

Recruitment in Japan and Switzerland

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September 2020

1 Introduction

The aim of this report is to outline the different ways of recruitment in Japan while focusing especially on the recruitment of new-graduates. The report elaborates on current changes in this system including the effect of COVID-19. Moreover, this report will compare the Japanese recruitment system of new-graduates with the Swiss one, especially in regards to the Swiss recruitment for Vocational education and training (VET) apprenticeships. Finally the report will conclude with my personal experience and opinion as a scholarship recipient of the Swiss-Japanese Chamber of Commerce (SJCC) under the programme "A Year in Japan" in autumn 2019.

2 Types of recruitment in Japan

In Japan job-hunting or the general activity of finding a job is usually called *shūkatsu* (就活), an abbreviated form of *shūshokukatsudō* (就職活動). This can be greatly be divided into the two sub-categories of *former graduates* *kisotsu* (既卒) and *new graduates* *shinsotsu* (新卒) [1].

2.1 Former graduates *kisotsu* (既卒)

People no longer enrolled in a school or university are considered *kisotsu* and are therefore not eligible for new graduates job positions and automatically fall into this category whether they have job experience or not. This is a job market where supply meets demand and is open all year round; hence often also called *tsūnensaiyō* (通年採用) - *all year recruitment*. This job market is the closest to the western job market and positions starting every month are available. The biggest part of job descriptions in this category requires previous job experience and are aimed towards people wishing for a *career change* *tenshoku* (転職). Therefore it is also very common that this category is called *mid-career recruitment* *chūto saiyō* (中途採用).

2.2 New graduates *shinsotsu* (新卒)

There are plenty of patterns on how people first enter the job market. In Japan there is a rather rigid job recruitment system for *new-graduates* *shinsotsu* (新卒). After upper secondary schools about half of the graduates proceed to university [2]. In their 3rd year in university students usually

| Timeline | Step |
|-------------------------------------|--|
| April 3rd year - January 4th year | Self-analysis |
| September 3rd year - June 4th year | Job and Company research |
| June 3rd year - February 4th year | Optional internship |
| March 1st of 4th year - June | opening of application |
| March 4th year - June | company seminars |
| June - September | start of interview process and selection |
| until October | unofficial job offer |
| October | official offer and new recruits ceremony |
| April 1st | start in position at company |

Tab. 1: New-graduate 1.5 year application procedure example

start to prepare for applying to jobs starting on April 1st after their graduation. This 1.5 year long process is called "Shinsotsu ikkatsu saiyo" (新卒一括採用) which can be translated as "simultaneous recruiting of new graduates". This system is an agreement introduced in 1953 by the Japanese Business Federation Keidanren, a business lobby of the leading 1300 major Japanese corporation and 100 group industries. The system was originally introduced after a post-war shortage of workers resulting in companies hunting for graduates and offering them lifetime employment in return for security and status for the Japanese firms [3]. The purpose of it is to synchronise and standardise recruiting with the goal to give all graduates and also companies the same chances for a good match. A typical application-process for new graduates under this system can be as seen in table 1. In the following sub-sections, each step will be further explained.

2.3 Self-analysis jikobunseki (自己分析)

The job-hunting for Japanese university students starts with a self-analysis in their 3rd year around April, almost 2 years before actually planning to start a job. The goal of this step to get to know the student's skill set and desired business field and how to best present it in interviews [4].

2.4 Job-and company research shokushu kigyokenkyū (職種・企業研究)

After getting to know themselves, starting from September students focus on studying their desired business area and companies in that area in more detail. This part also includes brushing up on knowledge for application tests when applying [5].

2.5 Internship intānshippu (インターンシップ)

While not in the same sense as in the West, internships have become more and more popular in Japan. It is a good opportunity to get to know a company and to see if the job fits ones expectation. It is not guaranteed that an internship will lead to employment but it will of course increase chances in the selection process [6]. There are usually two internships held, one in summer from June to September and one in winter from October to February. In a survey conducted in 2019, 63.4% of the surveyed companies have offered an internship [7, p. 41]. Although the

understanding of an internship in Japan differs greatly from the Western one. The most frequent type of internships offered is a 1 day internship which is being offered by 76.5% of the companies. 28.7% offer internships between 2-3 days while 37.3% also offer 1-2 week internships. Only 2.7% of the surveyed companies also offer internships longer than a month [7, p. 44].

2.6 Application entorishīto (エントリーシート)

Starting from March 1st in the final 4th year, companies post their jobs and job portals go online. Until 2020 it was forbidden for large companies of the Keidanren to start their recruiting process before March 1st. Students will then fill out application forms, entry sheets and submit it together with their CVs depending on the company. This is not to be confused with submitting of the students resumes and is merely marking a pre-step in the application process. [5].

2.7 Company seminars setsumeikai (説明会)

Also starting from March to June in the 4th year, companies will hold seminars for prospective employees. As a first step in the application process, applicants will attend these seminars. The goal is to not only gain as much insight into the company but also leave ones best impression as possible [5].

2.8 Interview process and selection mensetsu/senkō (面接/選考)

After the company seminars students will hand in their resumes starting mainly from June until September. The interview process may vary from company to company and actual interviews may be conducted earlier or later. The interview process mainly comprises of multiple interviews and tests. It is very common to conduct an aptitude test called tekisei kensa (適性検査) in the form of an SPI (Synthetic Personality Inventory) test [5]. Especially in the first few rounds, it is not uncommon for companies to hold group interview called shūdanmensetsu (集団面接) or gurūpu disukasshon グループディスカッション [6].

2.9 Unofficial and official job-offer nainaitai and naitai (内々定、内定)

As a final step of the interview process, and usually until October, most companies will have given unofficial job offers called nainaitai (内々定) to prospective employees. [4]. In October companies will hold a new recruits ceremony naitaishiki (内定式) and hand out official job offers naitai (内々定、内定). As this event usually takes place on October 1st in all companies, the candidate ultimately decides which offer to accept by attending the ceremony of that company; hence the company can be assured, that all attendees of the ceremony will actually start working on April 1st the following year.

2.10 Merits and demerits

The idea of a simultaneous recruitment has several benefits. One of which is the fact that all companies have the same possibility to hire all graduates of that graduation year and vice versa.

Secondly, it is cost-effective for companies to hire new-graduates in bulk at once. They can save on job advertisement, costs of job fairs and on-boarding costs [8].

From a student point of view, all positions in the simultaneous recruitment are new-graduate positions. In other systems, new-graduate jobs are mixed with positions requiring experience. Therefore it can be hard to distinguish jobs meant for new graduates and jobs for experienced professionals. Finding a job without experience can therefore be quite a hardship. In the simultaneous recruitment, on the other hand, all jobs are meant for new graduates and students apply with more or less the same level of experience [8]. The rigid structure also serves as a guideline for students and confuses them less helping them for a smooth start into their professional career.

While having benefits reasoning its introduction, the system of a simultaneous recruitment has also received critical reviews over time.

One main critique is that the system no longer works due to some companies not following the guideline and snatching away well performing students with early offers. Companies actually following the guideline will find themselves in a disadvantageous situation. This fact is putting the system out of balance and undermining its initial purpose.

Furthermore it puts a certain amount of pressure on students to find a job until graduation. Failing to do so, will force many students to do an extra-year at university and apply in the next employment cycle. Graduating from university is no option as the students need to be enrolled at a university to be eligible to apply for many new-graduate positions. This pressure also shifts the focus of the students in their final year to job-hunting rather studying resulting often in skipped classes and neglected studies. As soon as an offer has been signed, many students even abandon studies completely as they have secured a position and don't need to focus on further studies. However, some students even put so much effort in job-hunting so that they cannot attain the required credits to graduate. Even if they manage to get an offer, it may not be valid anymore as they didn't graduate; hence resulting in a void offer [9]. It's furthermore hard for students to do time-intensive degrees like science or physical education as these time-consuming studies often conflict with the job-hunting activities [3]. Not only studies conflict with the recruitment process, the long duration of the recruitment process of 1.5 years also makes it hard for students to study abroad as attendance during that time is crucial.

Additionally the system is greatly criticised of companies preferring students of renowned universities in information sessions up to the point of reserving seats for certain universities. This focus on universities rather than subject and field of studies leads to a mismatch between actual studies and field of work. It is very common for companies to hire graduates of a totally different field for a position. The reason for this lies in the fact that many traditional Japanese companies prefer talent to field of study. In Japanese work culture employees used to stay at the same company for almost their whole life, hiring has therefore been seen as an investment. Nowadays, however lifetime employment is vanishing and people change jobs more often, it is therefore becoming more important that the field of studies matches the job description. The traditional hiring style seems to put a burden on this [10].

2.11 Change in 2020

As mentioned earlier, this system of a simultaneous recruitment process has several downsides. Although the system has been adapted multiple times since its introduction in 1953, there are still many disadvantages. As a consequence, the Keidanren announced in October 2019 to lift these rules and guidelines starting from April 2020 on how firms should recruit new graduates. It is reasoned on the shrinking pool of new-graduates due to a low-birth rate and non-Keidanren members snapping up promising students before other companies. Therefore, the rules don't serve its original purpose anymore [3].

Some firms not in the Keidanren have already abolished the simultaneous recruitment process and included recruitment of new graduates in the *tsūnensaiyō* (通年採用) *all year recruitment*. One of them is Gaiax which introduced a flexible hiring window in 2013. The idea is to advertise for potential hires on the basis of their current skill set. As many employees leave the company after some years it is important to focus on employee's skills and attract people who strayed away from lifetime employment. As technology needs flexible skills and labour turnover is higher nowadays, lump-sum recruitment of new employees is no longer adequate.

Therefore Keidanren decided to abolish the policy, allowing for a more flexible recruitment system. However that doesn't mean there is no guideline anymore. With Keidanren abolishing the policy, the government took over the full responsibility for setting the recruitment process guidelines in a legally non-binding way. In the year 2020 the government decided to leave the process for 2021 graduates the same as in the previous year. Following guidelines remain as before: publishing job information and opening for application in March 3rd year, start of interview process and selection from June 4th year, and final offer from October in the 4th year [4]. The government assured to keep these guidelines for up until 2022 graduates and it is assumed that the guidelines will not change drastically afterwards [11].

2.12 Influence of COVID-19

With the spread of COVID-19 around January 2020 it also started to have a great impact on Japanese economy and also recruitment. Sony cancelled their company seminar in February. Nippon Life and Calbee announced that they will cancel their planned internships. Following this, numerous information seminars and internships have been cancelled or postponed and students were getting concerned about how they could continue their job-hunting [12]. As a counter-measure many companies have started holding web seminars and remote internships. It is assumed that the style of internships will also change drastically under the influence of COVID-19. Not only did companies cancel their events, but many job fairs were also cancelled from April on, especially after the government's request on March 25th to stop organising any large gatherings. To avoid contact with many people, companies also started having online interviews. Depending on the company, for the last interview round however classic face-to-face interviews are still preferred. Yet group interviews and discussions were put on hold and will probably not take place in the foreseeable future.

According to a survey by Tokyo Shoko research on April 17th 2020, 62.5% of the surveyed companies stated that COVID-19 already has an adverse effect on business [12]. It became also evident that for many students it became more difficult to find a job. According to a survey of the Ministry of Health, Labour and Welfare on the April 2nd 2020, for 56 students their job offers have

been cancelled in the meantime due to COVID-19. On May 28th, a strong leader in the Japanese aviation industry, ANA Group announced that it will temporarily stop all recruitment activities for 2021 graduates. Over all 37 companies in the group, this means cancelling 3200 new-graduates positions for 2021 in the aviation industry. JAL and Skymark Airlines have also announced to halt all recruitment activities for 2021 [12].

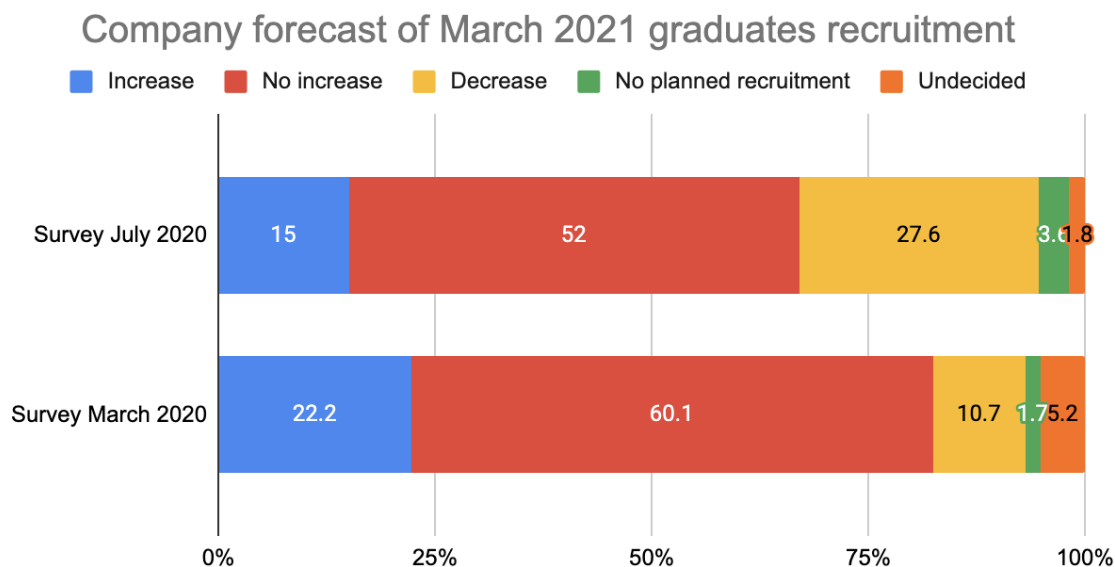


Fig. 1: COVID-19 influence: Survey of companies forecasting new-graduates recruitment in March 2021. Survey conducted by NHK in February and July 2020 [13]

According to a study by NHK conducted in July 2020 as seen in figure 1 on page 6, 15% of the surveyed companies foresee an increase of recruits for March 2021, whereas 27.6% foresee a decrease. Compared to the previous year, the percentage of companies forecasting a decrease has exceeded companies forecasting an increase in recruits. This is more than during the bankruptcy of Lehman brothers in 2011 where increase forecast was at 13% and decrease at 19.6% [13].

3 Vocational education and training (VET) in Switzerland

There are many ways on how people enter the job market after finishing their education. In case of Switzerland, apart from the tertiary education, there exists a strong vocational education system offering apprenticeships in various fields of work. The recruitment system of this system has certain similarities with the Japanese simultaneous recruiting of new graduates which will be pointed out later. In Switzerland, some people enter the job market just after finishing an apprenticeship at the age of around 19 years, some after finishing their university Bachelor or Master without regard to any fixed age. It is also very common in Switzerland to take a gap year after graduation or go travelling before starting a job.

Secondary school graduates targeting an apprenticeship career-path, usually around the age of 16, will proceed to start an apprenticeship in summer after their graduation. Depending on the profession, this apprenticeship will take 3 to 4 years and after completion enables graduates to enter the job market. Roughly two-thirds of adolescents choose this path [14]. To help deciding on an

apprenticeship at the age of around 16, many students decide to attend short trial apprenticeships (called "Schnupperlehre" in German) from several days up to about a week. The purpose of this is to get an idea which job might be suitable and appealing to them. Attending a trial apprenticeship is possible starting from the age of 13.

The education system in Switzerland is set in a federalism fashion so that the government sets national legislation and each canton has the authority to decide on its education system. While following the legislation set by the government, cantons may focus their education on their own culture and language [14].

This legislation also regulates the upper secondary level including VET. As a dual-track system VET consists of classroom instruction at a vocational school with an apprenticeship in a training company. During the final year of the compulsory education, students will search for an apprenticeship position offered by various companies.

To give all the students the same opportunities finding an adequate apprenticeship, the cantons administrate lists to which companies may submit open apprenticeship positions starting in the summer the following year. Cantons will then publish these lists around summer for students. Students may then simultaneously apply for these apprenticeships. In 2020 for example, the apprenticeship positions starting in summer 2021 have been published in summer 2020 starting with canton of Grisons and Zug on July 31 and ending with Liechtenstein, canton of Aargau and Solothurn on September 1st 2020 [15]. However these lists are merely a guideline and companies are not legally enforced to follow them and submit their apprenticeships on these lists. They may also publish the positions on their own website at any given time [16].

In case students didn't find an appropriate apprenticeship, there are various possibilities for students to bridge the gap for finding an apprenticeship next year, such as staying another year in school [17].

3.1 Comparison to Japan's simultaneous recruiting of new graduates

Various similarities can be drawn from the Japanese ikkatsu saiyō system and the Swiss VET system. Both systems include a rather long 1 up to 1.5 year recruitment process.

Both systems are based on ethical thinking of the companies and only work if all companies adhere to the set guidelines. As soon as jobs or apprenticeships are assigned outside of the agreed cycle to get the best performing graduates, the system is being undermined.

Moreover, the students face similar pressure to find a position in both systems. The pressure to find a job or apprenticeship in the final year before graduation is incredibly high, as it is a critical starting point into the professional career. While it does not need to be, for many it is a decision on which profession they will pursue for a considerable part of their lives. If students don't find an appropriate position, many choose to stay in school [17] in the Swiss system, or university in the Japanese system for another year and focus on reapplying in the next year's cycle.

Furthermore, the idea of the Japanese internships with a length of usually under two weeks is very similar to the Swiss trial apprenticeships. Both aim to provide the students with an insight into the field of work they might be entering and support their decision and search for a job.

Major differences include that in the Swiss VET system, students are considerably younger around at the age of 16 whereas in the Japanese simultaneous recruitment system students are university graduates at the age from around 21.

Furthermore, in the case of the Japanese system it was an agreement originally set by the Japanese Business Federation Keidanren that shifted towards the Japanese government, whereas in the case of the Swiss VET system it is a guideline set by the legislation of the Swiss cantons. Both of them are however not legally enforced to companies.

4 Personal experience

The second part of a Year in Japan intends the scholarship recipient to gain at least 6 months work experience in Japan. To achieve this goal, recipients are required to search an internship or position themselves before or when they go to Japan.

As the scholarship recipient has 6 months physically in Japan to find an internship or position while studying Japanese, finding a position as part of the new-graduates system is almost impossible. This is mainly due to the reason that when the cycle for new graduate recruitment starts, scholarship recipients are not yet in Japan, let alone haven even applied for the scholarship itself. Therefore I highly recommend to search for jobs in the *tsūnensaiyō* (通年採用) - *all year recruitment* as they are more similar to the Western job market. When searching for internships it is very important to pay attention to not aim for an internship directed towards new-graduates. As mentioned in the *subsection 2.5 internship*, only 2.7% of the surveyed companies hiring new-graduates also offer internships longer than a month.

I could however get a small taste of the Japanese interviewing practices when applying for a part-time job. For the first time I was in a group interview called *shūdanmensetsu* (集団面接) or *gurūpu disukasshon* グループディスカッション. Multiple candidates for one or multiple positions would be simultaneously interviewed by the interviewer. After answering certain questions one after another, small group discussions might be held. It is an opportunity to observe the candidates social interactions and behaviour. From the candidates it is expected to take a certain lead while not standing out too much and also giving other candidates opportunities to express their opinion which turned out to be a difficult balancing act. For companies hiring many employees for multiple positions at once, this type of initial interviews seem to be very common.

It is debatable whether a rigid or a flexible system is more suitable towards new-graduates. Regarding scholarship recipients however a more open all year recruitment is definitely easier to approach. Almost all jobs targeted towards foreigners are already exclusively in the all year recruitment system. In the case of Software Engineering these jobs tend to require mostly English and a Japanese level ranging from not required up to about JLPT N2. In that case the work-environment will be more international and mainly English speaking. In the case of my position, the whole software engineering division in my company is officially English speaking. However, understanding Japanese can be of great benefit even in this situation as often other divisions in the company may be Japanese speaking.

A flexible system might also help scholarship recipients and foreigners in general to more easily find a job. However, to enter a company as part of the SJCC "A Year in Japan" programme on April 1st, it is necessary to complete all change in residence status procedures by the end of January. Therefore it is advised to try to obtain a job offer before January so that there is still plenty of time to do so. Moreover, even in the all year recruitment, from my personal experience, the interview processes tend to be slightly longer than in Switzerland ranging from about two to three months with up to four interviews. Due to all of the reasons mentioned above it is highly advised to start the search for a job as early as possible, ideally soon after having arrived in Japan.

5 Conclusion

Based on the findings of this report, it can be concluded that a system with guidelines rather than legally binding rules is usually not followed by all companies. Therefore its existence is highly questionable. As a matter of fact, a system which is legally binding would need to be implemented. However this would be a very controlling and probably too strong influence from the government in the hiring of new graduates. Therefore I support the idea of including the recruitment of new-graduates in the regular all-year round recruitment cycle. While it might be a bit more challenging for the students without the rigid guidelines, I think it's the right timing for the students to face these challenges. Although Switzerland has a similar system for recruiting apprentices, I think the younger age justifies the set guidelines and support. Finally from the viewpoint of SJCC scholarship recipients a shift from the simultaneous recruitment system to an all-year recruitment system is definitely preferred.

6 Glossary

Glossary and list of relevant terms related to job-hunting in Japan

| Kanji | Romaji | Explanation |
|--------|-------------------------|--|
| 就活 | shūkatsu | job hunting, abbreviated form of shūshokukatsudō 就職活動 |
| 既卒 | kisotsu | former graduate, previously graduated |
| 新卒 | shinsotsu | new graduate |
| 新卒一括採用 | shinsotsu ikkatsu saiyo | simultaneous recruiting of new graduates |
| 通年採用 | tsūnen saiyo | all year recruitment |
| 中途採用 | chūto saiyo | mid-career recruitment |
| 転職 | tenshoku | career change, change of occupation |
| 集団面接 | shūdanmensetsu | group interview |

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