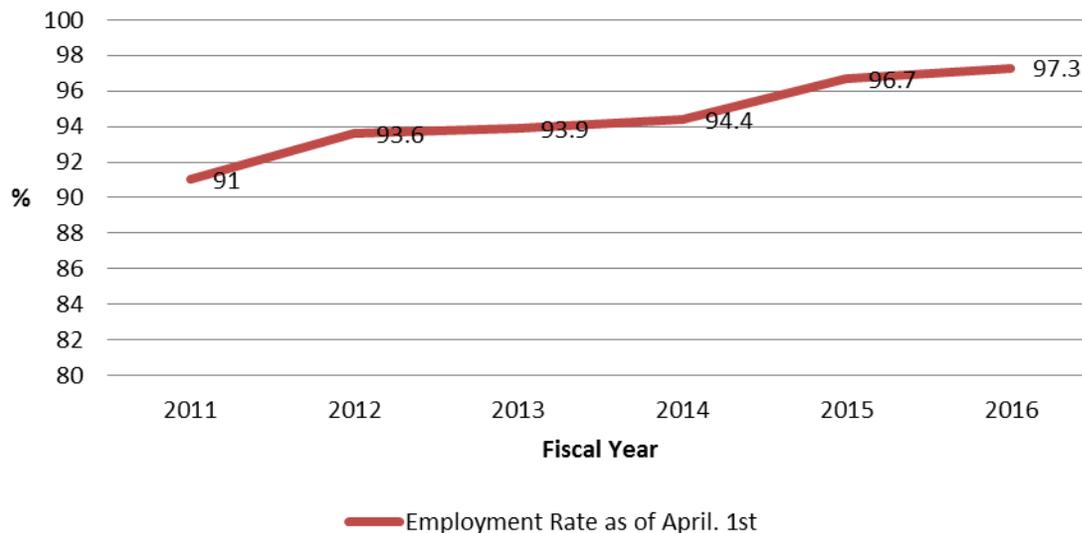


## The Japanese Job Hunting Market in Transition: *Understanding the New Schedule and Market Trends*

### **Introduction**

As of April 1<sup>st</sup> 2015, the employment rate of new graduates (from four year universities) went up to 97.3%, according to Japan’s Ministry of Health, Labor and Welfare (MHLW).<sup>1</sup> The number hit the highest figure in the 6 years. To one unfamiliar with Japan’s system, this is a shocking figure. Even the 2011 low, due to the 311 disaster, still boasted 91% employment for the graduating class, a number unthinkable in the United States.

**Figure 1. Employment Rate as of April 1st of New Graduates from Four Years University**



**Source 1: Ministry of Health, Labor and Welfare**

These high figures are due to Japan’s unique job hunting system and cycle, where university students collectively apply to secure job offers simultaneously. This cycle is a must for all

<sup>1</sup> Ministry of Health, Labour and Welfare, “平成 27 年度 「大学等卒業予定者の就職内定状況調査」, November 2015, <http://www.mhlw.go.jp/file/04-Houdouhappyou-11652000-Shokugyouanteikyokuhakenyukiroudoutaisakubu-Jakunenshakoyoutaisakushitsu/0000104559.pdf>

university students. If one misses the boat to get a job during this cycle, one is resigned to contract employment or staying back a full academic year to preserve the coveted new graduate status. Firms are only open to hiring new grads with no employment experience, and seek to hire these candidates at the same time and within the same cycle.

Students spend hours applying to about 50 companies by attending seminars, taking online tests, and sitting for video and in person interviews. The fact that most positions are not role specific but are generalist in nature paints an even more complicated picture. Art majors and business majors alike apply to the same types of jobs.

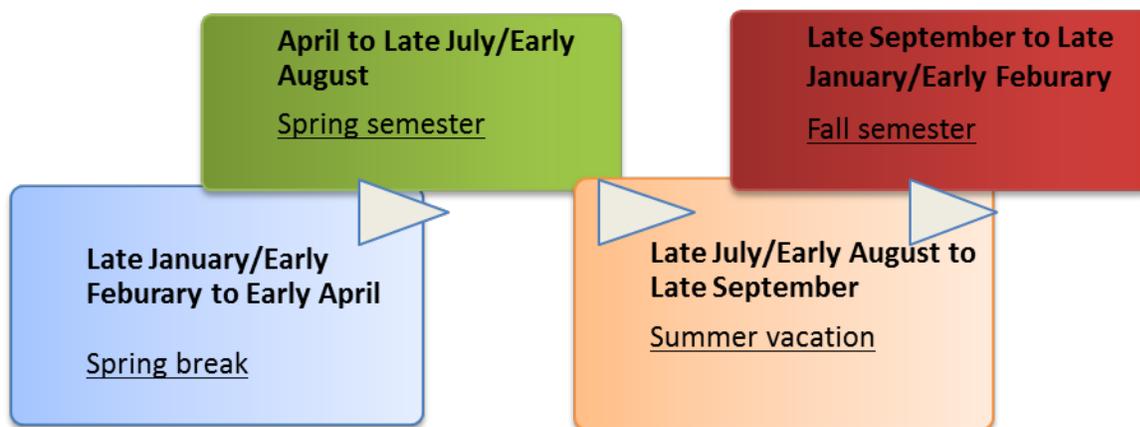
This system is truly unique to Japan and has been criticized for its inflexibility, how it affects the ability to study abroad, and even how it often keeps students away from concentrating on academics during their last two years in college.

This report will briefly introduce Japan's unique system to serve as a reference for U.S. companies contemplating hiring Japanese candidates, for U.S. education industry related stakeholders, and for others who are interested in how things work in Japan.

### **The Academic Calendar in Japan**

To understand the Japanese job hunting system, it is important to note that the school year and education system are different from the United States.

For Japanese universities, the school year starts in April and usually follows a semester system. Some universities do have programs that start in September, but participants still end up starting employment in April the year following graduation while trying to ensure that they are treated within new graduate status. Summer vacation starts a bit later than in the United States, and for some schools, spring break is the longest break. If one finishes exams in late January, sometimes he/she is free until April.



Universities set the maximum number of classes students can register for each semester, and the minimum number of credits they need to graduate. Both factors depend on a student's major and university. As students know that they will be occupied with job hunting from the end of their junior year to the summer of their senior year, they try to take as many credits as they can beforehand to save time for job hunting in the future. One who has planned well has cleared his junior and senior year schedules. It is not surprising for some seniors to have class only one day a week.

When Japanese students study abroad for a year, they usually leave Japan after spending their spring semesters of their sophomore or junior year in Japan. The typical model would be to return to Japan in May to catch with job hunting and academic work. With many companies commencing their hiring cycles in April of senior year, studying abroad can become a disadvantage. Returning in May puts those who have studied abroad a few months behind Japan based students who have been attending seminars or networking since March. This is one factor, along with a stagnant economy and declining birthrate, that has contributed to the decrease in long term study abroad numbers to the United States.

### **Internships in Japan**

Generally speaking, in Japan, it is now common for students to apply for internships in their junior year. Internships are slowly becoming more popular in Japan, and have become integral to job hunting.

Recruit Holdings Co., Ltd., one of the largest classified advertisement and human resources companies in Japan, surveyed the internship participation/offering rate of students and company. It is apparent that more and more students are now electing to participate in an internship.<sup>2</sup>

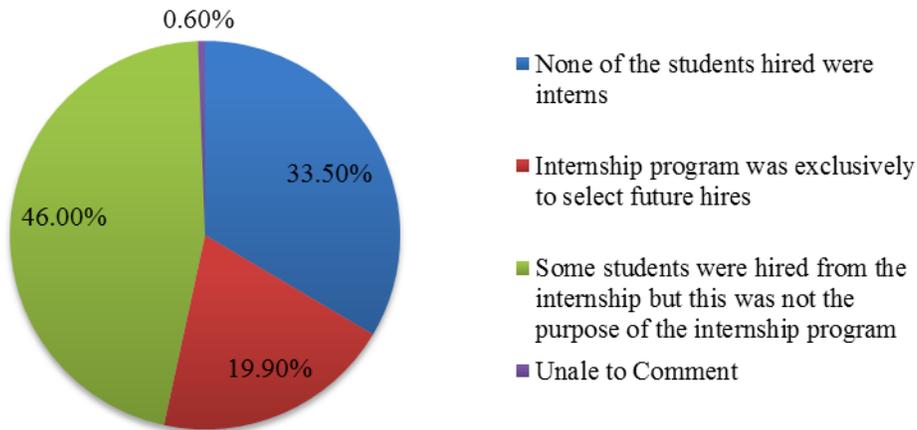
	Student		Company	
	Participated	Did not participate	Offered	Did not offer
2015	39.9%	60.1%	59.5%	40.5%
2014	26.9%	73.1%	49.9%	50.1%
2013	23.9%	76.1%	N/A	N/A

\*Poll based on university students surveyed in their 4<sup>th</sup> years on whether they had participated in an internship during their 4 years at college. From the company side percentages show whether internships were offered each year.

The company also surveyed how internships were connected to company hiring procedures. According to this survey, 59.5% of companies that hired new graduates offered internship programs from which students were hired during the fiscal year of 2015.

<sup>2</sup> Recruit Holdings Co., Ltd., “就職白書 2016 –インターンシップ編–,” February 2016, [https://www.recruitcareer.co.jp/news/2016/02/16/20160216\\_02.pdf](https://www.recruitcareer.co.jp/news/2016/02/16/20160216_02.pdf)

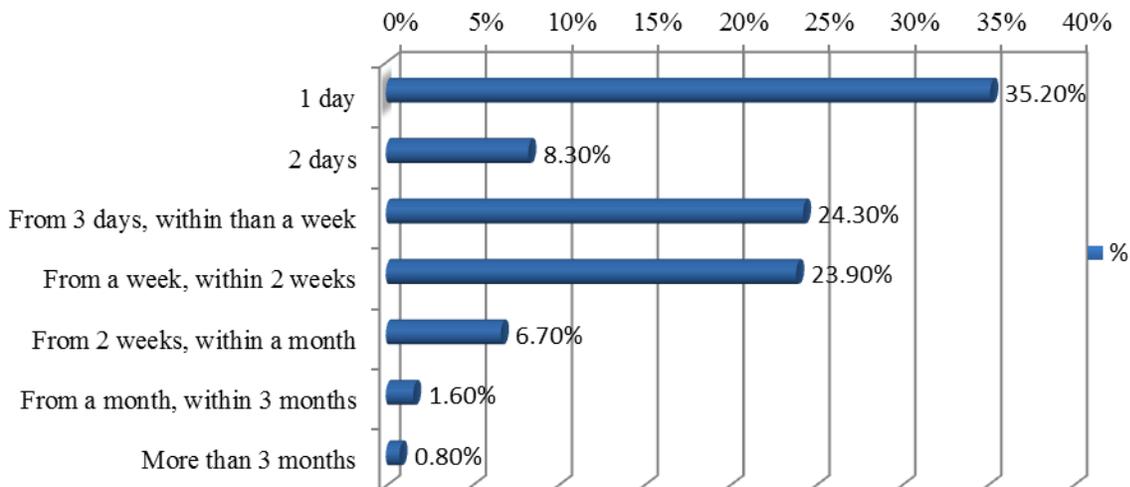
**Figure 2. Purpose and Result of Internship Offering**



The survey suggests that 66.5% of companies hired students who joined their internship program, though 46.0% said they did not hire those students only because of their participation in the internship program. Also, out of the 66.5%, 19.9% of companies answered that their internship program was directly established as a part of their hiring process.

Moreover, another survey done Recruit Holdings Co., Ltd. shows an interesting fact about Japanese internships and this would be the length of the internship programs.

**Figure 3. Length of Internship**

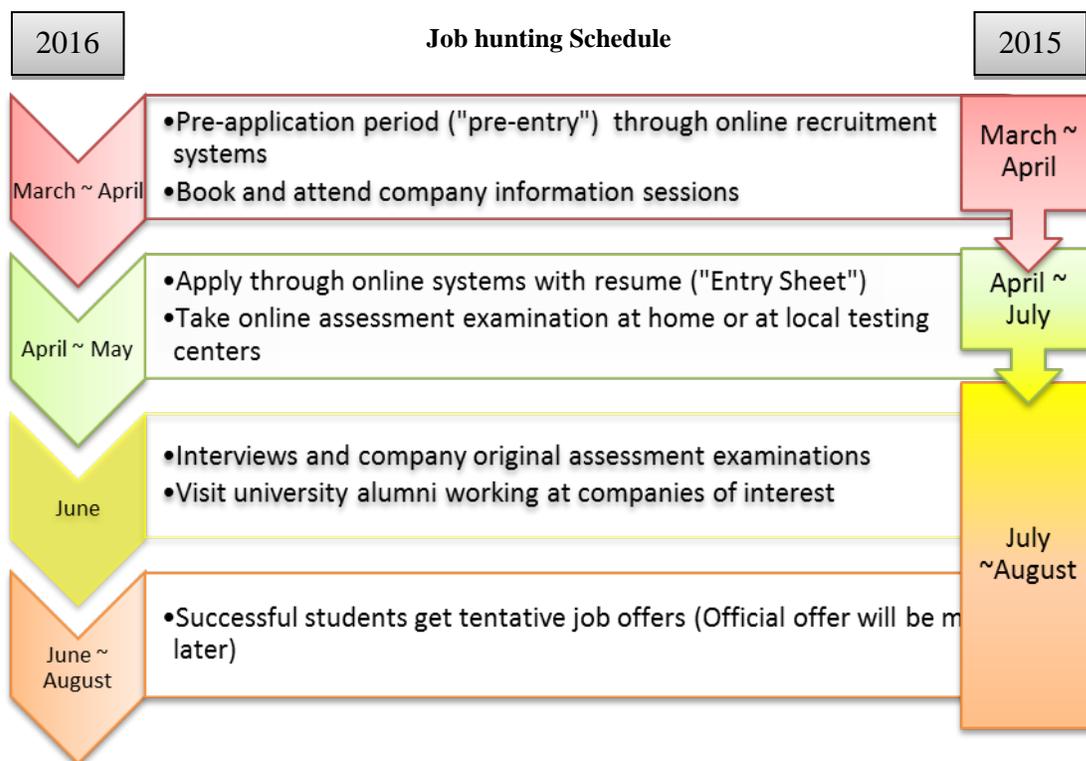


Americans would be stunned to see that 35% of the internships offered were one day programs. A shocking 97.6% of internships are shorter than one month, with only 2.4% being longer than one month.

Naturally, such internships tend to be extended observation periods where companies can make decisions about prospective candidates. Since they are at liberty to give out pre-job offers, they can even negotiate signed commitments from students during their junior year. For students, this

is appealing as their job hunt is finished, and they can spend the rest of their university career enjoying themselves. For companies, they can secure talent early and worry less about competing for additional candidates if they are able to secure a sizeable pool. While the official job hunt is not supposed to commence until Spring of Senior Year, the internship hunt starts Summer of Junior Year. If a student wishes to secure a job offer being physically in Japan during this crucial period is important, even if the internship itself is only 3 days.

### The Job Hunting Cycle in Japan



Keidanren, Japan’s biggest business lobby, sets the general rules and policies for the Japanese system. Members include 1,340 major firms, and 109 manufacturers/service industry firms, all of which are bound to follow the Keidanren guidance.<sup>3</sup> This system was created to allow member companies to review, interview, and hire prospective candidates from a large pool of job seekers, while prohibiting companies from selecting candidates on a first come first serve basis. Keidanren sets the date in which recruitment can officially begin including the release of information such as application deadlines, interview schedules, and even the dates for tentative job offers. However, while the system was created with best intentions, there are no penalties for noncompliance. Furthermore, subsidiaries of foreign firms are not required to abide by this schedule. While Keidanren recently changed the start of recruitment to Spring of Senior year, foreign firms can still start during Junior Year.

For the job hunting schedule prior to 2015, please read the market research written before: [“Understanding Japan’s Educational Market Implications of Japan’s unique job hunting process and its effects on Study Abroad numbers”](#)

<sup>3</sup>Keidanren, “経団連とは,” <http://www.keidanren.or.jp/profile/pro001.html>

The changes in the system were mainly made to allow students focus on academics. Prior to 2015, students began job hunting in midst of junior year, cutting classes, and being absent from school for few weeks/months was normal and accepted. The Japanese Government and Keidanren came to agreement that this should not be the case and determined that recruitment should commence in the Spring of Senior Year. What is unfortunate is that foreign companies and Japanese companies alike are skirting this requirement with their internship programs where they actually are still assessing candidates for employment along the original (and likely company preferred) timelines.

The biggest change with the schedule is that students and companies have less time in between the final offer to when students are scheduled to start working. Hiring decisions, pre-trainings, and final academic coursework all need to be finished earlier, and there really no longer is a sleepy senior year period where students can relax prior to becoming working professionals.<sup>4</sup>

### **Types of Employment in Japan**

In the United States, jobs are usually position specific. In Japan, the system is mainly a membership type system where workers belong to a company, switching roles every two to four years. For such membership systems, job specific skills are not as important. While there are some role specific positions in Japan, these are rare at traditional Japanese companies, and are more common at foreign companies. Employees have greater control in a role/job based system as they have a clear job description, career path, and are able to develop expertise. The membership system gives the employer more power, and the employer can dictate job location, hours, and specific duties. Employees become generalists, making it harder for them to look for new jobs without clear skills sets or expertise. Being a member ensures stability, and staying with the company typically allows for rewards towards the end of one's career. Traditional companies have structured pay increases based on years of service, and not necessarily on merit.

Under the membership system, employees are often hired with "tentative" position. After months of training, they will be assigned to an official position, and sometimes the position requires relocation if the company has several national/overseas branches. This uncertainty has driven career decisions for women who occasionally opt to start their careers in a non-career track despite being well educated.

In the history of Japanese workplace, men have taken a majority of the so-called career positions while women have veered towards non-career track positions. Non-career positions are easier to secure, and do not require relocation or overtime work. Furthermore, job duties are secretarial in nature. Women who join as a career track candidate can opt to go into the non-career track after life changes. However, such moves are permanent and only possible from the career track to the non-career track. There usually is no way to move from the non-career track to the career one despite demonstration of exceptional skills.

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<sup>4</sup> Nikkei Inc., "就活の解禁時期、1年で見直しへ," November 2015, <http://www.nikkei.com/article/DGXZZO93868170R11C15A1000000/>

## **Remaining Challenges**

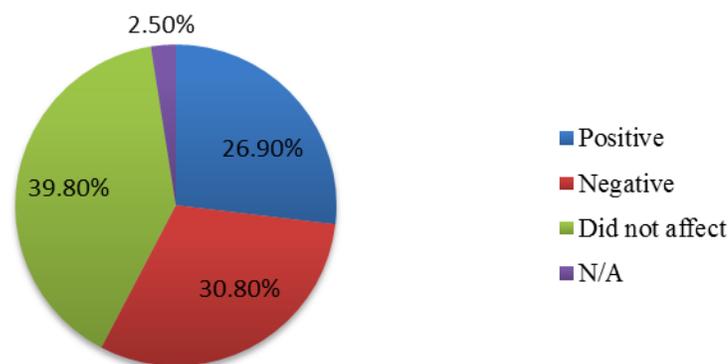
The need to globalize has been an issue of importance in Japan and changes have been made to encourage the development of internationally minded and skilled youth. The job hunting system has faced recent revisions to allow for students to concentrate more on being students as opposed to spending the last two years of university job hunting. However, challenges remain as life-long employment becomes less likely, and as students still end up spending the same two years looking for jobs.

With the new job hunting schedule, both students and companies must move at a very fast pace. For companies like SMEs, limited funds are available for recruitment purposes, making it difficult to attract qualified students. In the old systems there were work arounds where such companies could catch candidates at either the beginning or end of the job hunting cycles. However, now everything happens at once, leaving little leeway and increasing competition.

Also, because the length of the job hunting has been abbreviated, students have less time to research and apply to companies in general. Unless one is super motivated, he/she does not start researching companies until the commencement of the recruitment cycle in March. Considering that one must apply to 50 companies and sit for 15 interviews, this becomes a very challenging and stressful process. The default is that students apply in mass to the same brand name companies and that competition makes getting an offer even more challenging. It is far more likely for students to emerge jobless under this new cycle as there are not enough loopholes to catch them at the end and after the major companies have finished making decisions.

According to the Ministry of Education, Culture, Sports, Science and Technology in Japan, 30.8% of students who finished job hunting in fall of 2015 said they were not satisfied with the changes made to the system.

**Figure 4. How the New Schedule Affected 2016 Graduating Students' Job Hunting**



The new schedule has job hunting occurring during Senior Year. While most students do finish their classes prior to senior year, some students still do have a heavy course load and say that the changes do not allow them to fully concentrate on classes. Mid-terms and finals fall during the job hunt, and flexibility from professors is key in the student's being able to balance both.

However, this is a challenge as interviews come in last minute, and students must struggle to rearrange exams, mid-terms, and other obligations.

In March 2016, 269 students out of 4,010 graduating students from a prestigious private four year university in Tokyo, graduated without a job offer/plan to attend graduate school the following year. Under the Japanese job hunting system, this leaves this group with very few options. Considering the university level, it is a shocking statistic, and shows the upheaval the changes in the system have caused.

### **Opportunities for the U.S. Companies**

For the U.S. companies interested in hiring Japanese students, offering opportunities outside this cycle or at the Boston Career Forum may be options to consider. The Boston Career Forum is the largest bilingual job-fair in the world with over 200 companies interviewing students for opportunities in Japan. The fair was originally created to serve as an option for Japanese students studying abroad, but now welcomes students from Japan with English skills and study abroad experience as well. The company running the fair also does smaller ones in Los Angeles, New York, and London.

**Boston Career Forum:** <http://www.careerforum.net/event/bos/?lang=E>

For those looking to hire in Japan and outside of forums, advertising via the following websites can be one way to reach out to a bilingual Japanese audience.

<https://www.daijob.com/en/>

<https://www.careercross.com/en>

<https://japan.careerengine.org/>

<http://www.ewc.co.jp/DefaultEN.aspx>

<http://corp.en-japan.com/en/>

<http://www.pasonagroup.co.jp/english/>

[https://www.iicareer.com/index\\_e.php](https://www.iicareer.com/index_e.php)

For the truly determined, working with universities to create for credit internship relationships may be one way to secure talent.

It is important to note that the truly talented and unique may not be rewarded in Japan's traditional system. Those who are not cycled in may be the exact type of candidate that a U.S. firm would be seeking to hire.

As the Japanese system continues to change, so will the opportunities for U.S. firms looking to hire and U.S. companies looking for business chances. We encourage all stakeholders to keep an eye on the system in order to capture the unique needs of the Japanese market.

**Useful Links:**

American Center Japan

Email: [AmCtrJapan@state.gov](mailto:AmCtrJapan@state.gov)

Website: <https://americancenterjapan.com/>

EducationUSA

Website: <https://educationusa.state.gov/>

The American Chamber of Commerce in Japan

Phone: +81-3-3433-5381

Website: <http://www.accj.or.jp/en>

Recruit Holdings (Japanese private company)

Website: <http://www.recruit-rgf.com/>