

ROBERT WALTERS WHITEPAPER

EMPLOYEE INSIGHTS SURVEY 2017

ROBERT WALTERS

INTRODUCTION

The staffing shortages in Japan's labour market today are more pronounced than those seen during the "bubble" period. As a result, it is safe to say that regardless of their industry or scale, all companies are currently trying to uncover the key to retaining talented employees and overcoming competition when recruiting new personnel. The staffing shortages also mean that the labour market is now a sellers' market with jobseekers now having the advantage. With jobseekers now receiving offers from multiple companies, what conditions are required for them to settle on a particular company and accept an offer? This survey looks at uncovering these key points based on the responses of approximately 1,400 bilingual specialists¹ working at the forefront of foreign-owned and global Japanese firms.

¹ "Bilingual specialists" refers to people with specialised skills, knowledge, and experience, who use both Japanese and English in their work.

CONTENTS

- 01** 70% would like to change jobs within a year
- 02** The potential benefits of enhancing company culture
- 03** How to attract the interest of talented professionals
- 04** How to outperform competitors in the acquisition of talented employees

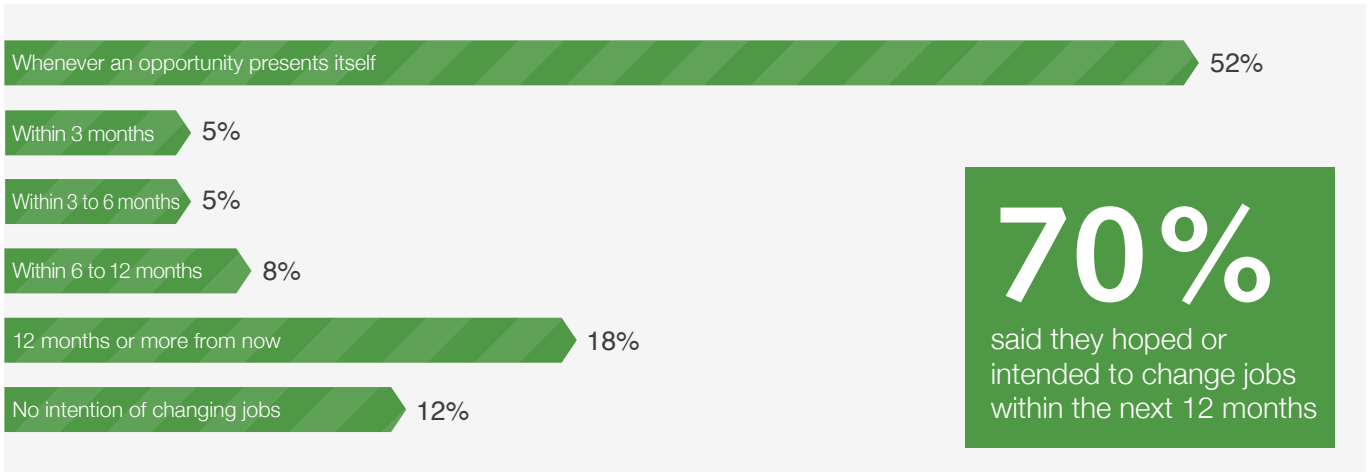
THE MOST HIGHLY REGARDED WORK-STYLE INITIATIVES

- 01** 96% want to take advantage of flexible work styles
- 02** The key points are work-life balance, commuting cost burden, and study
- 03** The desire to work in a flexible manner vs. being able to do so with ease
- 04** The most desired work-style initiatives

70% WOULD LIKE TO CHANGE JOBS WITHIN A YEAR

We asked approximately 1,400 bilingual specialists working at the forefront of foreign-owned and global Japanese firms when they thought their next job change would be. 70% responded that they hoped or intended to change jobs within 12 months.

Timing of next job change

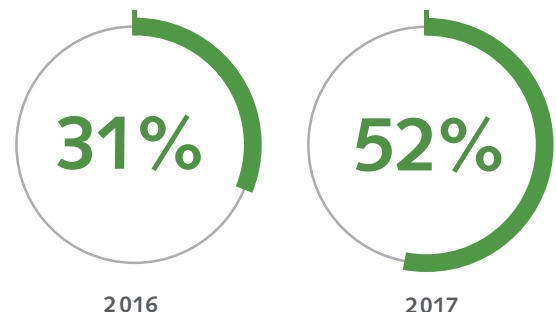


52% of the respondents stated that they were prepared to change jobs at any time if the opportunity presented itself. This was substantially more than the 31% of respondents who responded in such a way in the previous survey (October 2016).

One factor may be that workers, including those actively seeking a job change, know that jobseekers have the advantage in the current sellers' market for jobs. Robert Walters' multiple surveys of its registered bilingual specialists have shown many to be highly ambitious with a desire to independently develop and grow their careers. The results also suggest workers are proactively seeking challenge and advancement in the current sellers' market.

When focusing on respondents who stated their salary had increased 10% or less/remained unchanged/decreased when shifting to their current job, 56% said that they would like to change jobs at any time if the opportunity presented itself—higher than the 52% of overall respondents who provided this answer.

Would like to change jobs at any time if the opportunity presented itself



ARE SALARY INCREASES AN EFFECTIVE WAY TO ACQUIRE HUMAN RESOURCES?

39% of respondents who indicated their salaries had increased by 30% or more when shifting to their current job responded that they would change jobs 12 months or more from now or had no intention of changing jobs. Only 27% of respondents whose salaries increased 10% or less/remained unchanged/decreased provided the same responses.

Many companies now offer higher salaries to beat the competition in securing talent. This survey demonstrates the effectiveness of that approach.

Proportion of those who responded that they would change jobs 12 months or more from now or had no intention of changing jobs grouped by salary increase rates



THE POTENTIAL BENEFITS OF ENHANCING COMPANY CULTURE

The top 3 complaints of respondents who intend to change jobs within half a year



The top 3 things respondents who do not intend to change jobs within a year are satisfied with



For respondents who said they hoped to change jobs within a year, we asked them what aspect of their current job they would like to see improved; we received almost an equal number of responses for salary and company culture. In addition, 13% of those who responded that they do not intend to change jobs within one year said company culture is what they were most satisfied with, indicating a strong correlation between company culture and employee retention rates.

Like personalities, there are no inherently good or bad company cultures. What employees see as favourable or unfavourable all comes down to their individual preferences. However, since company culture is directly connected with ease of communication between colleagues and ease of accomplishing work duties, both of which greatly determine how easy it is to work at a particular company, company culture is a crucial work-related consideration for employees. Providing concrete examples of company culture during the recruitment stage not only helps prevent situations in which employees quit their jobs soon after joining a company, it can also be used as a selling point to attract talented professionals who may feel that they are compatible with a company's culture.

Specific examples of this could include an absence of barriers between departments allowing interdepartmental collaboration to take root, non-hierarchical relations and active discussion between supervisors and subordinates, a tendency to move forward with each process in a careful manner, and rapid managerial decision making. Providing a summary of company culture in terms of 1. Communication, 2. Values and vision, 3. Priorities (the aspects of work that are given priority), etc., and trying to sell potential employees on this can be expected to have a positive impact on attracting talented employees and improving retention rates.



Explaining company culture by summarising it in the manner below can be expected to have a positive impact

- ① **Communication**
- ② **Values and vision**
- ③ **Priorities**
(the aspects of work that are given priority)



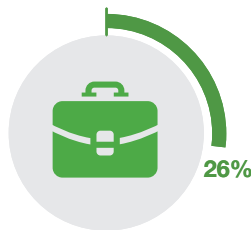
62%

hope to change jobs
within 6 months

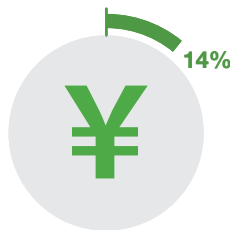
HOW TO ATTRACT THE INTEREST OF TALENTED PROFESSIONALS

DURING THE RECRUITMENT PROCESS, EMPHASISING COMPETITIVE SALARIES AND REMOTE WORKING PROGRAMMES IS EFFECTIVE

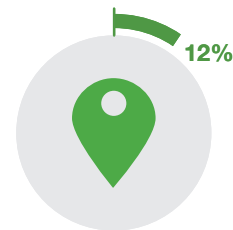
Top 3 things respondents are satisfied with about their current jobs



1. THE WORK ITSELF



2. SALARY



3. WORKPLACE LOCATION

Close to 30% of the survey respondents said they were satisfied with the work they carry out in their current jobs. The survey results also show that after the work itself, salary and workplace location are of the greatest importance to respondents.

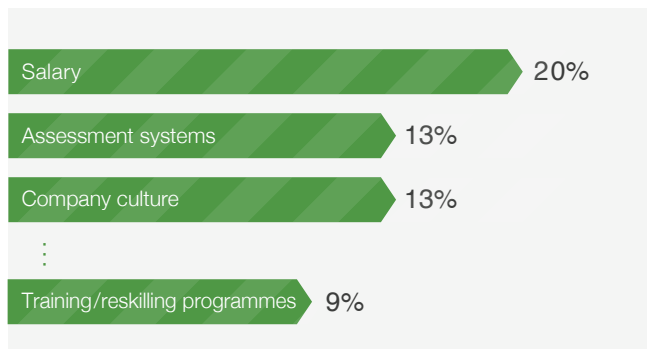
By appealing to candidates with the salary and workplace location in addition to the work itself, it may be possible to earn the interest of candidates and outperform competitors in acquiring the most talented employees. If a company has a remote working programme allowing employees to work from home or from satellite offices, proactively emphasising this may also be an effective approach.



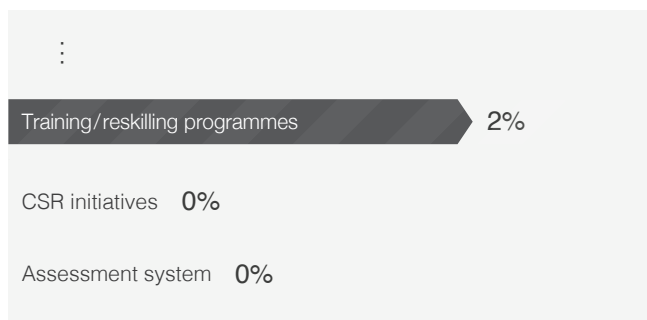


INCREASING RETENTION RATES BY ENHANCING ASSESSMENT SYSTEMS AND TRAINING/RESKILLING PROGRAMMES

Top 3 aspects of their current jobs that respondents would like to see improved



The least common responses regarding which aspects of their current jobs respondents are most satisfied with



The top aspect of their current jobs that respondents would most like to see improved was salary, followed by assessment systems and company culture. Enhancing assessment systems and training/reskilling programmes (two of the least common responses regarding which aspects of their current jobs respondents are most satisfied with) would appear to be the key to improving work satisfaction levels.

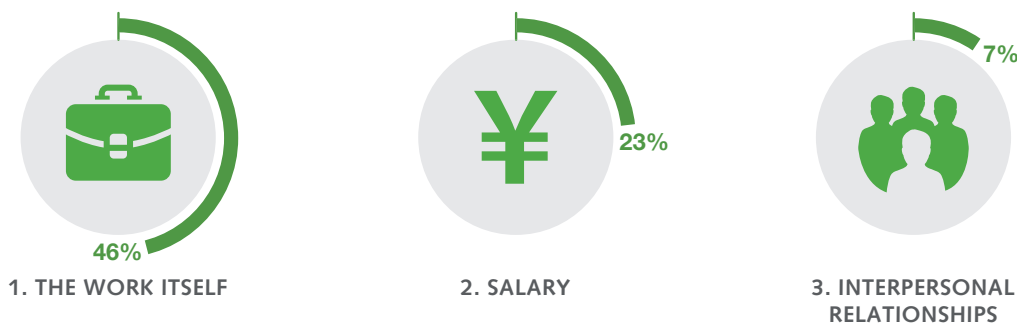
Formerly in Japan, lifelong employment and seniority by length of service were deeply entrenched in most companies, and base salaries (salary ranges) were determined by the age of each employee. It was rare for employees to be rewarded for their capabilities or performance with salaries that exceeded their set salary range or to be rewarded with additional responsibility. The results of this latest survey, however, indicate that workers currently want to improve their performance by enhancing their capabilities, and they also want to have their performance assessed fairly.

In addition to working toward enhancing salaries and company culture in the mid- to long-term, tackling the relatively simpler tasks of revising assessment systems and revising and creating training/reskilling programmes appears likely to help incentivise employees and boost their ambition. Improvements in employee performance and productivity can be expected to bolster companies' competitiveness and business results.

HOW TO OUTPERFORM COMPETITORS IN THE ACQUISITION OF TALENTED EMPLOYEES

ROUGHLY 70% DECIDE TO CHANGE JOBS BASED ON SALARY AND THE NATURE OF THE WORK ITSELF

Top 3 determining factors behind employee decisions to change jobs



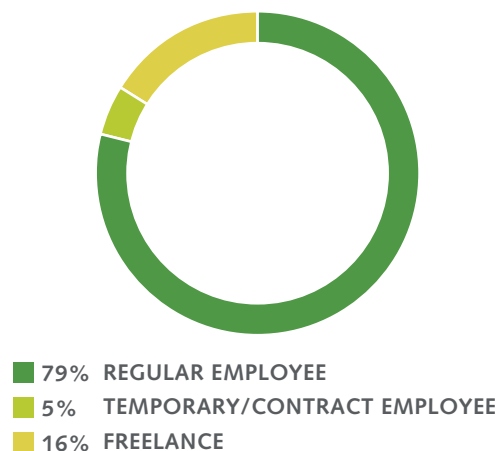
When deciding on a new job, workers place great emphasis on salary and the nature of the work itself. Approximately half of respondents to surveys such as this one mention the nature of the work itself as a factor. The bilingual specialists targeted by our survey often prioritise their career progression, so they want to engage in work that they feel is meaningful. This also motivates them in their work, and salaries, which often indicate the degree to which a company values an employee, are also seen as an important factor in their career development.

As indicated by the responses to the question on the right, the majority of workers would prefer to join companies as regular employees, indicating that satisfaction with salaries and the nature of the work itself are essential elements when planning out a career leading up to retirement. In order to overcome competition for talented professionals amidst the current serious labour shortages and the sellers' market conditions, it is clear that offering competitive salaries is an effective approach when extending informal job offers.

These results also suggest that differences relating to perceptions of the nature of the work itself can end up accelerating moves by employees to change jobs.

In fact, regarding what aspect of their current job they are most satisfied with, the most common response from those who did not intend to change jobs within a year was the work itself. To maintain a high employee retention rate or increase one's employee retention rate, when interviewing candidates it is important to provide them with an adequate explanation of the work they would be doing after joining the company.

If the same level of pay could be ensured, which form of employment would you select?



Top 3 things that respondents who did not intend to change jobs within a year are satisfied with about their current jobs



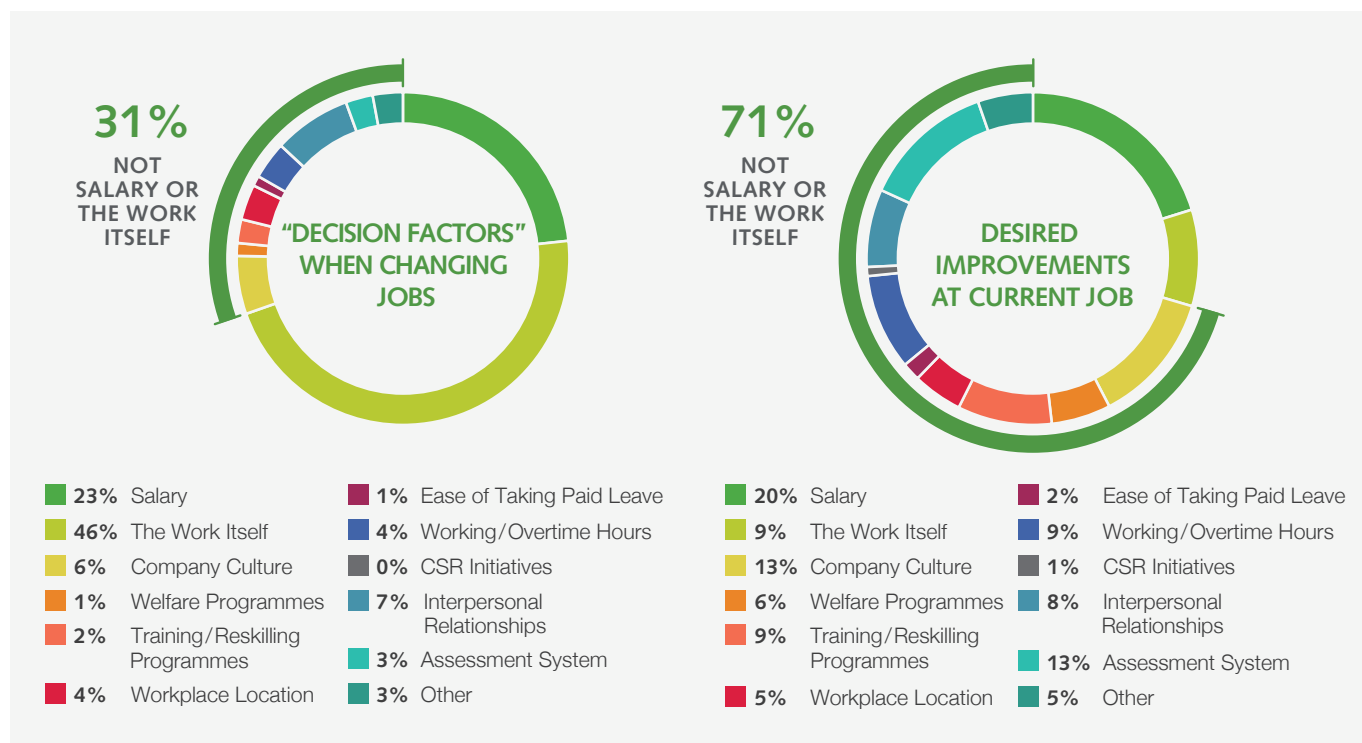


79%

If the same level of pay could be ensured, 79% of bilingual jobseekers would choose to work as regular employees over working as temporary/contract or freelance employees



THE MOST HIGHLY REGARDED WORK-STYLE INITIATIVES



While just over 30% of respondents gave reasons aside from salary and the work itself as decision factors when changing jobs, 71% of respondents expressed dissatisfaction with work-style factors such as assessment systems, training/reskilling programmes, work/overtime hours, and work location, indicating these factors are the ones they would most like to see improvements in at their current job. It is certainly natural for the salary and contents of the work to be most important when changing jobs. However, companies that wish to acquire top talent in this sellers' market created by the labour shortage can find key hints in the results given that over half of respondents cited work-style factors as their most desired areas of improvement. We have attempted to capture the practical needs of jobseekers by incorporating questions about work style into this survey.

96% WANT TO TAKE ADVANTAGE OF FLEXIBLE WORK STYLES

For Japan to maintain economic growth amidst a labour shortage influenced by factors such as the low birth rate, it must adopt more flexible work styles. Recently it has become common to see news related to the term “work style,” from the vigorous movements to secure human resources through support for the engagement of women (who make up half the Japanese population) and post-retirement seniors, to the announcement of “exploitative enterprises,” which are influenced by issues such as death by overwork.

More companies are beginning to adopt initiatives which support flexible work styles such as a four-day workweek, working from home, and permission for second jobs. This is done ahead of governmental initiatives in establishing a supportive environment, and it creates an atmosphere where jobseekers can also clearly imagine which policies would be the most personally beneficial. In this survey, 96% of respondents said, “if there were company initiatives supporting the use of flexible work styles, I would like to use them.”



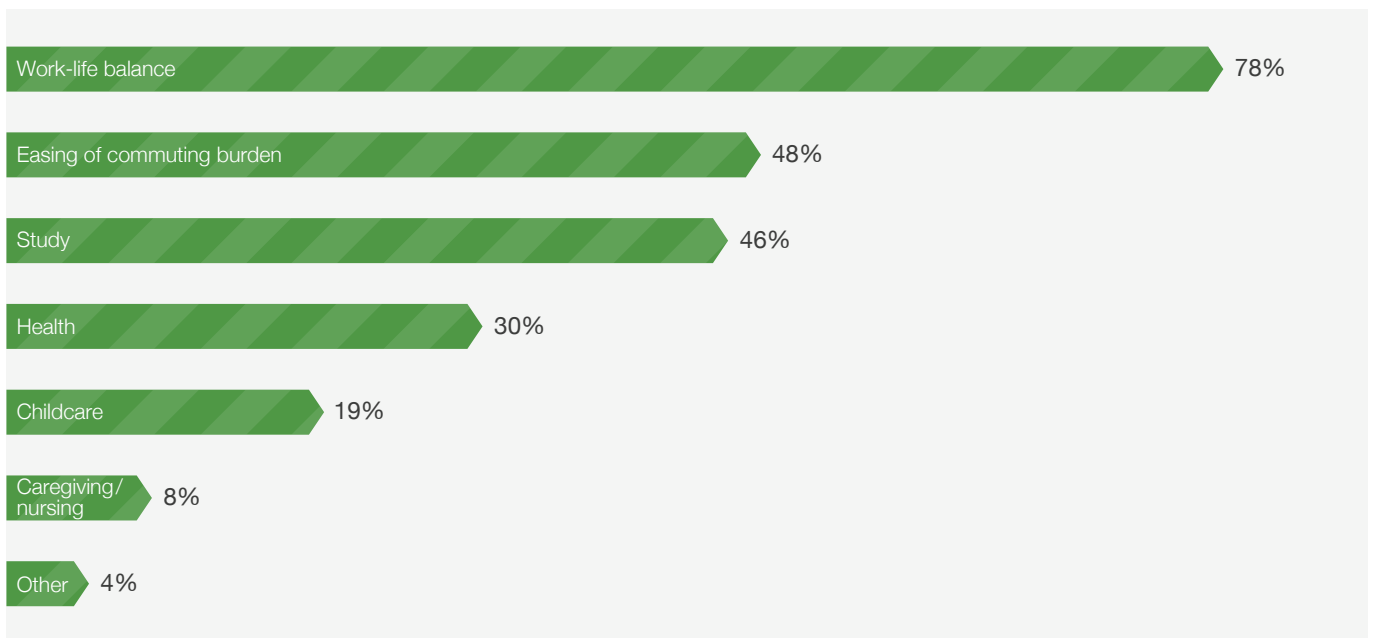
THE KEY POINTS ARE WORK-LIFE BALANCE, COMMUTING COST BURDEN, AND STUDY

When asked why they wanted to use flexible work-style initiatives, 78% overall and 88% of women responded with “to improve my work-life balance.” As more employees make efforts to improve their work-life balance such as eliminating unnecessary tasks and projects to improve productivity, they may also be hopeful that their employers would support them by creating a company culture that encourages the use of these initiatives.

88%

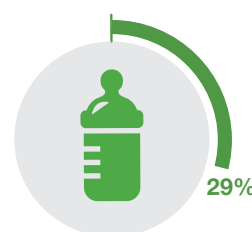
Women seeking to improve their work-life balance are increasing

The usefulness of work-style related policies

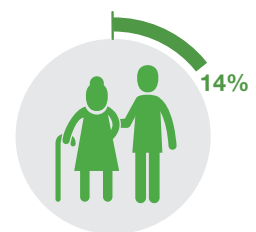


Additionally, approximately half (46%) of all respondents said, “I would like to improve myself,” and the proportion increases to 51% among the employees of Japanese companies. These results show that work-life balance, commute, and self-improvement are the key points to focus on when considering work-style initiatives.

29% of the child-raising 35-44 age group responded with childcare, and 14% of the older 55-64 age group responded with caregiving.



CHILDCARE
35-44 Y.O.



CAREGIVING
55-64 Y.O.

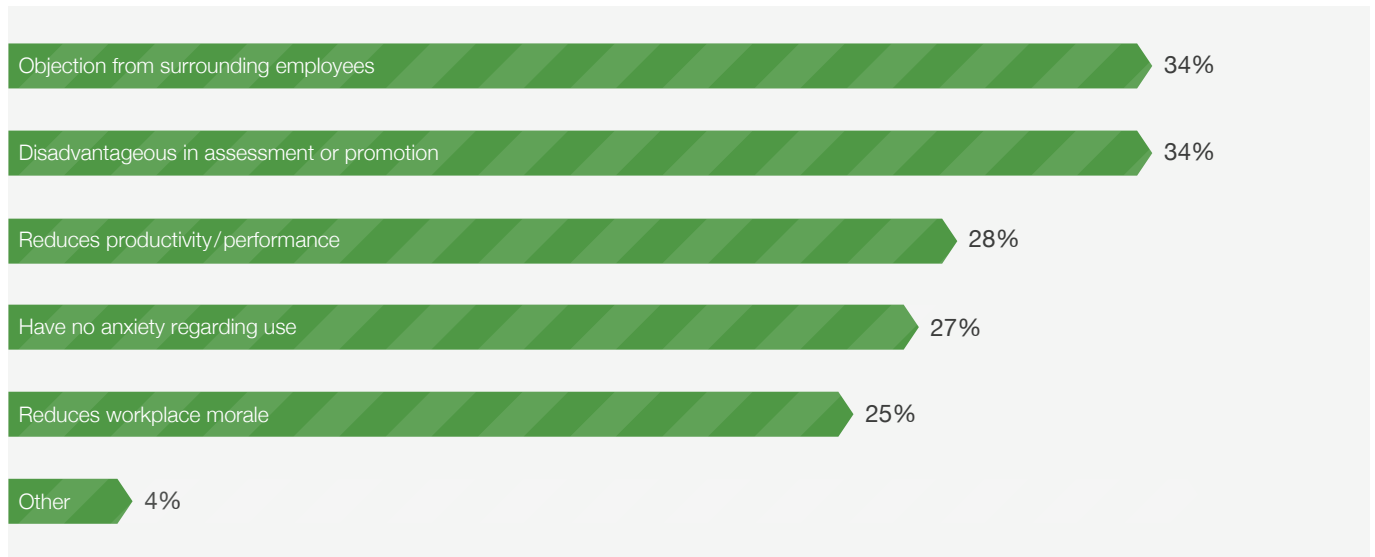


73%

Among respondents who want to take advantage of flexible work styles, 73% feel they are difficult to utilise

THE DESIRE TO WORK IN A FLEXIBLE MANNER VS. BEING ABLE TO DO SO WITH EASE

Reasons flexible work styles are difficult to use

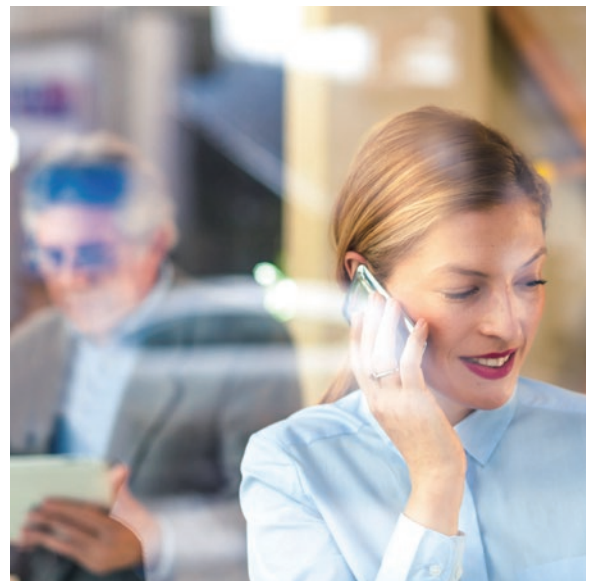


While 96% of respondents answered that they would like to use flexible work-style initiatives if they were available, 73% indicated some form of anxiety regarding the use of such initiatives.

One of the two most common answers was “disadvantageous in assessment or promotion” (34%). Many workers are concerned that if they use initiatives such as flex-time or working from home, they will be at a disadvantage to employees who did not use the initiatives when it comes to assessments and promotion. “Objection from surrounding employees” was the other top-ranking concern with 42% of women expressing this particular anxiety. The next most common concern was a decrease in productivity indicated by 28% of all respondents.

With almost 3 in 4 workers feeling that flexible work-style initiatives are difficult to use, there is little chance they will see proactive utilisation. Therefore, simply creating initiatives is not enough to provide an environment that is easy to work in and innovations to create systems that make those initiatives easy to use by employees are essential.

Based on the responses we received, a promising approach when creating a system to encourage use of work-style initiatives would be to focus on reviewing assessment systems, maintaining impartiality with employees who do not utilise the initiatives, and systemizing productivity management. Practical examples of innovations include adopting a meritocracy where employees are evaluated based on achievements and productivity, giving employees who do use flexible work-style initiatives the same volume of work and achievement targets as employees who do not, and establishing information sharing rules to avoid negatively impacting team cooperation and progress management even when working remotely.



It is essential to create systems that make flexible work-style initiatives easy to use by employees

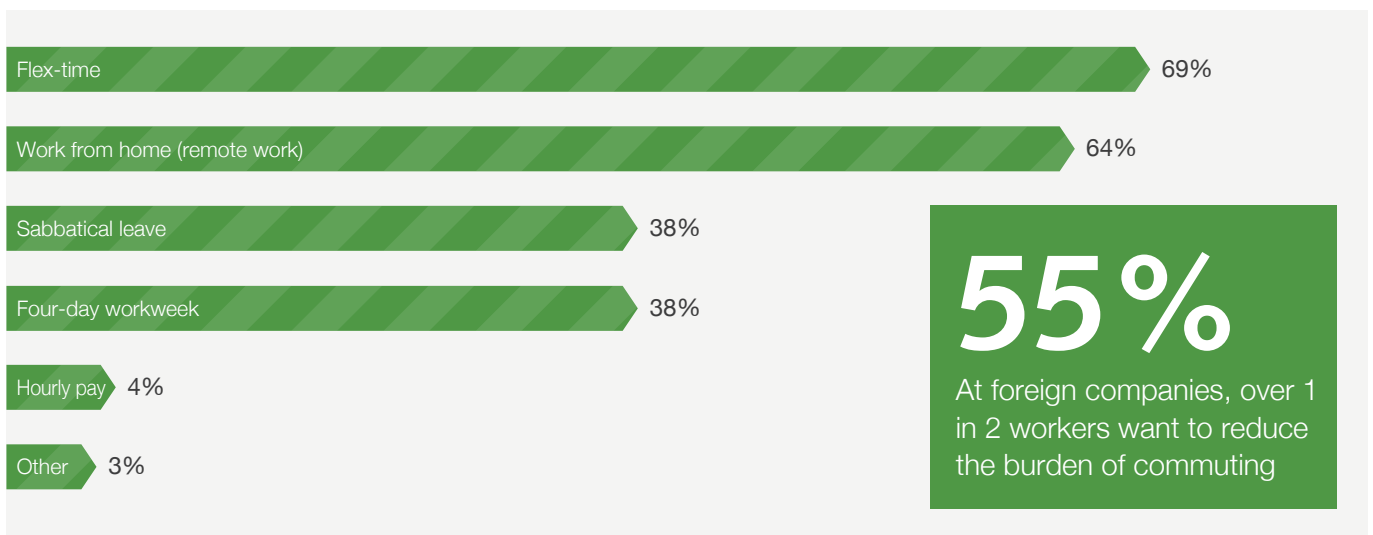
- 1 Reviewing assessment systems
- 2 Maintaining impartiality with employees who do not use the policies
- 3 Systemizing productivity management

THE MOST DESIRED WORK-STYLE INITIATIVES

The Action Policy for Promoting Work-life Balance published by the Cabinet Office provides advice on the creation and adoption of work-style initiatives. It is divided into the categories of 1: Management understanding the daily working hours, 2: Managing overtime (represented by no overtime days), 3: Promoting the use of paid leave, 4: Increasing the flexibility of working hours (through systems such as flex-time), 5: Increasing the flexibility of the work location (through options such as working from home), and 6: Assessment systems (which do not focus on working hours).

In this survey, approximately half of respondents agreed they would like to reduce the burden of commuting (48%), and this proportion rose to 55% among employees of foreign companies. This demonstrates that 1 in 2 respondents wish to use flexible options such as working from home or a satellite office, and it indicates that initiatives that increase the flexibility of working locations can be highly effective. While it can be difficult to create a new satellite office, there may be merit in testing the adoption of initiatives which allow a portion of deskwork which is typically done in the office during work hours to be done from home.

Sought after initiatives



THESE RESULTS INDICATES THE BELOW INITIATIVES CAN BE PARTICULARLY EFFECTIVE

- 1 Flex-time
- 2 Remote work
- 3 Sabbatical leave
(Training with unpaid leave while remained employed at the company)

The effect of work-style improvements can be seen to go beyond raising work satisfaction among employees, increasing employee retention, and reducing attrition. They also serve as added value that can be leveraged in recruitment activities to take the lead in the competition for talent.

BEST PRACTICE

“

When we were looking to recruit a sales manager, we found an exceptional candidate with a wealth of experience in our industry. While the candidate had a great impression of our business, he was anxious that our office was far from his home. We knew the candidate already had an informal offer at approximately the same salary from a company closer to his home, but by offering special treatment to recognize working from home, we were able to convince the candidate to join our company.

”

HR Manager at a foreign-owned electronic component manufacturer

KEY FINDINGS

1

70% of bilingual specialists hope to change jobs within a year. While Japan continues to be a sellers' market favouring the jobseeker, many bilingual specialists see the current market as an opportunity to proactively advance their careers.

2

Employee retention appears to be closely related to company culture. Explaining the company culture to a candidate prior to employment is an effective measure against rapid attrition. The results of this survey also demonstrate the effectiveness of salary increases when recruiting.

3

There are an increasing number of bilingual specialists who place importance on working location in addition to the salary and the contents of the work. Adopting remote work initiatives to a degree that does not impact business performance may be effective in securing talent and improving retention rate.

4

Many bilingual specialists are seeking improvement in assessment systems and training/reskilling programmes. Reviewing these initiatives can drive further competitiveness and growth in the company by improving employee productivity and mobility.

5

96% of bilingual specialists would like to take advantage of flexible work-style initiatives. However, over 70% feel they are difficult to use, so simply creating them does not mean they will be used. Improvements must be made so that employees who do and do not use these initiatives are assessed equally.

6

55% of employees at foreign companies would like to reduce the physical and mental burden of commuting. This suggests that initiatives to increase the flexibility in working locations are effective. Systems such as flex-time and sabbatical leave also appear to be effective.



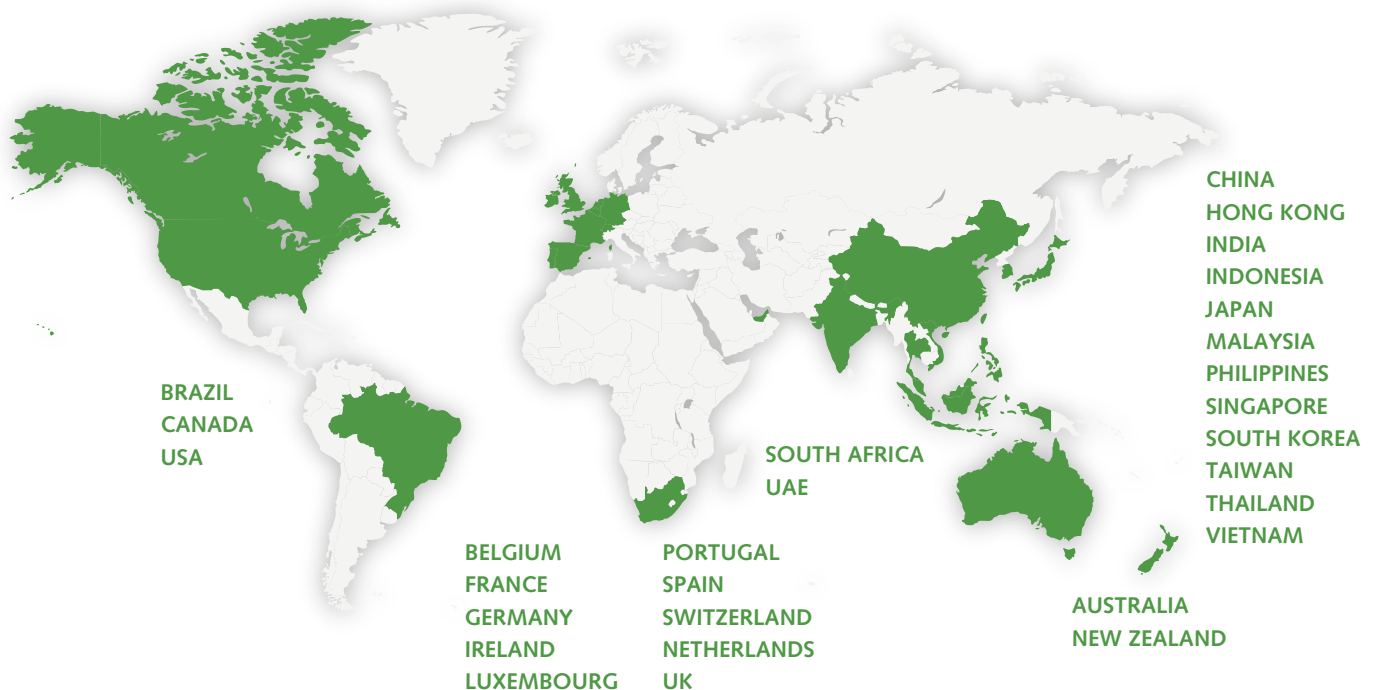
ABOUT ROBERT WALTERS

Robert Walters is a London-based global, specialist professional recruitment consultancy founded in 1985 now operating across 28 countries.

We have been a driving force in the Japanese bilingual recruitment market providing high quality candidates for our clients and access to the best jobs for over 17 years. With offices in Tokyo and Osaka, Robert Walters Japan specialises in permanent and contract recruitment solutions across all industry sectors including accountancy & finance, banking & financial services, legal, compliance & risk, engineering & operations, general management & consultancy, human resources, information technology, sales and marketing in the fields of retail, healthcare, online as well as supply chain, logistics & procurement.

3495
Employees

28
Countries



CONTACT

TOKYO

Shibuya Minami Tokyu Building
14th Floor
3-12-18 Shibuya, Shibuya-ku
Tokyo
150-0002

T: +81 (0)3 4570 1500

F: +81 (0)3 4570 1599

E: tokyo@robertwalters.co.jp

OSAKA

Pias Tower 15th Floor
3-19-3 Toyosaki
Kita-ku, Osaka-shi
Osaka
531-0072

T: +81 (0)6 4560 3100

F: +81 (0)6 4560 3101

E: osaka@robertwalters.co.jp

AUSTRALIA
BELGIUM
BRAZIL
CANADA
CHINA
FRANCE
GERMANY
HONG KONG
INDIA
INDONESIA
IRELAND
JAPAN
LUXEMBOURG
MALAYSIA
NETHERLANDS
NEW ZEALAND
PHILIPPINES
PORTUGAL
SINGAPORE
SOUTH AFRICA
SOUTH KOREA
SPAIN
SWITZERLAND
TAIWAN
THAILAND
UAE
UK
USA
VIETNAM