

January 20, 2020

**Even amidst Covid-19, scarcity of bilingual talent in Japan persists.
60% of businesses plan to give 1-5% pay rises for mid-level employees in
2021**

Specialist professional recruitment firm Robert Walters Japan announced the launch of its digital "Salary Survey 2021," which summarizes hiring trends and salary levels for thousands of roles in around 30 countries including Japan and survey findings based on responses from 300 companies and 4,062 company employees working in Japan (mainly in Tokyo and Kansai).

Talent shortage in Japan continues even amidst pandemic; increased hiring in tech companies and businesses related to e-commerce and online services

While the Covid-19 pandemic caused significant impact across many businesses globally, Japan still remains a talent short market. Although the jobs-to-applicant ratio declined from a record-high of 1.6 down to 1.04 at the end of November 2019, some industries are still experiencing an acute shortage of qualified candidates. With people spending more time at home, usage of online services and digital technology has skyrocketed. The proliferation of telework as well as the acceleration of digitalisation have driven hiring demand for cloud and network engineers and IT security specialists among tech companies. E-commerce, gaming, and mobile app businesses related to e-learning, medical technology and food delivery have also been aggressively hiring for roles such as mobile and web developers and data scientists.

Over 60% of businesses plan to give pay rises to mid-level employees in 2021

Of the 300 companies surveyed, 66% of companies are planning to increase salaries by 1-5%

or more for mid-level employees who make up the core of their workforce. On the employee side, 40% expect a salary increase of 1-3% while 28% expect an increase of 4-6%. The expectations of companies and professionals are aligned in that both foresee salary increases in 2021 to be more subdued given the economic impact of Covid-19.

Gap between companies' responses and employees' expectations for bonus

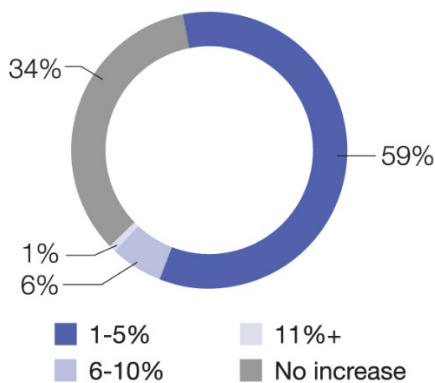
In terms of expectations for bonuses, 75% of companies plan to give bonuses to employees. A bonus of 1-5% of the total base salary was the most common response across all seniority levels. On the other hand, the survey also discovered that 22% of company employees expect no bonuses. When the rest (78% of the total) were asked about how much of a bonus they were expecting, the most frequent response was a bonus of 21% or higher (36%). These results indicate that there is a mismatch between the expectations of candidates regarding bonuses and the realities of employers' situation. Nevertheless, for positions in which there is a particularly acute shortage of talent, candidates with in-demand skills could negotiate for higher salary increases. Given this, offering attractive compensation will be key in the competition for talent in 2021.

In response to the survey results, Jeremy Sampson, Managing Director at Robert Walters Japan commented: "The Covid-19 pandemic has not only transformed how people work but also what professionals value and prioritise most in the workplace. We have seen factors such as convenient work commutes which were highly prioritised in previous years, drop dramatically in the rankings. In contrast, factors such as having motivational and inspiring colleagues and work culture are more valued these days. Even amidst Covid-19, Japan's job market will continue to face a declining workforce and chronic shortage of skilled professionals due to the declining

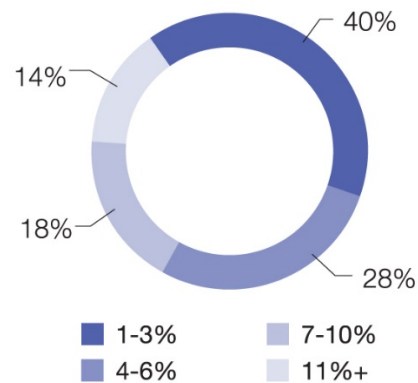
birthrate. As the market recovers, companies that can offer what employees value most and remain agile in their hiring processes will come out on top in the fierce competition for bilingual talent.”

For trends by industry and job role, please access our Salary Survey 2021 [here](#).

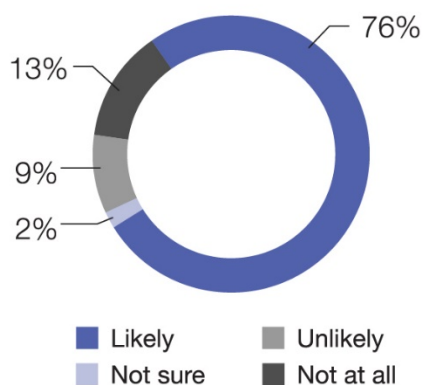
How much of a salary increase do companies plan to give employees in 2021?



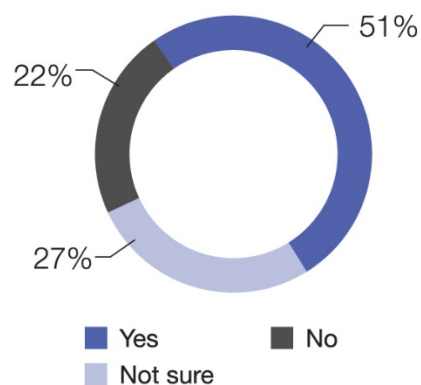
How much of a salary increase do employees expect in 2021?



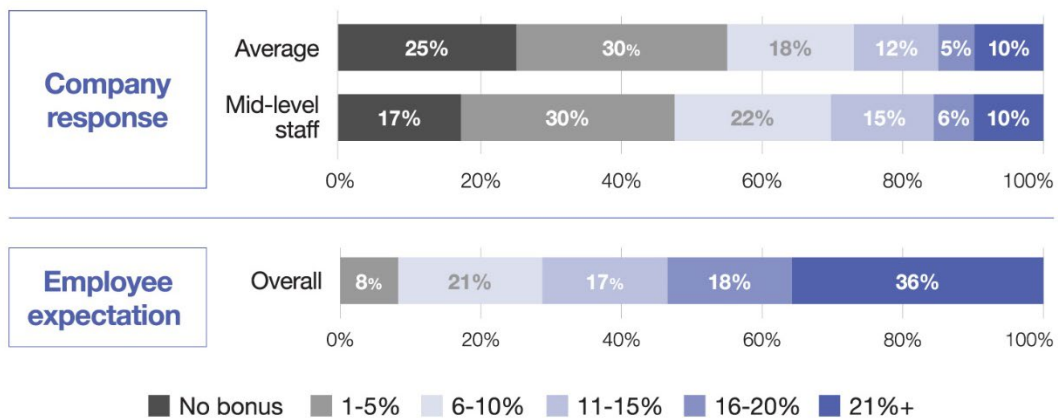
How likely are companies giving a bonus to employees in 2021?



Are employees expecting a bonus in 2021?



Expectations of bonus size in 2021



About Robert Walters Japan:

Established in London, United Kingdom, in 1985, Robert Walters is a specialist recruitment consultancy with operations in 31 countries around the world. Robert Walters Japan established its Tokyo office in 2000 and Osaka office in 2007. For 20 years, we've been a driving force in the Japanese bilingual recruitment market, providing high quality candidates for our clients and access to the best jobs. Our consultants are experts in their respective industries and work in teams to provide recruitment consultation services across a wide range of industries and job categories.

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