



ROBERT WALTERS WHITEPAPER

**CONTRACT & TEMPORARY EMPLOYEE  
CAREER INSIGHTS SURVEY 2019**

ROBERT WALTERS

# INTRODUCTION

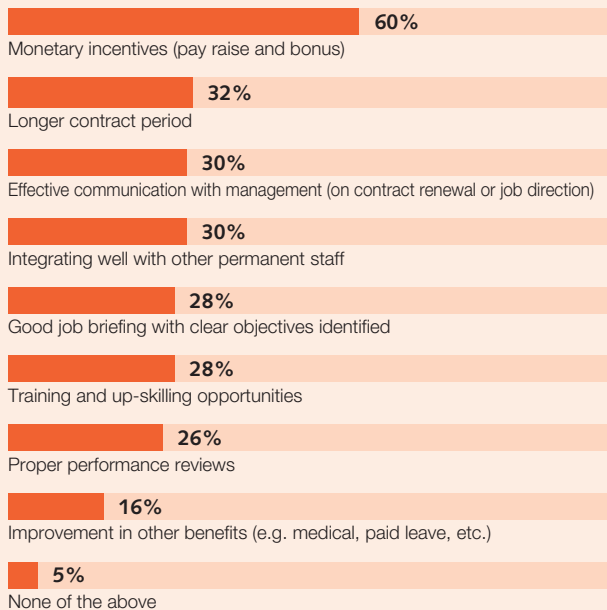
Companies tend to opt for temporary employment—which dramatically reduces the length of time required for recruitment, hiring and on-boarding compared to hiring permanent employees—when there is an urgent need for human resources that can make an immediate contribution, such as when a new business division is being set up or when foreign-affiliated companies enter the Japanese market. Given this, an increasing number of companies are renewing the contracts of their temporary employees to unlimited terms or making them permanent employees following revisions to Japan's Temporary Staffing Services Law. Compared to the situation that existed prior to these revisions, more companies are attempting to gain an advantage over their competitors by hiring competent contract/temporary employees as permanent employees or informing such employees about this scheme in advance. Additionally, temp-to-perm hiring is becoming more commonplace than the hiring of permanent employees on probationary periods for jobs that were previously assigned almost exclusively to long-term temporary employees. Every year, a growing number of companies are expecting the same level of proactivity and willingness to volunteer for work assignments from their contract/temporary employees as they do from their permanent employees. Some companies are also working to ensure that all of their employees earn equal pay for equal work. However, contract/temporary employees still tend to be treated differently from permanent employees in various ways, such as access to important materials and limited involvement with permanent employees in day-to-day operations. Recruitment may change for the better if improvements are made in this respect. This report discusses the views of 341 contract/temporary employees working at foreign-affiliated companies and globally expanding Japanese companies, and we hope that its key findings can be used to recruit and retain talented contract/temporary employees.

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- 04** Main factors in the job choices of contract/temporary employees
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- 08** New mutual benefits shared by employers and contract/temporary employees

# KEY FINDINGS

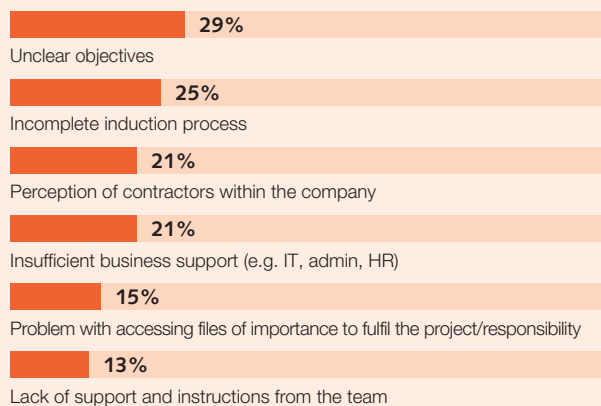
## WHEN WORKING AS A CONTRACTOR/HAKEN EMPLOYEE, WHAT WOULD KEEP YOU MORE ENGAGED AND MOTIVATED AT YOUR JOB?



# 24%

HAVE LEFT A CONTRACT EARLY

## AS A CONTRACT/HAKEN EMPLOYEE, ARE THERE ANY CHALLENGES YOU FACE(D) DURING THE CONTRACTING PERIOD?



## WHAT ARE THE MAIN FACTORS THAT ATTRACTED YOU TO TAKE A JOB AS A CONTRACT/HAKEN EMPLOYEE?



### BY FUNCTION: LENGTH OF CONTRACT

	3 months or less	3-6 months	6-12 months	12+ months
Accounting & Finance	15%	15%	15%	55%
Operations	9%	22%	22%	47%
Project Coordination/Management	5%	15%	38%	42%
Secretarial & Business Support	12%	6%	19%	63%
Technical/Engineering	6%	10%	45%	39%



# CONCERNS AND CHALLENGES FACED BY CONTRACT/TEMPORARY EMPLOYEES

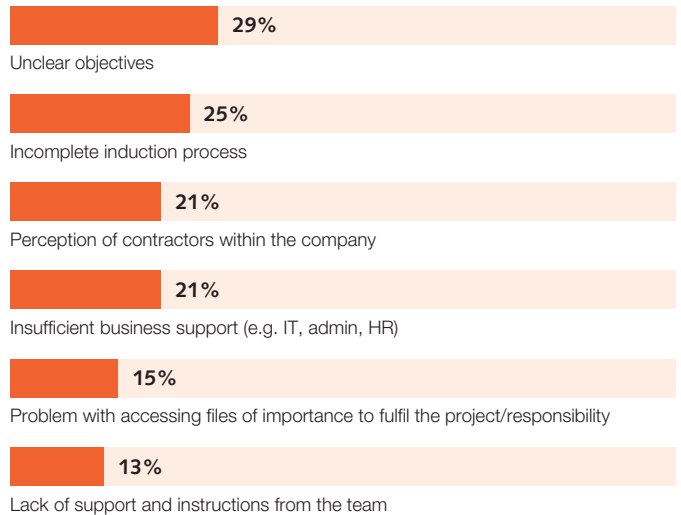
## Most common challenge faced is "unclear objectives"

When the 341 contract/temporary employees working at the frontlines of foreign-affiliated and Japanese global companies were asked for their views on the challenges that they face in their respective jobs, the most common response was "unclear objectives" (29%). This was followed by "incomplete induction process" (25%) and "perception of contractors within the company" (21%). "Perception of contractors within the company" was the most common issue among operational employees and project coordinators/managers.

## "Job security" is the most common everyday concern

In addition, when the respondents were asked about their everyday concerns, "job security" (65%) ranked first, followed by "promotion/progression opportunities" (49%) and "employee benefits" (37%). There seems to be a significant gap between employees' aspirations and reality in terms of contract periods, which are closely related to job security. While the majority of respondents cited more than 12 months as being their ideal contract period, only about 20% of contract/temporary employees are fortunate enough to have such contracts. The majority of contract/temporary employees work under short-term contracts with a duration of 3 months or less. Given the impact of the 3- and 5-year rules, the number of companies wishing to retain human resources with a wealth of experience and skills is expected to increase. Therefore it is important for employers to consider extending the contract periods of their most skilled/experienced contract/temporary employees or promoting them to permanent employees, informing them of the company's intentions first-hand.

## AS A CONTRACT/HAKEN EMPLOYEE, ARE THERE ANY CHALLENGES YOU FACE(D) DURING THE CONTRACTING PERIOD?



## DO YOU HAVE CONCERNS ABOUT ANY OF THE FOLLOWING TOPICS IN RELATION TO YOUR EXPERIENCE AS A CONTRACT/HAKEN EMPLOYEE?

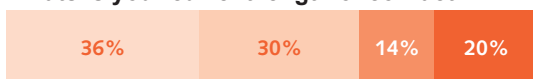


## LENGTH OF CONTRACT

### Whats is your preferred length or contract?



### Whats is your current length of contract?



■ 3 months or less
 ■ 3-6 months
 ■ 6-12 months
 ■ 12+ months

### BY FUNCTION:

	3 months or less	3-6 months	6-12 months	12+ months
Accounting & Finance	15%	15%	15%	55%
Operations	9%	22%	22%	47%
Project Coordination/Management	5%	15%	38%	42%
Secretarial & Business Support	12%	6%	19%	63%
Technical/Engineering	6%	10%	45%	39%



## **Providing timely feedback on performance is key**

Employers can expect to enjoy high employee retention rates if they provide their employees with a thorough explanation of their duties and targets during the on-boarding period of 1 to 3 months following employment as well as maintaining constant communication with them. The former can be based on business plans prepared prior to on-boarding, and the latter can include providing feedback on individual performances during mid-term reviews. Another significant concern for employees is whether they truly feel like a part of the company or department when undertaking business operations. Since this has a considerable impact on retention and work performance, it is important that supervisors and management personnel lead the team in creating a welcoming environment for new employees by adopting practices such as greeting them at the entrance on their first day of work. Furthermore, while quite a few companies make a distinction between contract/temporary employees and permanent employees by assigning them different name cards and email addresses, keeping such types of classification to a minimum may alleviate feelings of alienation among contract/temporary employees.

**ROBERT WALTERS JAPAN (TOKYO)**

**Associate Director**

**Akimasa Kataoka**

# MAIN FACTORS IN THE JOB CHOICES OF CONTRACT/TEMPORARY EMPLOYEES

## #1 factor is "higher pay", #2 is "employment location"

When the respondents were asked to choose the main factors that attract them to jobs, the most common choices were "higher pay" (65%), followed by "employment location" (49%) and "better work-life balance" (30%). Even in Japan, a country where the custom of seniority-based wages remains strong, the wages of contract/temporary employees are rarely affected. Their hourly, daily or monthly wages are decided based on their level of experience and skills. This survey highlights the majority of contract/temporary employees' concerns about job security, and it is likely that many of these employees will wish to have their wages raised if they cannot expect much job stability.

### WHAT ARE THE MAIN FACTORS THAT ATTRACTED YOU TO TAKE A JOB AS A CONTRACT/HAKEN EMPLOYEE?



### MAIN FACTOR OF TAKING A CONTRACT/HAKEN JOB



#### BY FUNCTION:

Function	1. Higher pay	2. Employment location	3. Learn new skills
<b>Information Technology</b>	56%	37%	36%
<b>Financial Services</b>	71%	52%	29%
<b>Healthcare</b>	78%	69%	35%
<b>Consumer Goods</b>	72%	52%	35%
<b>Manufacturing</b>	74%	58%	33%

## Important for mid-level employees with 5+ years' experience to "learn new skills"

In a comparison based on the number of years worked, the #3 reason among respondents who had worked for between one and four years was working hours (34%), while the #3 reason among those who had worked for between five and nine years was "learn new skills" (36%). The #2 reason among employees who had worked for between 10 and 14 years was "learn new skills" (43%), which implies that they consider this an important factor in their choice of jobs. In IT, manufacturing and healthcare, industries that tend to have a higher percentage of technical positions, the #3 reason among respondents was also "learn new skills". In addition, the #3 reason among respondents in the financial services industry, where employees generally work early mornings or late nights, was "working hours". As suggested earlier, importance should obviously be placed on providing opportunities for contract/temporary employees to learn new skills since they are not covered by the seniority-based wage system and their wages are commensurate with their skills. Following revisions to Japan's Temporary Staffing Services Law, staffing agencies are now required to provide education and training to temporary employees. If this revision leads to the creation of an environment that allows temporary employees to utilise the skills that they have acquired through such training in their actual work and feel motivated to further improve their skills in order to be highly valued, the contributions made by these employees are likely to also boost productivity.





### **Flexible working styles provide mutual benefits**

Given that work-life balance ranked third, it is clear that many contract/temporary employees base their acceptance of jobs on whether their workplaces offer a flexible working style. Such employees include exceptional workers who can make an immediate contribution to a company while raising children or caring for other family members as well as highly capable workers who can easily handle multiple jobs. Meanwhile, there is also a plausible argument that productivity will increase if a company has highly competent employees work five hours rather than having less capable employees work eight hours. Furthermore, some jobs can be performed more efficiently by having two people work four hours a day rather than having one person work eight hours a day. These are just some of the characteristics associated with the hiring of contract/temporary employees. Both the company and the employee will benefit if such flexible working styles become more commonplace, and this approach will lead to improved motivation and greater engagement.

**ROBERT WALTERS JAPAN (TOKYO)**

**Associate Director**

**Yoko Abe**

# KEY POINTS IN BOOSTING EMPLOYEE MOTIVATION AND RETENTION

## Monetary incentives and greater job security are key

When the respondents were asked for their views on what keeps them engaged and motivated at work, the most common response was "monetary incentives (pay raise and bonus)" (60%). This was followed by "longer contract period" (32%), then "effective communication with management (on contract renewal or job direction)" and "integrating well with permanent staff" (both 30%). The responses given here also indicate that pay and work stability are of great importance.

According to the survey results, 24% of respondents have previously left a contract early, with the most common reason for requesting an early termination of their contract being "dissatisfaction with the job/project" (38%). This was followed by "being offered a permanent position with another company" and "lack of direction (instructions and policies)" (both 20%).

### ENGAGEMENT AND MOTIVATION FACTOR



**28%**

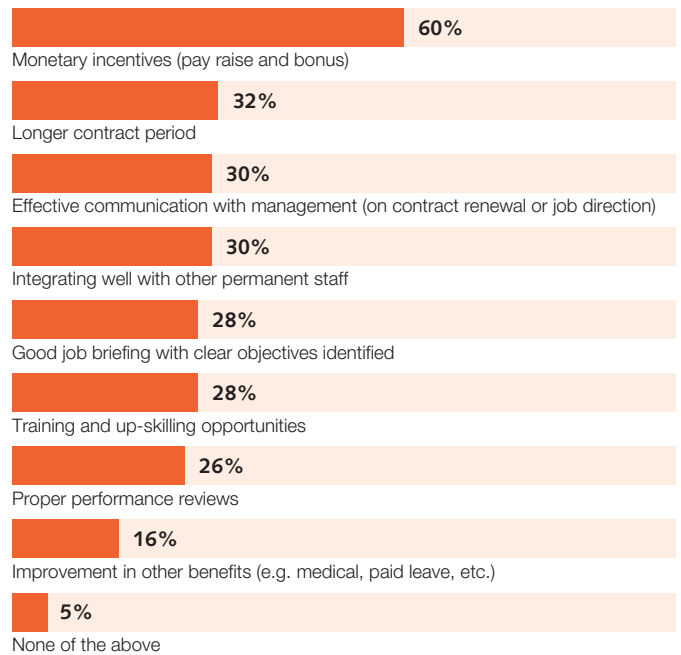
training and up-skilling opportunities



**24%**

HAVE LEFT A CONTRACT EARLY

## WHEN WORKING AS A CONTRACTOR/HAKEN EMPLOYEE, WHAT WOULD KEEP YOU MORE ENGAGED AND MOTIVATED AT YOUR JOB?



### BY FUNCTION:

Accounting & Finance:	
1. Monetary incentives (pay raise and bonus)	57%
2. Proper performance reviews	41%
3. Longer contract period	35%
Operations:	
1. Monetary incentives (pay raise and bonus)	68%
2. Training and up-skilling opportunities	36%
3. Longer contract period	34%
Project Coordination/Management:	
1. Monetary incentives (pay raise and bonus)	59%
2. Effective communication with management (on contract renewal or job direction)	35%
3. Training and up-skilling opportunities	32%
Secretarial & Business Support:	
1. Monetary incentives (pay raise and bonus)	59%
2. Integrating well with other permanent staff	59%
3. Longer contract period	50%
Technical/Engineering:	
1. Monetary incentives (pay raise and bonus)	65%
2. Longer contract period	42%
3. Training and up-skilling opportunities	40%





## Inform employees of career opportunities and conditions for promotion

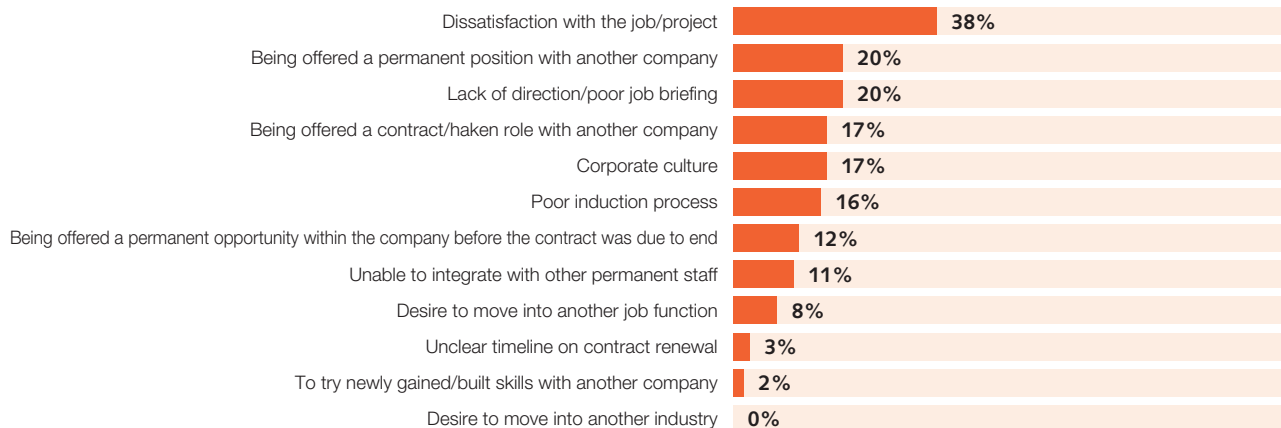
Communication is the key measure that should be focused on to address these three reasons. Unlike permanent employees, contract/temporary employees are rarely assigned clear numerical targets, such as those related to productivity and business performance, so direct communication from employees in administrative positions tends to be less frequent. Nevertheless, communication is indispensable in helping to clarify operational goals as well as in resolving and alleviating discontent pertaining to work. In addition, employers can prevent talented employees from terminating their contracts to take permanent positions in other companies by informing them of the likelihood of becoming permanent employees, clarifying the conditions and timelines for such promotions in advance. The survey results demonstrated once again that planned communication is important in retaining contract/temporary employees.

### ROBERT WALTERS JAPAN (OSAKA)

Associate Director

Teruhiko Hayakawa

## WHAT WERE THE MAIN FACTORS FOR LEAVING THE CONTRACT EARLY?



# NEW MUTUAL BENEFITS SHARED BY EMPLOYERS AND CONTRACT/TEMPORARY EMPLOYEES

## Relationship between motivation and productivity

The survey results indicated another important point: about one in three contract/temporary employees working at companies that lead the way in global pioneering businesses have a desire to improve their skills. Furthermore, a majority of these employees hope to secure long-term contracts and exhibit high levels of trust (i.e. loyalty) toward the organisations that employ them. It is essential that employers communicate with all of their contract/temporary employees to gain a clear understanding of their desire to improve and their levels of trust toward the organisations that employ them. If employers provide highly skilled, ambitious contract/temporary employees with a challenging environment and high work targets, they can expect to see improvements in both employee motivation and business productivity. Once a circular system has been introduced that rewards achievements reached due to an individual's skills and efforts with monetary compensation and motivation levels are further boosted by the receipt of such compensation, a win-win relationship between the employer and contract/temporary employee can potentially be built, thereby generating mutual long-term benefits.

## TOP 3 SKILLS IN DEMAND



### ACCOUNTING & FINANCE

1. ERP Experience
2. US GAAP / IFRS
3. Excel



### BANKING OPERATIONS

1. KYC / Regulations
2. Analytics
3. Excel



### SECRETARIAL & BUSINESS SUPPORT

1. Scheduling
2. Communication / Interpretation
3. Word / Excel / PowerPoint



### HUMAN RESOURCES & GENERAL ADMINISTRATION

1. Communication
2. C&B
3. Research



### TECHNOLOGY

1. Project Management / Business Analysis
2. Software Engineers
3. Security

# ABOUT ROBERT WALTERS

Robert Walters is a London-based global, specialist professional recruitment consultancy founded in 1985 now operating across 30 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 19 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.

## CONTACT US

For companies confronted by a lack of diversity in the skills of its workforce and for job seekers with skills and experience who have lost work opportunities, the system of using contract/temporary employees has the benefit of allowing them to make adjustments while observing a suitable work-life balance, performance, and compatibility within the prescribed working hours and employment term. At Robert Walters, dedicated consultants for each of the various industries and job categories match jobs and human resources according to the set of skills that the job seekers possess. Furthermore, our dedicated contract managers assist in responding to questions pertaining to contracts and employment status, helping to eliminate various sources of anxiety from the workplace as well as procedures such as applying for a place at a nursery school or obtaining/renewing a visa. We are committed to providing assistance that conforms closely to each individual company's needs in hiring contract/temporary employees. For further information on our services, please feel free to contact us.

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