <http://www.theglobeandmail.com/servlet/story/RTGAM.20040816.gtThomson0816/BNStory/Technology/>
- Chapman, M. (2003). TOEIC: Tried but undertested. *Shiken: JALT Testing & Evaluation SIG Newsletter*, 12 (2) 2-7. Retrieved December 29, 2009 from [http://jalt.org/test/cha\\_1.htm](http://jalt.org/test/cha_1.htm)
- Chapman, M. (2004). An interview with Kazuhiko Saito. *Shiken: JALT Testing & Evaluation SIG Newsletter*, 8, (2) 10-12. Retrieved January 9, 2010 from [http://jalt.org/test/sai\\_cha.htm](http://jalt.org/test/sai_cha.htm)
- Chapman, M. (2006). An over-reliance on discrete item testing in the Japanese business context. Paper Presented at the International Conference on English Instruction and Assessment, April 22-23, 2006, National Chung Cheng University, Taiwan.
- Chapman, M. & Newfields, T. (2008). The 'new' TOEIC. *Shiken: JALT Testing & Evaluation SIG Newsletter*, 12 (2) 32-37. Retrieved December 29, 2009 from [http://jalt.org/test/cha\\_new.htm](http://jalt.org/test/cha_new.htm)
- Charities Review Council. (2009). Accountability Standards 2009: Public Disclosure. Retrieved January 22, 2010 from <http://www.smartgivers.org/Disclosure.html>
- Chida, J. (2008). *Chida Junichi sensei kara no message* [A message from Chida Junichi Sensei.] Retrieved January 10, 2010 from <http://www.icconsul.com/centers/message005.html>
- Childs, M. (1995). Good and bad uses of TOEIC by Japanese companies. In J.D. Brown and S.O. Yamashita (Eds.), *Language Testing in Japan* (pp. 66-75). Tokyo, Japan: JALT.
- E-Communications. (2009). *Daikyuki houkokusyo Kabukikaisha E Communications*. [E Communications 9th Periodic Stock Report]. Tokyo: Author.
- ETS. (2006). TOEIC Report on Test Takers Worldwide, 2005. Retrieved January 9, 2010 from [http://www.ea.toeic.eu/fileadmin/free\\_resources/Europe%20website/3548-TOEIC\\_TTRep.pdf](http://www.ea.toeic.eu/fileadmin/free_resources/Europe%20website/3548-TOEIC_TTRep.pdf)
- Fellowship Inc. (2009). Fellowship Inc. Retrieved January 10, 2010 from <http://www.f-ship.jp/>
- FRIDAY. (June 12, 2009). *TOEIC: Kourei kaicho to shinmitsu josei shinbutsukakeiei no jittai*. [TOEIC: The truth of the elderly chair and his intimate woman's mismanagement]. pp. 14-16.
- GHRD. (2004). Web Site for Global Managers: About Us. Retrieved January 22, 2010 from <http://www.toeic.or.jp/ghrd/english/aboutus/index.html>
- Hirai, M. (2002). Correlations between active skill and passive skill test scores. *Shiken: JALT Testing and Evaluation SIG Newsletter*, 6 (3), 2-8. Retrieved December 29, 2009 from [http://jalt.org/test/hir\\_1.htm](http://jalt.org/test/hir_1.htm)
- ICC. (2008). *TOEIC, TOEIC Bridge setsumeikai and kouenkai*. [TOEIC, TOEIC Bridge explanation meetings and lectures]. Retrieved January 10, 2010 from <http://www.icconsul.com/seminars/toeic/index.html>
- IIBC. (2009a). *Heisei 20 do zaimu shohyo*. [2008 Financial Statement]. Tokyo.



- IIBC. (2009b). *Profile Kitaoka Yasuo*. Retrieved January 10, 2010 from <http://www.toEIC.or.jp/30th/secrets/1.html>
- IIBC. (2009c). *TOEIC testo no koushiki Nintendo DS softo ga tsuni ni toujou*. [Official TOEIC test Nintendo DS software is finally introduced]. Retrieved January 27, 2010 from <http://www.toEIC.or.jp/press/22.html>
- IIBC. (2009d). *Heisei 21 nen do shusei shushi yosansho*. [2010 Revised Revenue and Expenses Estimate Report]. Tokyo.
- IIBC. (2008a). *Heisei 19 do dai 23 ki jigyoukeikaku*. [2007 Business Plan]. Tokyo: Author.
- IIBC. (2008b). *Heisei 19 do zaimu shohyo*. [2007 Financial Statement]. Tokyo: Author.
- Ihara, H. & Tsuruka, T. (2001). TOEIC: Seikou no himitsu maaketiguteki shiten kara no bunseki. [The secret behind the success of TOEIC: An analysis from a marketing viewpoint]. *Nagano University Bulletin*, 32 (2), 32-52.
- JETRO. (2010). *JETRO Profile*. Retrieved January 9, 2010 from <http://www.jetro.go.jp/en/jetro/profile/>
- Johnson, C. (1974). The reemployment of retired government bureaucrats in Japanese big business. *Asian Survey* 14 (11) 953-965.
- Kyodo News. (2009, October 25). 'Amakudari' rules in state institutions. *The Japan Times*, Retrieved January 8, 2010 from <http://search.japantimes.co.jp/cgi-bin/nn20091025a4.html>
- McCrostie, J. (2006). Why are universities abandoning English teaching for TOEIC training? *On Cue*, 14 (2), 30-32. Retrieved January 7, 2010 from <http://jaltcue-sig.org/files/OnCUE/14.2content.pdf>
- McCrostie, J. (2009, August 11). TOEIC no turkey at 30. *The Japan Times*. Life in Japan > Features. Retrieved January 5, 2010 from <http://search.japantimes.co.jp/cgi-bin/fl20090811zg.html>
- McCrostie, J. (2009, August 18). TOEIC: Where does the money go? *The Japan Times*. Life in Japan > Features. Retrieved January 5, 2010 from <http://search.japantimes.co.jp/cgi-bin/fl20090818zg.html>
- Odyssey Communications. (2009). Fellowship Inc. Retrieved January 10, 2010 from <http://www.odyssey-com.co.jp/work/fellowship.html>
- Prey, R. (2001). How do you say 'imperialism'? The English language teaching industry and the culture of imperialism in South Korea. M.A. dissertation, University of Windsor.
- Watanabe, Y. (2003). *125 sai made watashi wa ikiru*. [I'll live to 125]. Tokyo: Sony Magazines.

## Appendix A. An Overview of IIBC and its Main Partners, 1986-2009

