

White Paper on Employment 2016

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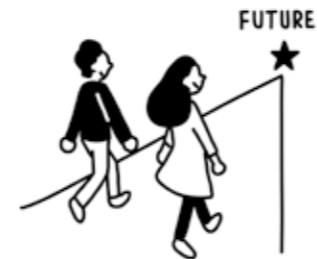
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New-Grad Market Research Institute





In Japan, 2016 new graduate job market was favorable for job seekers as enterprises were motivated to hire more new employees.

Requested by the government, enterprises started PR activities and student screening activities such as interview, 3 months and 4 months respectively later than in 2015.

Such changes in the new graduate employment schedule were necessary to secure enough time for students to learn and study at their schools and to promote overseas education. In fact, enterprises and students were forced to deal with a variety of issues that emerged relating to these schedule changes.

How did enterprises and new graduates carry out their employment and job searching activities in 2016?

This White Paper overviews the results of our quantitative survey and opinions of enterprises and students from interviews with them.

Employment and job searching schedule for Japanese new graduates has been debated for years.

What is the ideal employment and job searching activities exactly?

The White Paper considers these issues as well referring to opinions of experts.

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Survey Outline White Paper on Employment 2016

[Enterprise Research]

Employment of new graduates (undergraduate and graduate schools) in 2016

Purpose: Understand the employment of new graduates by enterprises

Method: Mail survey

Target: 4,050 enterprises with over 5 employees, who have been employing new graduates throughout Japan

Period: From December 24, 2015 to January 28, 2016

Number of valid responses: 1,260 enterprises (response rate: 31.1%)

[Student Research]

Employment of new graduates (undergraduate and graduate schools) in 2016

Purpose: Understand the job searching by new graduates

Method: Internet survey

Collaborator: INTAGE Inc.

Target: 2,620 male/female students (fourth year of undergraduate schools and second year of graduate schools) throughout Japan who looked for their jobs at private companies. Targets were selected by a screening survey with monitors of INTAGE Inc.

Period: From Tuesday, January 05, 2016 to Tuesday, January 19, 2016

Number of valid responses: 2,146 students

※For undergraduate school students, weighted sampling was implemented referring to the School Basic Survey data by the Ministry of Education, Culture, Sports, Science and Technology, to achieve the nearest composition ratio of sex, major, and institution type of schools to the parent population.

Only ⑤ Expenses for Job Finding (average amount) in P.19 is cited from the survey below

Special survey on job search process (2016 graduates)

Purpose: Understand the reality of job search by university students

Method: Internet survey

Target: We recruited monitors of the survey during Jan. 14 - Mar. 20, 2015 and May 16 - 30, 2015 among members of Rikunabi 2016 who were undergraduates and graduate school students, and 6,952 males and females who were expected to graduate in 2016 registered as monitors of the survey. (5,812 undergraduates and 1,140 graduate students)

Period: Jan. 05, 2016 - Jan. 25, 2016

Number of valid responses: 621 undergraduate students

※ Numbers may not add up to exactly 100% due to rounding.

Current Situation of Recruitment and Job Search of New Graduates



How did circumstances of recruiting and job search of new graduates change, and how is the current situation?

Application ratio of undergraduates is now 1.73. Seller's market accelerates

According to "Works Survey on Jobs-to-applications Ratio for College Graduates" (Recruit Works Institute, April 22, 2015), the application ratio of university students and graduate students who were to graduate in March, 2016 (application ratio of graduates) was 1.73 (chart 1). The total number of jobs offered by private companies increased by 36k from the previous year, from 683k to 719k, and the number of student applicants for private companies was 417k, almost the same as the previous year's 423k.

The Lehman collapse caused steep decline of application ratio of 2010 graduates. The ratio stayed low until it became 1.61 for 2015 graduates, and it

increased by 0.12 for 2016 graduates. From a long-term perspective the ratio is still high as it was around 1.3 in early 2000s and around 1.2 in early 2010s, meaning the seller's market is accelerating.

Companies have strong willingness to hire. "Employment Prospects Survey (new graduates: 2016, mid-career: 2015)" (Recruit Works Institute, December 11, 2014) reports hiring of new graduates in 2016 will "increase" (14.0%) more likely than "decrease" (5.3%) by 8.7 points, and recruitment of new graduates of universities and graduate schools is likely to increase as it did for 2015 graduates. "Increase" in recruitment has exceeded "decrease" for 5 years in a row since 2012 graduates.

Also, the larger the number of employees was, the more the companies answered

"increase" regarding recruitment of new graduates. "Increase" reached 21.5% for companies with 5,000 or more employees.

Number of hires of new graduates increased due to difficulty in mid-career recruitment

Background of this positive turn of application ratio of graduates may be the economic upturn which made it harder for companies to recruit mid-career employees. See jobs-to-applicants ratio and other data by the Ministry of Health, Labour and Welfare (see the chart 2 on the right page).

Jobs-to-applicants ratio hit the bottom of 0.47 in 2009, then it kept rising and surpassed 1.00 in 2014 to 1.09. It rose even more to 1.20 in 2015. This is the second highest since 1989 - 1991 in bubble

economy. Number of jobs offered increased by 1,065k during "2009 - 2015" from 1,309k to 2,374k, and number of applicants decreased by 783k from 2762k to 1979k.

There are 1.2 jobs offered per 1 applicant, which means a difficult mid-career employee market for companies.

According to "Survey on Employment of Experienced Workers (performance in first half of 2015 and forecast in 2016)" (January 18, 2016), 46.7%, almost a half of the companies could not recruit mid-career employees in the first half of 2015. Approximately 70% of companies tried to recruit mid-career employees "to fill vacant positions," and in order to do that 41.3% of companies "included candidates without experience," 27.7% "widened the range of ages of candidates," and 22.0% "lowered

standards of experiences and skills."

This difficult circumstance in mid-career market could be one of the reasons why job offers in new graduates market increased.

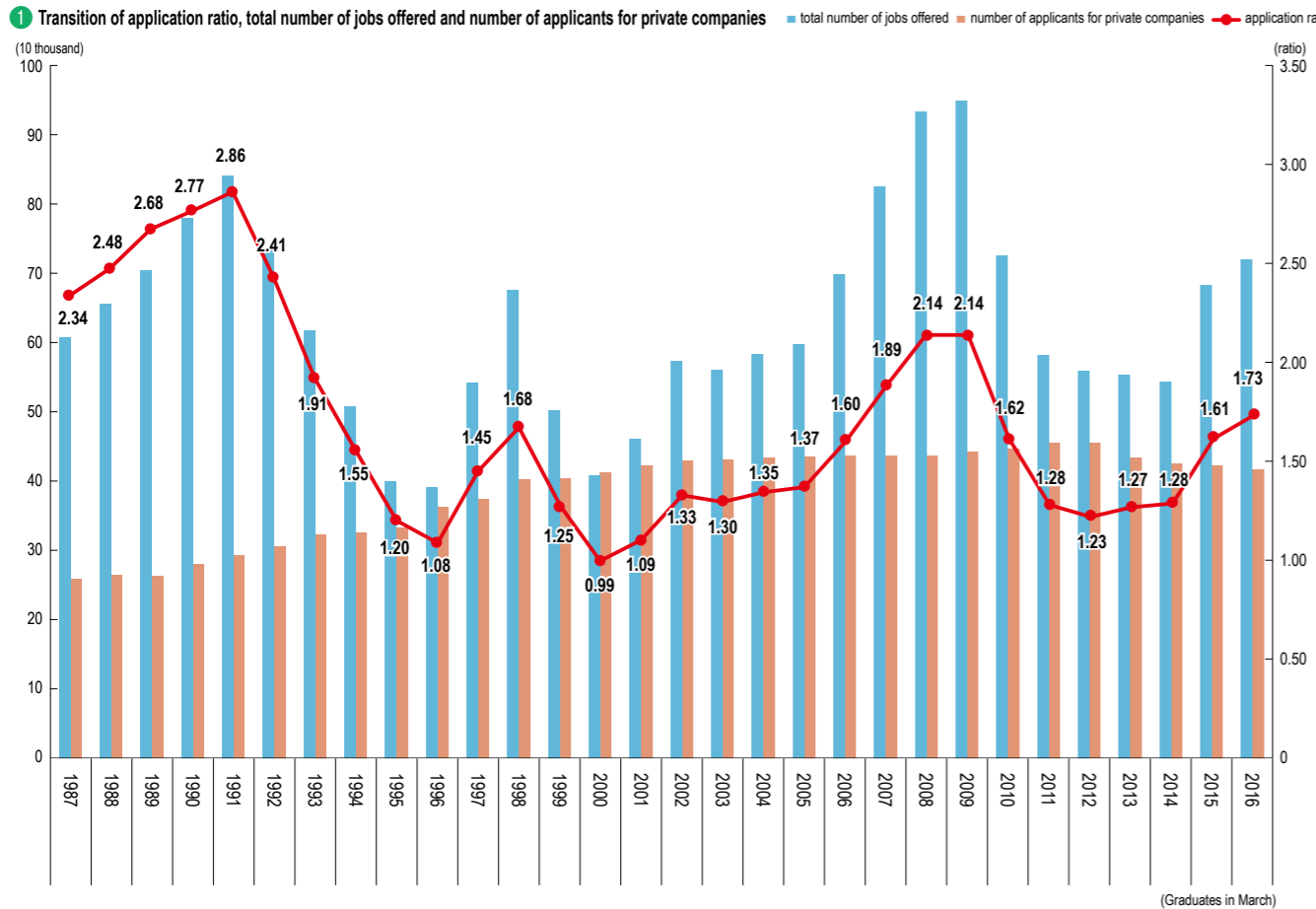
Application ratio of undergraduates varied depending on the number of employees

However, when companies are categorized by the number of employees into "less than 300," "300 - 999," "1,000 - 4,999," and "5,000 or more," application ratios of new graduates were 3.59, 1.23, 1.06, 0.70 respectively, and it is hardly a "seller's market" for bigger companies as has been in the past.

The total number of job offers and the number of applicants for private companies categorized by the number of employees transitioned as follows: As for companies with

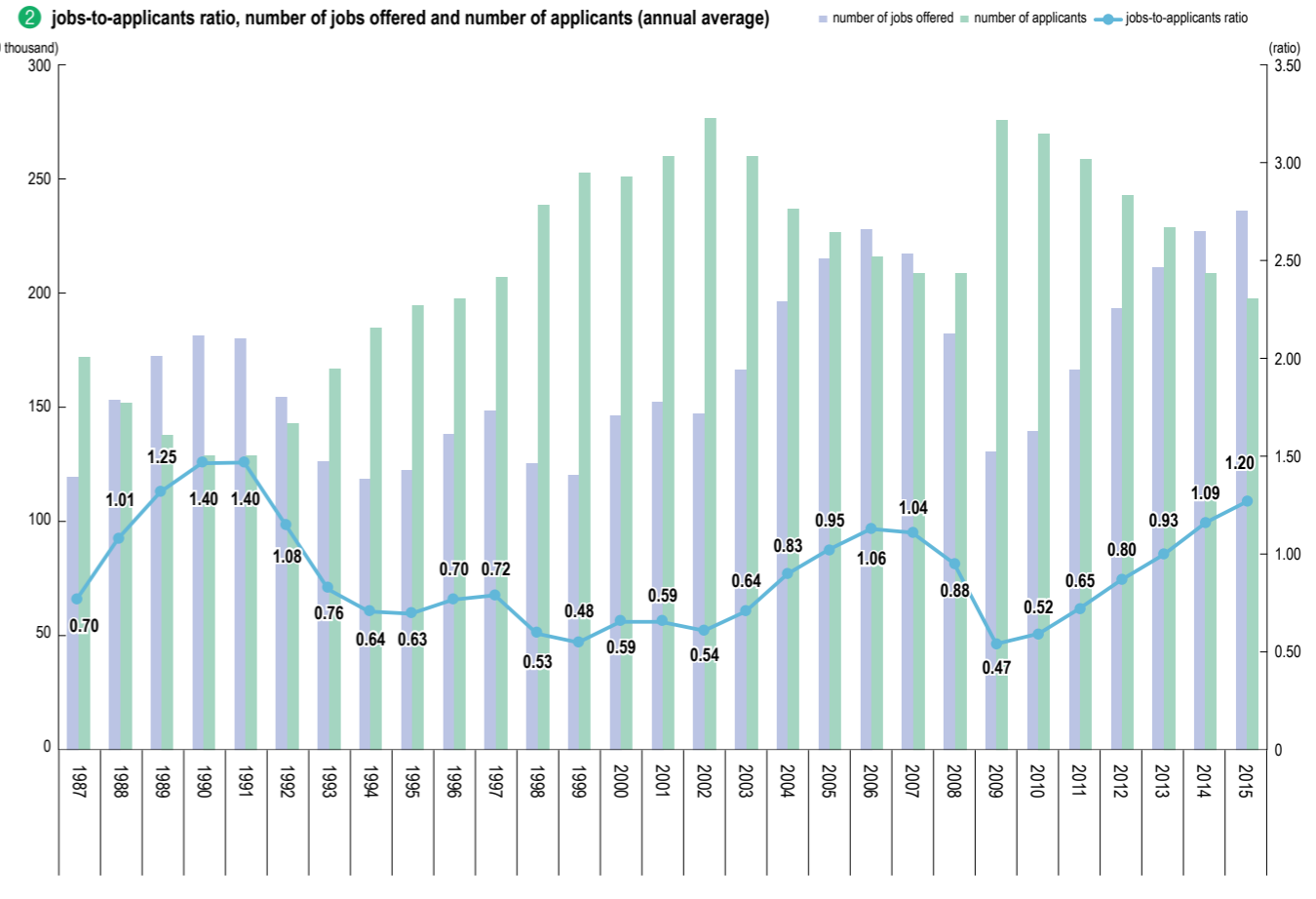
"less than 300" employees, there were 402k job offers in total which increased by 23k (+6.1%) from the previous year, and 112k applicants for private companies which increased by 28k (+33.6%). As for companies with "300 - 999" employees, there were 145k job offers in total which increased by 3.1k (+2.2%) from the previous year, and 118k applicants for private companies which decreased by 1.1k (-0.9%). As for companies with "1,000 - 4,999" employees, there were 123k job offers in total which increased by 7.8k (+6.8%) from the previous year, and 117k applicants for private companies which decreased by 20k (-14.9%). As for companies with "5,000 or more" employees, there were 49k job offers in total which increased by 2.9k (+6.3%) from the previous year, and 70k applicants for private companies which decreased by 1.3k (-15.9%).

Company Application ratio of undergraduates was 1.73 for 2016 graduates, which increased from the previous year **Student**



Source: Recruit Works Institute "Works Survey on Jobs-to-applications Ratio for College Graduates"

Company [Mid-career market] Jobs-to-applicants ratio surpassed 1 in 2014 and was 1.20 in 2015



Source: Ministry of Health, Labour and Welfare "Employment Referrals for General Workers"

Changes of Guidelines for New Graduates Recruitment and Job Search



How and why the schedule was changed for 2016 graduates recruitment

PR activities started from March Screening started from August

Japan Business Federation (Keidanren) published "Guidelines for recruitment" in September, 2013. In accordance with "Japan Revitalization Strategy" (see to ①) by cabinet decision in June 2013, PR activities for recruitment such as acceptance of early job applications or information sessions by companies are "from March 1 right before the start of the graduating year," and screening activities such as interviews are "from August 1 in the year of graduation."

In the past, companies and students did job search and screening with "The code of ethics for companies regarding recruitment" as a guide, and for 2013 - 2015 graduates, PRs were "from December 1 in the previous year of graduation year" and screenings were "from April 1 in the year of graduation."

For recruiting 2016 graduates, PRs and screenings were postponed 3 and 4 months respectively, which means the duration of PR activities prolonged for 1 month (see ②).

A significant feature of this change is that it was based on a cabinet decision. The change had 3 important purposes*.

The first purpose was "to secure enough time for students to learn study." Out of concern that earlier and longer job search activities hinder education, it was expected that postponing starting dates of activities would make it possible for students to concentrate on study more.

The second one was "to promote overseas education." Less and less students study abroad, and one of the reasons was that many companies finish screening before students come back to Japan. By setting the start date of screening in August, students abroad can take part in

screening activities (after returning home) and more students are expected to study overseas.

The third one was "to expect implementation of earlier career education such as internship". This change does not interrupt educations on students for them to understand companies and industries and to nurture professionalism for employment purpose. Participating in internships and workplace experiences in order to find out aptitude were recommended from the freshman year.

We asked companies about recruitment of 2016 new graduates in "White Paper on Employment 2015." Over 80% of them planned PR activities from March or later, but 65.6% planned interviews in July or earlier, and some unofficial or early unofficial offers were expected to be made before August.

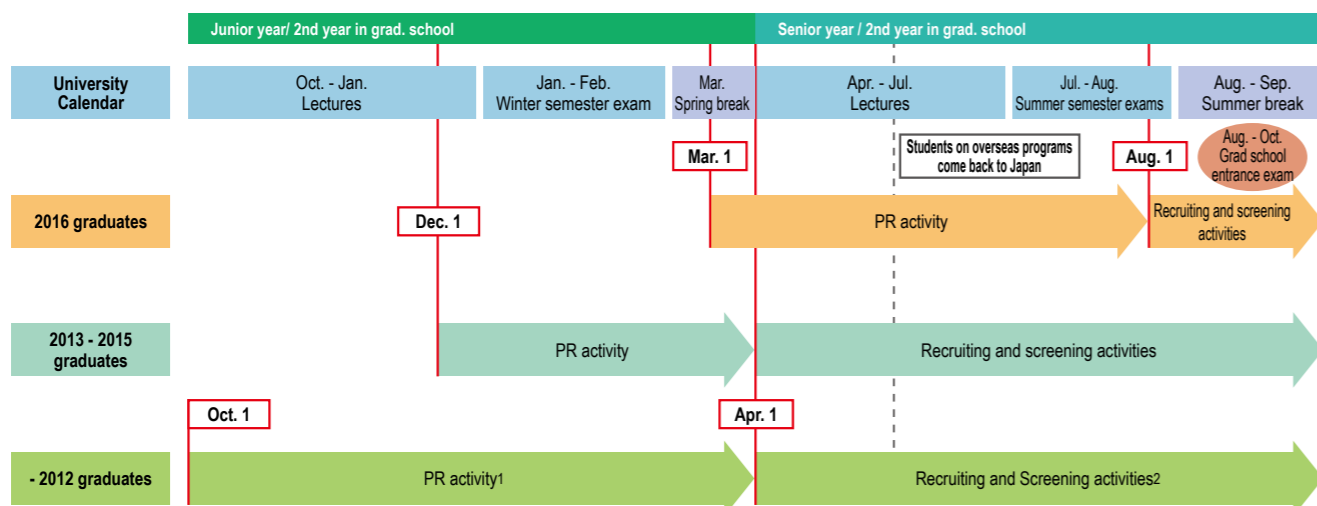
* Requests by Prime Minister Shinzo Abe in "Japan Revitalization Strategy" (cabinet decision made in June 14, 2013) and "Opinion exchange with the business community" (April 19, 2013)

① Recruitment schedule for 2016 graduates

(Cited from "Japan Revitalization Strategy")

Work for smooth implementation of the change of dates for recruitment and screening activities for 2015 graduates (PR activities from **Mar. 1 right before the year of graduation starts**, and screening activities from **Aug. 1 in the year of graduation**) in order to ensure their time to study and to promote studying overseas by presenting appeals of small and mid-sized companies, for example.

② Transition of starting dates of recruitment activities



*1 There was no agreements about when PR activities started up to the recruitment of 2012 graduates, and registrations for employment information websites started conventionally on Oct. 1 in the previous year of graduation year, which was when PR activities started practically.

*2 There was a stipulation that "Interviews or other substantive screening activities to students before their graduating year are strictly forbidden," but the starting date varied by companies.

column

History of Agreements on New Graduate Employment and Job Search

Official start date of new graduate employment and job search has been repeatedly agreed and changed without substance, as firms and students have not observed each agreement.

This column overviews the transition of these agreements.

Till 1952

Before the employment and job search agreement

In 1928, Mitsui, Mitsubishi, and Dai-ichi Banks lead the decision to implement employment exams for new graduates after their graduation. This was the first consensus on employment and job search. The consensus did not last long as firms started breaking it.

New consensus on employment date was arrived in 1952. The Ministry of Education, Science, Sports and Culture back then instructed firms that "student screening must be implemented after January." Regardless of this instruction, firms started screening around October in the fourth year.

In 1953

First recruitment agreement

In 1953, the Discussion Meeting on New Graduate Employment which was consisted of universities, firms, and related authorities decided the start date of new graduate nomination* in 1953 as "after October 1." This was the first recruitment agreement. But the economic expansion motivated firms to hire more employees, and screening of students started earlier in the following years. In early 1960s, many firms made unofficial offers to students in July and August, and such earlier employment practice by firms was called "aota-gai," which literally means harvesting green plants earlier. In 1962, Japan Economic Federation (current Japan Business Federation) declared that "the start date of new graduate employment would not be decided this year," and let employment practice go unchecked. Ten years since then, students started searching for their jobs based on a consensus among universities, and in the middle of 1960s, a lot of third year students received an acceptance letter from the firm they wanted to work with in February and March.

In 1973, the Ministry of Education, Science, Sports and Culture, the Ministry of Labor, and Japan Economic Federation set a rule for voluntary ban on aota-gai for the graduates of 1974 and decided "the start dates should be May 1 for company visits and July 1 for student screening" to renew the agreement. The dates were changed to "October 1 and November 1 respectively," for the graduates of 1977 which were maintained until 1985. But there were a lot of firms who broke the rule and the Ministry of Labor withdrew from the agreement in 1982. Early start of company visits and student screening continued and the agreement lost substance after the dates were brought forward to August for company visits and October for unofficial offer.

*New graduate nomination was the process in which firms sent employment application sheets to universities and universities recommended students who wanted to work for these firms.

Voluntary ban on aota-gai: A rule conducted by trading companies and banks

After the 1962 declaration by Japan Economic Federation that let employment practice go unchecked, universities repeatedly requested firms to start employment activities after July 1. The request was accepted by only a few including the media industry such as newspaper companies, TV stations, and publishing firms, as well as Japan Airlines who has been abiding by the employment agreement since 1968. Mitsubishi Corporation then joined the league, deciding to implement their employment exam on July 1 for new graduates in 1973. September 1972 issue of Shushoku Journal featured the firms' purpose and results (see photo). In the same year, banks and trading companies introduced voluntary ban policy on aota-gai, and this movement led to the development of rule for voluntary ban for new graduates in 1974.



In 1997

Abolition of the Recruitment Agreement and the First Code of Ethics

In 1997, Japan Economic Federation decided the abolition of recruitment agreement after the employment of new graduates of the same year and introduced the first code of ethics. The code only required firms "to make unofficial offers to students after October 1," and complementary described that firms should "respect the school calendar" and "refrain voluntarily from starting earlier employment practice."

The code of ethics added a description about the start date of student screening for new graduates in 2002. It stated that "firms must refrain from student screening activities for those under the fourth year" and the rule went effective in the following years. In 2003, Japan Business Federation published a new code of ethics for new graduates in 2004, and made the joint declaration to achieve the aims of the code of ethics with firms who agreed with the aims. With this declaration, many firms started their student screening activities in April in the fourth year.

First year after the abolition of recruitment agreement: Earlier and longer employment activities

In the last year of recruitment agreement for new graduates in 1997, start dates were set as "July 1 for company visits, around August 1 for student screening, and October 1 for unofficial offer. How did these dates change after the abolition of recruitment agreement for new graduates in 1998?"

According to November 1997 issue of Shushoku Journal (see photo), most firms disclosed their employment information before April and most of them made unofficial offers as early as May. Over 90% of firms completed their employment activities after July, and more than 60% of them answered in a survey that the employment activities were "very long" or "long. Some firms answered that "we were not sure how many students really wanted to be employed and work for our firms."



For new graduates from 2013 to 2015 Start dates were December 1 and April 1 for PR activities and student screening practice respectively

The code of ethics was revised in 2011, describing the start dates as December 1 and April 1 for PR activities and student screening practice respectively, for new graduates in 2013 and the following years. This was the first time for the code to set forth the start date of PR activities. Before this revision, firms began their PR activities earlier every year and the start date was brought forward to October 1.

For new graduates in 2016 Start dates were March 1 and August 1 for PR activities and student screening practice respectively

In 2013, on the request of the government, Japan Business Federation published the Guidelines for Recruitment. Start dates were changed to March 1 and August 1 for PR activities and student screening practice respectively.

2016 Recruitment and Job Search ① Schedule



Survey result shows recruitment and job search schedule for 2016 graduates

40% of companies started interviews before April

In the survey, we asked companies and students when and what kind of recruitment/job search activities did they do, to summarize the starting date of each activity and grasp the overall schedule.

Chart ① shows the starting dates of each phase of recruitment process by companies. 74.7% of companies started providing recruitment information in March 2015. Face-to-face individual information sessions and seminars were started in March by 47.7% of companies and in April by 27.0% respectively. Overall, 84.3% of companies started these practices from March to May.

The number of companies who started interviews increased from March, and reached its peaks in April and August 35.5% of companies started interviews before April and 70.7% started them before July. Companies who started interviews in August (29.2%). Also, first unofficial or early unofficial offers increased from March 61.4% of companies gave their first unofficial or early unofficial offers before July, and 38.7% gave such offers in August or later. 25.9% of companies made offers in August.

Almost 90% of students participated in interviews before July

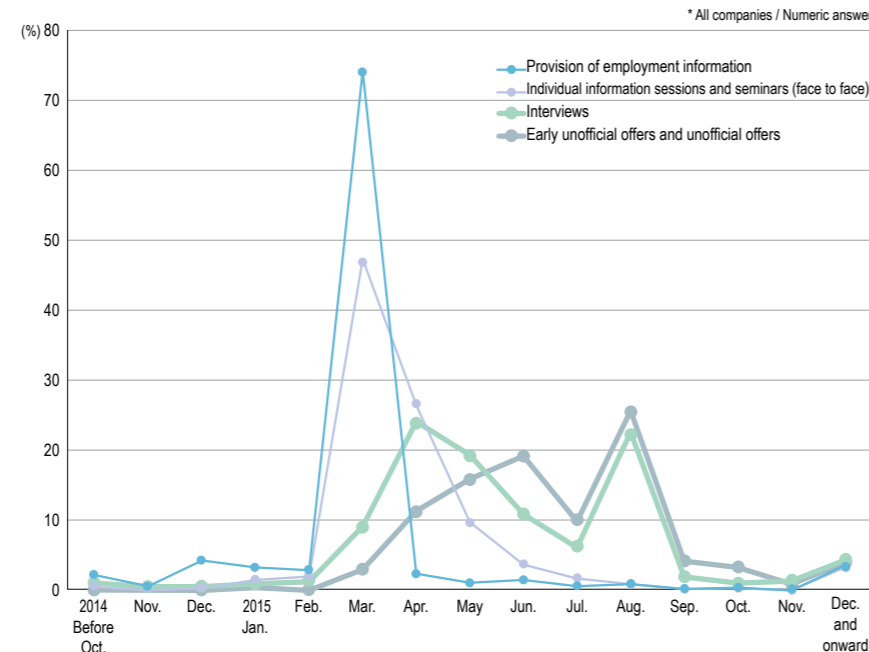
Chart ② shows the starting date of each phase of job search process by students. 69.2% of students started gathering recruitment information before February. Students started to participate in individual information sessions (face to face) by companies in December. The number of students who took part in these sessions reached the highest (48.6%) in March. Participation in interviews reached its peak, 24.4%, in April 88.4% of students participated in interviews July.

The number of students who at least one unofficial offer increased from April 53.2% of students had at least one unofficial offer before July.

Case of recruitment/job search activities by companies and students are shown from the next page.

Company Starting date of PR and information session hit its peak in March, and that of interview hit its peak in April and August

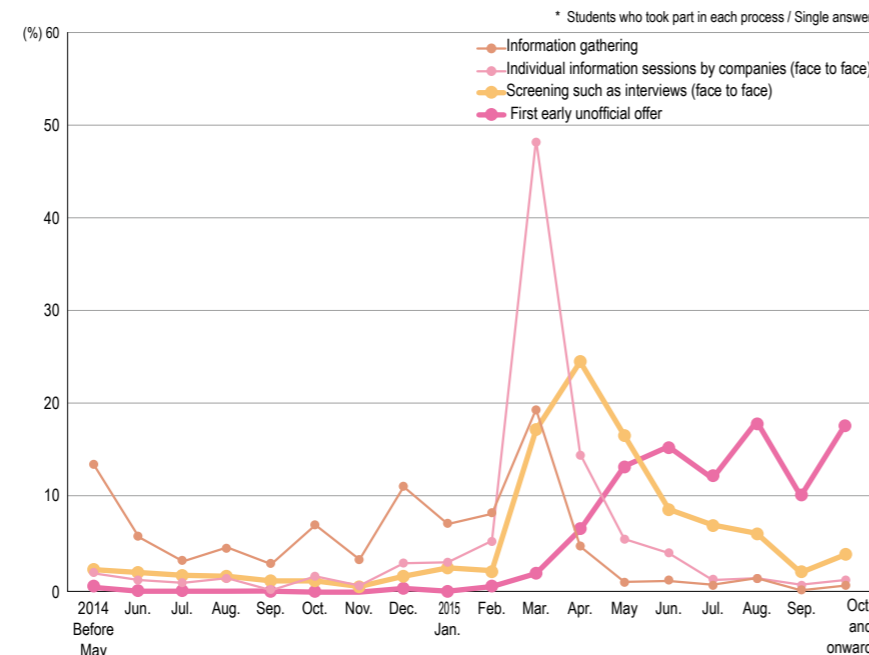
① Starting dates of each phase of recruitment process



Most companies started provision of employment information and information sessions/seminars in March. Starting dates of interviews hit their peaks twice in April and August; 70.7% of companies started interviews before July.

Student Peaks of start dates of gathering information, participating in information sessions and interviews came in March and April

② Starting dates of each phase of job search process



69.2% of students started gathering recruitment information before February. The number of students who received an unofficial offer increased from April, and 53.2% of students received one before August.

Company CASE 1 Trading company Student screening: From August



Started student screening in August based on the Japan Business Federation's Guidelines for Recruitment

COMPANY DATA

- Headquarters: Tokyo
- Employees: More than 1,000
- Employment in 2016 (carrier-track position) Target: About 140 new graduates Unofficial offer: NA Employment: 142 (Rate of refusal: NA)

Key employment process(carrier-track position)

- March 2015 Opened job application Large company information session
- April Company information session (round table)
- May Small company information session (until June)
- July Close job applications Paper test
- First of August First student screening (group interview) Second screening (group discussion & interview, essay writing) Final screening (private interview)
- Middle of Aug Unofficial offer

More company information sessions to appeal to students in PR activities period

Abiding by the Guideline, we focused on two goals: to continually appeal to students when other firms started their recruitment earlier, and to improve understanding in our company among students during in one month longer PR activities period.

To achieve these goals, we developed three kinds of company information sessions and implemented them for four months, taking a longer period than usual. The first information session was a large one, for several hundreds of students to understand our strengths and culture. The second session was a round table style, where students discussed with our employees to understand each of our functions deeper. The third and the last one was a small discussion by two students and one employee. By changing the combination of students and employees, students could explore our company further in discussions similar to meeting with former students of their universities.

We suggested students to visit former students of their universities more. As human resources are the most important asset to trading companies like us, they need to know current employees' ways of thinking to improve mutual understanding.

With these employment schemes, we could hire similar number of quality students as the previous years, and improved the rate of refusal, down 10 points from the previous year.

There were some negative facts which did not directly have an impact on the employment result. The number of early job application and candidates of paper test decreased about 10 percent and 30 percent respectively from the previous year, and some of local company information sessions were not fully attended. These facts strongly indicated that students made a short list of their preferable firms at an early stage of their job search. This resulted in more students who had higher ambition of working for our company making application to us.

Employment activities for new graduates in 2017: Diversity of PR methods Reach more students

As for the employment activities for new graduates in 2017, we are afraid that in a shorter PR period, students cannot understand firms well enough to develop their views concerning work sufficiently. With this forecast in mind, we will develop a Web company information session, reach more students, and increase face-to-face communications as much as possible. We will also resume an internship system and implement a five-day program, supporting students to develop their views concerning work.

Student CASE 1 Unofficial offer from a real-estate company Faculty of law



Interviews started in May and those with my first choice of industry in August

Job search schedule

- August 2014 Before starting job search, attended internship programs of two firms in August and December to understand preferable industries and firms.
- March 2015 Attended several joint company information sessions and learned about a variety of industries. In April, started participating in information sessions of the companies I was interested in.
- May 2015 Submission of documents Started submitting job applications to preferable firms and visited former students from my university. Received an unofficial offer from one of those firms in June.
- July to August 2015 Most of the interviews were held in July, and the first week of August was full of interviews with real estate companies (my first choice).

Some firms asked me "Do you have any questions?" at each interview, then stopped communications thereafter.

I was first interested in working for real-estate developers. But I participated in several joint and independent company information sessions to understand other industries and firms which I did not have much knowledge about.

These activities made me realize that I was really interested in the real-estate industry, but this was only a short time decision, and I submitted job applications to a variety of firms in case I change my decision.

From May to June, my job search schedule was tight with job application deadlines and meetings with employees at my preferable firms. Some manufacturers had several interviews with

me and asked "Do you have any questions?" every time. There were fewer questions to ask these firms each time, even if I had high motivation of working with them. These firms stopped communications thereafter, possibly judging that I did not really want to work for them. Frankly speaking, I was dissatisfied with their judgements. On the other hand, a plant engineering firm held seven interviews with me in total and I received an unofficial offer from them in June.

Most of the interviews were held in July. I had interviews with five real-estate firms every day during the first week of August, and completed my job search practice with an unofficial offer from my first choice.

2016 Recruitment and Job Search ② Companies



Survey result shows achievement of employment target and satisfaction with prospective employees by companies

48.3% of companies achieved the target number of employees
It was the record low since the survey started

The numbers of 2016 graduates hired by Dec. 2015 was "As planned" for 32.3% of companies. With companies answered "Slightly more than planned" (14.1%) and "Considerably more than planned" (1.9%) included, 48.3% of them achieved the target number of employees. It was the record low since the survey started in 2012 (chart ②). On the other hand, 50.7% of companies failed the target number of employees, including those answered "Slightly less than planned" (36.3%), "Considerably less than planned" (12.5%) and "Still in screening process and not clear" (1.9%); the total percentage increased by 8.1 points from the previous year.

The percentage of companies who failed the target increased from the previous year in all size of firms (chart ③). This suggests that small-sized, medium-sized

and established large-sized companies, regardless of the number of employees, experienced difficulty in hiring the target number of new graduates.

From the perspective of region, the percentage of companies who achieved the target was the lowest in Hokkaido and Tohoku (29.0%). From the perspective of business type, the construction industry faced a difficulty; the percentage of target achieving companies was 35.6%, and the percentage of target failed companies reached 62.4%. Comparably in the banking business, these percentages were 60.6% and 39.4% respectively.

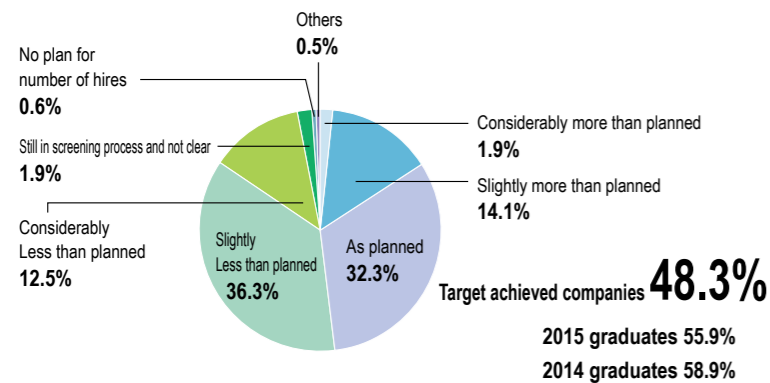
About satisfaction with prospective employees, 64.7% of companies answered "very satisfied" or "rather satisfied" (data ②). On the other hand, 15.5% of companies answered "rather unsatisfied" or "very unsatisfied," which means less companies were satisfied and more companies were unsatisfied compared to recruitment of 2015 graduates.

Also, from the perspective of the number of employees, the ratios of satisfied companies were 56.9% for those with less than 300 employees, 67.4% for 1,000-4,999 and 70.5% for 5,000 or more, which shows companies with more employees were more satisfied. On the other hand, regardless of company sizes, less companies were satisfied and more companies were unsatisfied than the previous year. Satisfied companies with less than 300 employees decreased by 6.2 points, which was especially significant than the other company sizes (others decreased by 1.0 to 3.9 points). Also, in the cases of companies with 5,000 or more employees, the increase of unsatisfied companies (+7.0 points) was larger than the decrease of satisfied companies (-3.9 points).

This means recruitments by many companies had severe outcomes in terms of both target achieving level and satisfaction level.

Company Less than half of the companies could achieve their targeted number of hires

① Target achieving level of hiring plan * All companies/Single answer



The percentage of target achieved companies (those answered "As planned," "Slightly more," and "Considerably more") reached 48.3%. The percentage of targeted failed companies (those answered "Slightly less," "Considerably less," and "Still screening and not clear") reached 50.7%.

Company Companies satisfied with their prospective employees decreasing

② Satisfaction with prospective employees *All companies / Single answer

Satisfied **64.7%**

2015 graduates 68.0%
2014 graduates 67.4%

64.7% 64.7 % companies answered "very satisfied" or "rather satisfied" with their prospective employees. 15.5% of companies answered "rather unsatisfied" or "very unsatisfied," which increased from 10.8% for 2015 graduates and 12.4% for 2014 graduates.

Company Regardless of their sizes, the percentage of target achieved companies decreased

③ Target achieving level of hiring plan (in terms of the number of employees and region)

* All companies/Single answer
* Values in () are difference between 2016 graduates and 2015 graduates
* "Achieved" includes companies answered "As planned," "Slightly more than planned," and "Considerably more than planned," and "Failed" includes those answered "Slightly less than planned," "Considerably less than planned," and "Still in screening process and not clear."

	Achieved		Failed	
Total	48.3%	(-7.6)	50.7%	(8.1)

Number of Employees	Achieved		Failed	
Less than 300	48.7%	(-4.9)	48.7%	(5.8)
300-999	45.4%	(-8.4)	53.5%	(9.0)
1,000-4,999	50.8%	(-8.0)	49.2%	(8.2)
5,000 or more	51.0%	(-8.2)	49.0%	(9.0)

Region	Achieved		Failed	
Hokkaido, Tohoku	29.0%	(-13.5)	69.9%	(15.1)
Kanto	47.7%	(-7.7)	52.0%	(8.7)
Chubu, Tokai	51.3%	(-5.4)	46.6%	(4.8)
Kansai	53.5%	(-11.2)	46.0%	(11.8)
Chugoku, Shikoku	48.7%	(-5.7)	48.7%	(4.3)
Kyushu	53.1%	(4.0)	45.3%	(-2.0)

Target achieving level of companies with more than 1,000 employees was over 50% and that of companies with less than 1,000 employees could not reach 50%, but regardless of company sizes, the ratio of target achieving companies dropped. Also, results were diverse in different regions.

Company CASE2 Service Screening: From February



Started student screening in February.
Continued recruitment until achieving the target

COMPANY DATA

- Headquarters: Around Tokyo
- Employees: More than 1,000
- Employment in 2016
 - Target: About 300 new graduates
 - Unofficial offer: About 700
 - Employment: About 300 (Rate of refusal: 57%)

Key employment process

- November 2015 Internship (until February)
- January Company information session (until December)
- January Aptitude test
- February First interview (group)
- February Second interview (private)
- February Final interview
- End of March Unofficial offer (until December)

With the increase of target number of hires, follow-up was enhanced to students who received an unofficial offer

As we are not a member of Japan Business Federation, we carried out 2016 employment activities in our usual schedule which takes almost a whole year until achieving the target.

Challenges were getting closer and engaging deeper with students. Our results of 2015 employment activities were not favorable, and a new human resources strategy increased the target to around 300 new graduates, up more than 100 from the previous year.

We addressed these challenges by holding company information sessions and office tours, ensuring the consistency of messages on our recruitment website, increasing interviewing time per student, and enhancing follow-up to students who received an unofficial offer. The most important practice was follow-up to students, and we introduced a variety of programs such as field tours, gatherings with our employees, and information sessions after unofficial offer, to meet these students more than once a month. This was a big change from the previous year when we did only one private interview with students after making unofficial offer. Thanks to these schemes, we could find desired people with high ambitions for achievements, and employed the target number of new graduates.

The 2016 target was regarded significantly high in the company, so the results were fairly good.

Small information sessions for students to understand our company further

Among follow-up activities, the most effective was information sessions after unofficial offer. The two-hour sessions invited 1 to 5 students, gave them important company information which were not available in general sessions, and answered their questions. After these sessions, some students rejected unofficial offers from other companies received in August and September to accept our offers. We believe such small sessions are really effective in promoting students' understanding and developing a sense of affinity in our company.

We also introduced our first internship system for new graduates in 2016, and gave the program participants preferential invitations to information sessions, which led us to make an unofficial offer to about 5% of them.

For new graduates in 2017, we will improve and enhance follow-up activities further, with more internship programs than in 2016.

Student CASE 2 Unofficial offer from a consulting firm Graduate school, Science and engineering department



Deciding the venture industry was my first choice, started participation in screening in January. Selected my place of employment in April

Job search schedule

- June 2014 Applied to summer internship program by three firms but could not pass the screening.
- October 2014 Participated in about ten job search seminars (held outside my school) and visited twenty former students such as club seniors and one of father's friends.
- January 2015 Participated in two internship programs. Screening started at venture firms.
- March 2015 Received unofficial offers from two firms. Decided to work for one of them after a month of consideration, as both firms were attractive.

Internship programs and meetings with former students helped me in deciding my first choice

My first choice was the venture industry as I did not want to work for some established companies in a conventional way. I started preparation for my job search activities in June of my first year at graduate school. Unfortunately, I could not pass the screening for summer internship programs, and started preparation again in autumn. To understand other students' job search activities and recruiters, I participated in about ten seminars where I could collect knowledges and skills necessary for job search practice. I also met with former students to learn about their attitudes toward work and enhance my business communication skills.

It was an internship program held by an IT-related firm in winter that helped me decide my first choice. In the program, I found that I was not really interested in the IT industry. Rather, I wanted to be involved in education, working like a consultant who resolves problems of client companies.

Screening by venture firms started in January, and I participated in their information sessions which I found interesting in employment information websites. I made applications to twenty venture firms and received unofficial offers from two of them which I wanted to work for the most at the end of March.

2016 Recruitment and Job Search ③ Students



Survey result shows employment rate of students and the number of unofficial offers they received

86.8% of job applicants found their places of employment

86.8% of students who were looking for jobs in private companies found their places of employment, either in private or public sectors by December 2015. This was the highest percentage in the past 3 years, increasing by 2.3% from 84.5% for 2015 graduates (as of December 2014) and by 8.9% from 77.9% for 2014 graduates. 8.0% of students still had not found their places of employment as of December 2015. This decreased by 2.1 points from 10.1% for 2015 graduates.

40.4% of hired students were employed by companies of their first choice from the start (chart ①). This was the highest in the past 3 years, as it increased by 3.0% from 37.4% for 2015 graduates.

81.7% of students answered "Very satisfied" or "Rather satisfied" with the companies they were employed by (data ②). Ratios of "Very satisfied" and "Rather

satisfied" were: 92.7% for those hired by their first choice of companies, 82.5% for those hired by their second or lower choice of companies, and 62.3% for those hired by companies they did not consider at first. Satisfaction level of students was reflected by how they saw their companies from the start.

Average number of unofficial offers per student is increasing (chart ③). It was 2.17 in average, and 54.2% of students were given unofficial offers from multiple companies.

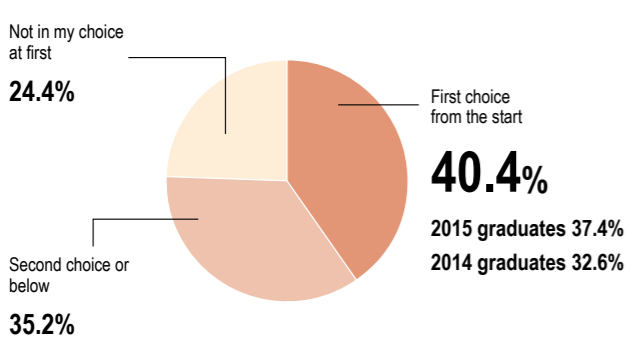
In the following departments of universities, more than 60% of students were given multiple unofficial offers: Business Management/Economics (65.9%), Commerce (61.2%) and Law (61.0%) in arts departments, and Electrical and Electronics Engineering (60.6%) and Informatics (62.1%) in science and engineering departments.

82.3% of students were contacted by

the companies which gave them unofficial offers. They were asked to participate in "A get-together with prospective employees" (67.1%) and "Ceremony for prospective employees" (66.6%), to receive "Regular contacts via e-mail or phone" (43.9%) and "company magazine or newsletter for prospective employees" (23.7%), and to take part in "Group training" (22.4%), etc. (multiple answers). The largest number of students thought "A get-together with prospective employees" motivated them the most to join the company (data ④). "Ceremony for prospective employee," "Group training," and "Regular contacts via e-mail or phone" followed this, but in Hokkaido and Tohoku, Chugoku and Shikoku or in Kyushu, more students answered "Regular contacts via e-mail or phone" than "Group training."

Student About 40% joined their first choice of company from the start

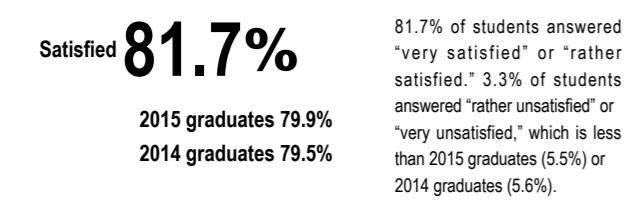
① How prospective employees considered their companies when they started finding job
* Hired students/Single answer



"First choice from the start" is increasing, and "Not in my choice at first" is decreasing; it was 37.1% for 2014 graduates and 29.9% for 2015 graduates.

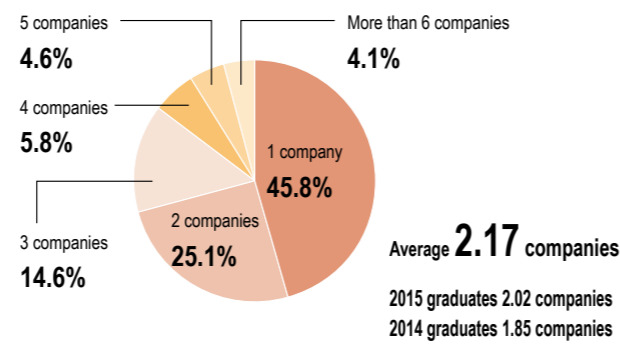
Student Over 80% of students were "satisfied" with their companies

② Satisfaction with companies they were employed by
* Hired students/Single answer



Student Over half of them had unofficial offers from multiple companies

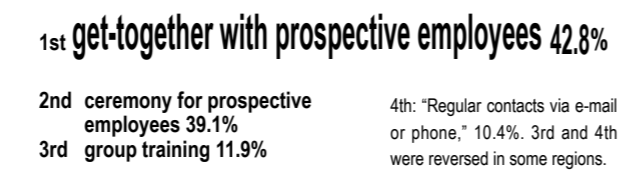
③ Number of unofficial offers per person
* Students with unofficial offers as of December 2015/Single answer



54.2% of students had unofficial offers from multiple companies. The percentage is increasing from 50.0% for 2015 graduates and 44.7% for 2014 graduates, and average number of unofficial offers is also increasing.

Student Over 40% were motivated to join the company after taking part in a get-together with prospective employees

④ Contacts by the employers which motivated them to join the companies even more
* Students contacted by companies which made unofficial offers/Multiple answers



Student

CASE 3
Unofficial offer from a manufacturer
Foreign language department

My first choice industry started student screening in July or August. With no satisfying results during this screening period, received an unofficial offer through additional recruitment in September.

Job search schedule

- **June 2014**
Participated in job search seminars at my school. Started visiting former students in November and prepared for SPI (Synthetic Personality Inventory) aptitude test in December and January.
- **March to May 2015**
Participated in company information sessions at my school to gather information about various firms in March. Visited information sessions of my first choice industry in April and May.
- **May to July 2015**
Made about 45 job applications; to shipping companies and warehouse firms in May and June, and to trading companies (general office employee) in July.
- **August 2015**
Most of the interviews took place in August, with no satisfying results. Applied to additional recruitment opportunities and received an unofficial offer from a manufacturer in the middle of September.

It was unfortunate that I could not have interviews with my first choices earlier

As I had to take my teaching practice program in September, I wanted to decide my place of employment by the end of August. However, my first choices such as shipping companies, warehouse firms, and trading companies (general office employee) started interviews in summer, some in July and mostly in August. There was no meaning in applying to firms I really do not want to work for, so I determined to do my best in the given schedule. I had another two-week teaching practice program in June, and during that period, I had to decline invitations to interviews with several firms.

After unsatisfying results in interviews with major shipping companies at the beginning of August, I received two unofficial offers in the middle of the month. But I could not accept all the working conditions, so I searched for worthwhile jobs again and decided to apply to additional recruitment opportunities just started by manufacturers. There were surprisingly many manufacturers who continued recruitment activities, and I received an unofficial offer from my prospective place of employment. I made it a day before the teaching practice program started.

Looking back, job search took me a very long time. Preparations started in June of my third year at undergraduate school and an unofficial offer finally came in September of my fourth year. It was unfortunate that I could not have interviews with my first choices and decide my course earlier, feeling relieved.

I also regret not having done enough research on my first choices. As I made job applications to about 45 companies from May to July in total, I did not have enough time to research each firm, link their strengths with my purposes and convince them logically that I was a desired resource for them.

Student

CASE 4
Unofficial offer from a foreign financial firm
Policy management department

Participated in internship programs since the first year of undergraduate school. Having a wider view helped my job search activities

Job search schedule

- **From July 2012**
Participated in several domestic and international internship programs. Continued some of them during my job search.
- **July 2014**
Started meeting with former students. Met 24 people of all ages in total, from newly hired employees to executives.
- **February 2015**
Deciding foreign financial firms and airlines as my first choices, took on researching these industries and firms.
- **March 2015**
Started making job applications. In April, started taking paper tests and interviews, received an unofficial offer from my first choice firm in the middle of April to complete my job search activities.

Internship experience gave me a new mindset toward jobs, enabling me to search for jobs in all size of firms in all industries

My original ambition was to work globally. To achieve this goal, I believed that I had to know the world and develop a wide range of insights and knowledges through experiencing a variety of tasks. I participated in domestic and international internship programs since the first year of undergraduate school. Domestically, I took part in the programs at an IT venture company and a large retailer, and internationally, in the programs at a venture firm who supported UN refugee aid projects and a manufacturer in the cutting-edge biotechnology industry, to name a few.

Through these activities, I understood that firms could not continue their businesses without customers, and that we could grow in whichever firms we worked for. Before taking internship programs, I believed that I had to work for a foreign company and go all over the world. But the internship experience gave me a new mindset toward jobs, and I could forget my old idea that excellent human resources worked globally. The new mindset enabled me to search for jobs in all size of firms in all industries. I wanted to find and be employed by a firm which I could love.

I started job searching around July of the third year, asking seniors whom I met at seminars and part time jobs to introduce me to former students. Meeting business persons of all ages helped me define the standards in deciding a firm I wanted to work for, and I thought the most important things were that the firm should have a performance-based culture rather than seniority-based one, a highly diverse structure, and seniors I could truly respect.

I finally decided foreign financial firms and airlines as my first choices, and made job applications to three firms around March. I received an unofficial offer from my first choice, a foreign financial firm, in the middle of April and completed my job search activities.

Changes of Company Activities



Survey result shows changes of recruitment activities, companies' focus in their activities, and differences between target achieved companies and target failed companies.

Individual support to students made differences between target achieved and failed companies

We asked companies whether they increased or decreased the numbers of information sessions and seminars, students allowed to visit their seniors from universities working in the company, recruiters, and unofficial or early unofficial offers compared to recruitment of 2015 graduate. 40-50% of companies answered they "increased" "Individual information sessions and seminars (face to face)," "Joint information sessions and seminars (at universities)," and "Unofficial and early unofficial offers" (data ①). Around 40% of companies answered they "increased" these practices in the survey of the previous year, and companies tried to contact students even more proactively in recruitment of 2016 graduates.

How were activities different between target achieved and failed companies?

Company Almost half of the companies increased individual information sessions

① Activities which companies increased from recruitment of 2015 graduates

* Companies that performed each activity/Single answer

Individual information sessions and seminars (face to face)

51.0%

Same as the previous year 40.3%

Joint information sessions and seminars (at universities)

42.1%

Same as the previous year 54.0%

Number of unofficial offers and early unofficial offers

41.0%

Almost the same as the previous year 40.8%

25.6% of companies increased the number of "Individual information sessions and seminars (website)," 37.1% increased the number of "Joint information sessions and seminars (others)," 17.3% increased "The number of students allowed to visit their seniors from universities working in the company," and 33.4% increased "The number of recruiters."

Ratios of target achieved/failed companies which answered to have "focused on" each recruitment practice are shown in chart ②. Target failed companies focused more on contacting students before screening, carried out practices such as "Gathering of candidates," "Individual information sessions and seminars," and "Joint information sessions and seminars." The ratio of companies focused on "Joint information sessions and seminars" was especially high, 8.3 points more than that of target achieved companies.

On the other hand, target achieved companies focused more on processes related to unofficial/early unofficial offers and prevention of prospective employees from turning down their unofficial offers, such as "Follow-up on students during screening," "Quantity control of prospective employees," "Prevention of prospective employees from turning down unofficial offers," and "Follow-up on students

with unofficial offers." The differences in "Prevention of prospective employees from turning down unofficial offers" and "Follow-up on students with unofficial offers" were especially large between target achieved/failed companies, which were 3.3 and 5.9 points respectively. For recruitment of 2015 graduates, there were differences also in these two processes by 3.9 and 2.1 points respectively. "Follow-up on students with unofficial offers" showed larger difference for recruitment of 2016 graduates.

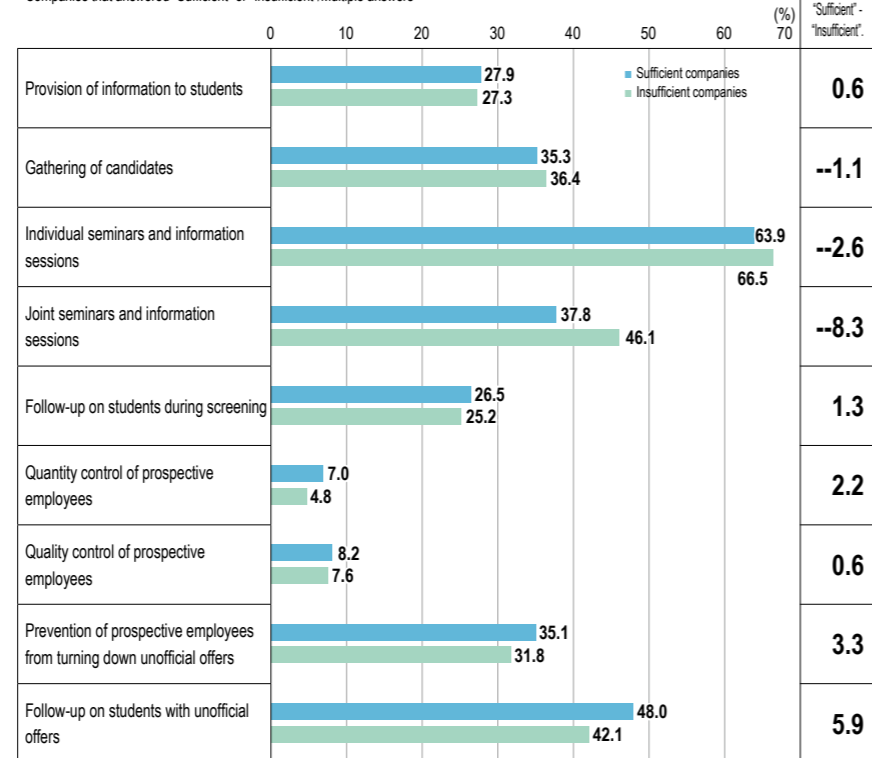
Ratio of those who declined unofficial offers was 36.0% for target achieved companies and 45.9% for target failed companies on average.

Companies focusing only on contacts before screening and carrying out practices such as information sessions and seminars can not achieve the target. Supporting students individually after screening starts seems to be one of the key factors to become a target achieving company.

Company Target achieved companies focused on "Follow-up on students with unofficial offers" more

② Ratios of companies which answered to have "focused on" each activity

* Companies that answered "Sufficient" or "Insufficient"/Multiple answers



Differences between target achieved/failed companies regarding "Search for desired qualities (standard of screening)" and "Standardization of screening criteria between interviewers" were 0.3 and 0.1 respectively and were not significant.

Company CASE3
Manufacturer
Screening: From June



Enhanced engagement with students before PR activities

COMPANY DATA

- Headquarters: Okayama
- Employees: 300-999
- Employment in 2016
 - Target: 19 new graduates
 - Unofficial offer: 32
 - Employment: 18
 - (Rate of refusal: 44%)

Key employment process

- September 2014 Internship (till November)
- December 1-day internship (till February)
- March 2015 Early job application open
Joint company information session
- April Online assignment: Submission close
- May Independent information session (with students who passed the online assignment)
- June First student screening
Second screening
- July Final screening, unofficial offer

Had communications to keep in touch with students ahead of screening

Changes in the new graduate employment schedule made us face two challenges in employing graduates of 2016. Students would be forced to participate in a screening process without enough research on industries and businesses, and many of them might refuse our unofficial offer.

For students who cannot do enough research, we increased communication opportunities with them before March. The numbers of information sessions and job search seminars including those implemented after PR activities were about 110 for graduates of 2016, compared to 70 to 80 for those of 2015.

To deal with the second challenge of students' refusal of our unofficial offer, we assessed their intention to work for us more carefully, and gave more unofficial offers than the previous years, foreseeing an increase of refusal. We also held Q&A sessions with our employees for students, so that students can deepen their understanding

in our company before the submission deadline of written consent to the unofficial offer.

Thanks to these efforts, we could employ talented students who could meet our standards, and the number of employments fell short of our target by only one. We think there are two keys to this success; increased number of information sessions and seminars, and constant communication with students. At information sessions and seminars, we always announced the next event schedules, and told some students I had a chance to speak to privately that "we would hold the next information session on xx day of xx month at your school," to promote them to participate in our events repeatedly.

These efforts will continue for graduates of 2017. We will further increase the number of information sessions and seminars before February by about 10 times, to deepen students' understanding in our company before March. This will enable them to proceed to researches on industries and businesses.

Company CASE4
Construction
Screening: From April



Increased the number of company information sessions But the number of participants decreased than the previous year by 40 to 50 %

COMPANY DATA

- Headquarters: Miyagi
- Employees: Less than 300
- Employment in 2016
 - Target: 6 new graduates
 - Unofficial offer: 15
 - Employment: 4
 - (Rate of refusal: 73%)

Key employment process

- March 2015 Early job application open
Company information session
- April First student screening (group interview/discussion)
- June Second screening (group interview, paper test)
- July Final screening (interview with executives, aptitude test)

Shorter period from PR activities to job application led to students making application to different industries and businesses

Employment activities for graduates of 2016 were done in the dark with no clear forecasts on other firms' and students' moves. What we changed in our approach from 2015 was the number of information sessions. We increased the number from the previous year in order to communicate with more students, but the result was 40 to 50% fewer number of participating students. There were particularly fewer participants in sessions held from July to September. Some sessions could gather only 1 to 2 students when capacity was 20.

Another problem was that graduates of 2016 would not submit a written consent to our unofficial offer, no matter how many offers we made. We usually complete employment activities in October at the latest, but in 2016, we were forced to complete them in November without achieving the target number of employees. All the prospective employees meet our standards, but

looking back at our activities in 2016, there were fewer discoveries of talented students.

Recent shortfall of experienced workers in the labor market has led to more companies securing human resources among new graduates. We believe this caused more students to make job applications to different industries and businesses. Furthermore, as fewer firms started screening in April or May, many students could not research enough on industries and businesses, resulting in their lower awareness and insufficient understanding in our company.

For new graduates in 2017, we will introduce dialogue events with our employees and students who pass the first or second screening, so that students can get closer to their future employer and colleagues. In addition, considering that many students now value work-life balance, we will change our approach and communicate in our events such as information sessions that working for our company will enable them to lead a fulfilling life both privately and publicly.



Numbers of unofficial/ early unofficial offers on the increase

Activities related to unofficial/early unofficial offers showed a distinctive trend in recruitment of 2016 graduates. Almost 40% of companies answered they changed "Follow-up on students with unofficial offers" because of schedule change (data ①). Also, 44.9% of companies answered they focused on "Follow-up on students with unofficial offers" in recruitment activities, which shows they considered this as one of the challenges. This is considered to have been influenced by the seller's market in which students tend to receive multiple unofficial offers easier than before.

The number of unofficial offers and early unofficial offers increased. As we mentioned in P. 14, the number increased

in 41% of companies, and answers by the companies to the question of "Number of unofficial offers and prospective employees when number of interviewee is assumed to be 100" were 18.5 for unofficial offers and 10.1 for prospective employees, and both of them increased from the previous year (unofficial offers 15.5, prospective employees 9.6). The number of unofficial offers increased from the previous year regardless of company size, and companies with 5000 or more employees increased it by 23.6 which was more than that of companies of other sizes (16.3-18.3), and the increase was larger than that of the previous year (16.3). The number of prospective employees in companies with 5,000 or more employees was 12.4 and was more than that of companies of other sizes (9.0-9.9), and the increase was larger than that of the previous year.

Chart ② shows "Number of unofficial offers and number of prospective employees when number of jobs offered is assumed to be 100." The number of unofficial offers was 166.6, which largely increased from 104.8 for 2011 graduates in the survey by Recruit Works Institute*. It is considered that this also reflected the seller's market and prediction of more students turning down unofficial offers due to longer job search process.

80.5 % answered their recruiting standards were "About the same as 2015 graduates," 10.8% "Lowered," and 5.8% "Raised." The fact that the number of students with multiple unofficial offers increased and the number of unofficial offers increased under the same recruiting standards suggests unofficial offers concentrated on particular students.

* Survey report of recruiting structure of university graduates, Recruit Works Institute, April 2012

Company 40% made changes to follow-ups for students with unofficial offers

① Activities changed due to schedule alteration * All companies/Multiple answers

1st Follow-up on students with unofficial offers 39.3%

- 2nd Gathering of candidates 32.1%
- 3rd Promotion of company recognition in the early stage 28.9%

"Screening method (judgment method)" (21.5%), "Enhancement of motivation among candidates (before making unofficial offers)" (19.4%), etc. followed. 30.2% answered "Nothing changed."

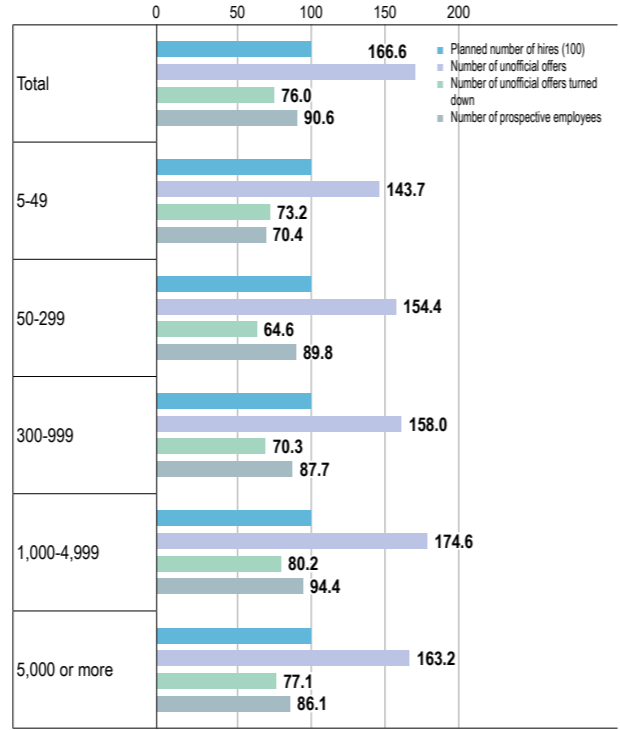
column
After the abolition of recruitment agreement, firms were busy changing their employment process

After the abolition of recruitment agreement in 1997, 38.1% of firms forecasted that they need to change their employment processes (Source: Shushoku Journal). In particular, there were more firms to start several phases of the process such as a company information session earlier than the previous year. The May 1997 issue of Shushoku Journal (see photo) reported in an article about trends of firms' employment process, that firms were afraid of facing challenges in making unofficial offers, with a comment of a firm that "longer employment period will make it difficult for us to forecast the rate of refusal.....we have to try to determine the rate of refusal and continue our employment activities till reaching the target number of employments."



Company Numbers of unofficial offers were 1.4-1.8 times of the planned numbers of hires, and about 45% candidates turned them down

② Number of unofficial offers and prospective employees when number of planned hires is set to "100" * Companies that answered all questions from interview to unofficial offers/Answers in actual numbers



Regardless of the number of employees, the numbers of unofficial offers were 1.4-1.8 times of the planned numbers of hires, and almost half the offers were turned down. The number of prospective employees were 70-95 to the number of planned hires (100).

Company

CASE5
Service
Screening: From April

Increased communication opportunities with students and enhanced follow-up to students who received an unofficial offer, but the number of refusals increased

COMPANY DATA

- Headquarters: Shizuoka
- Employees: 300-999
- Employment in 2016: Target: 20-25 new graduates, Unofficial offer: 33, Employment: 13 (Rate of refusal: 61%)

Key employment process

- September 2014: Internship (Implemented also in December and February 2015)
- March 2015: Earlier job application open, Joint company information sessions at schools, independent information sessions
- April: First student screening
- May: Second screening
- June: Third screening, Fourth screening
- End of June: Unofficial offer

Many of students who refused our offer received an unofficial offer from large enterprises in August and later

Our challenges in new graduate employment activities have been securing quality and volume of candidate students and decreasing the rate of refusal. For graduates of 2016, we were afraid that the challenges would be severer as we needed to start student screening earlier than large enterprises.

To succeed in the employment activities in 2016, we invited students to meet with their seniors working for us and held a get-together with prospective employees. Before these new efforts, we introduced them to their seniors only when they asked. In 2016, we set up a request form for students to meet their seniors on our recruitment website to encourage their engagement with our company. Get-together with prospective employees was implemented in the beginning of August, in order to promote friendship among them and to prevent their refusal to go to other companies, during the period from unofficial offer (end of June) to training for prospective employees (August).

Regardless of these efforts, about 60% of prospective employees refused our offer. It was an unexpected result as the rate of refusal by graduates of 2015 was about 20%. Another concern in the employment activities in 2016 was that many of students who refused our offer received an unofficial offer from large enterprises in August and later. The number of earlier job applications just reached 70% of the previous year. We invited about 80 students to meet their seniors, but only a few of them made an application to our screening and received our offer.

Looking back to these unsuccessful results, we will enhance individual follow-up to prospective employees who might refuse our offer to go to other companies in the recruitment of 2017 graduates. We will also increase the number of information sessions and industry research seminars held at schools to increase communication opportunities with students. Furthermore, we will improve the accuracy of discovering desired students by sophisticating our internship program and carefully screening participants, as well as inviting only the internship participants to meet their seniors.

Company

CASE6
Service
Screening: From April

Companies increased the number of information sessions, but could not realize their targeted numbers of hires

COMPANY DATA

- Headquarters: Hokkaido
- Employees: Less than 300
- Employment in 2016: Target: 2 new graduates, Unofficial offer: 1, Employment: 0

Key employment process

- January 2015: Joint company information session, Job search seminars at school (till March)
- March: Independent information session (till April)
- April: First student screening (group interview)
- May: Second screening (private interview, essay writing, aptitude test), Final screening (private interview), Unofficial offer

In Hokkaido, PR period was shortened to 2 months

For our company, PR period for graduates of 2016 was shortened from 4 months to 2 months. Many firms in Hokkaido usually start student screening at the first of May, but we started interviews at the end of April, to get a head start.

As the number of earlier job applications was expected to decrease due to the shortened PR period, we held one or two more joint information sessions and sessions at schools than the previous years. This did not help us keep up the number of earlier job applications, and the number of participants in independent information sessions and interviews also decreased. Based on our policy of making an unofficial offer only to students who meet our standards and have determination to work for us, we made an offer to only one student, missing the target resolutely, and completed employment activities at the end of May. Yet, to our disappointment, the student refused our offer in October after passing the civil servant exam.

Looking back at the employment and job search activities of companies and students in Hokkaido, students were forced to determine their future in a shortened period (half of the previous year), resulting in focusing on large enterprises with no time to research and visit small and medium-sized companies. Furthermore, there were students who refused unofficial offers to go to large enterprises who started screening in August.

For employment activities for graduates of 2017, we will hold one or two more joint information sessions to increase communication opportunities with students, considering that 2017 new graduate job market would be favorable again for job seekers. In addition, we will start a new recruiting service in which we can contact subscribing students by email.

Changes of Student Activities



Survey result shows changes in job search activities and differences between successful and unsuccessful students.

The number of early job applications and other individual approaches to companies decreased

The average number of each job search process (chart ①) shows that the numbers of graduates met, recruiters contacted, and joint information sessions/seminars attended slightly increased. On the other hand, individual approaches to companies, such as the numbers of early job applications, individual information sessions attended, applications submitted, and interviews with companies decreased. The number of early job applications considerably decreased from 56.30 in the previous year to 42.89. Some companies started screening not long after they started PR, to prompt students to perform each process simultaneously, and this could be

the background of the decrease of individual approach.

To understand differences between successful and unsuccessful students in job search activities, we asked them "Looking back on your whole job search activities, do you consider your job search successful?" and grouped those who answered "Yes" or "Rather Yes" as "Successful students" (58.5% in total) and those who answered "No" or "Rather No" as "Unsuccessful students" (18.1% in total). Chart ② shows the ratio of successful/unsuccessful students who answered to have "Performed" each process. Unsuccessful students had higher ratio of performing "Early job application" and "Participation in joint information sessions and seminars." On the other hand, successful students had higher ratio of performing processes in order

to understand themselves, businesses, and industries such as "Corporate research," "Self-analysis," and "Visits to graduated university seniors who work in target companies."

Answers to questions "Processes you focused on" varied between successful and unsuccessful students in the following order: "Self-analysis" (successful: 31.3%, unsuccessful 14.6%, 15.7 points difference), "Face-to-face screening" (successful: 42.6%, unsuccessful: 26.9%, 11.1 points difference), "Corporate study" (successful: 22.3%, unsuccessful: 11.2%, 11.1 points difference), and "Gathering job finding information" (successful 44.1%, unsuccessful 34.2%, 9.9 points difference).

Answers to questions "Processes you think you should have focused on more" varied between successful and

unsuccessful students in the following order: "Face-to-face screening" (successful: 22.6%, unsuccessful: 40.7%, 18.1 points difference), "Corporate study" (successful: 26.4%, unsuccessful: 39.7%, 13.3 points difference), "Gathering job finding information" (successful: 17.8%, unsuccessful: 29.6, 11.8 points difference), and "Submission of documents such as application forms" (successful: 15.3%, unsuccessful: 27.1, 11.8 points difference).

This suggests the level of focus on activities before screening such as gathering information, corporate study, and analyzing one's preferences may have affected the outcome of job search activities.

60% of students continued job search after they gained their first unofficial offers

Over half of 2016 graduates gained more

than one unofficial offers, and the average number of unofficial offers per applicant was 2.17, the highest in the past three years (see P.12). 57.5% of students continued job search even after they gained their first unofficial offer (chart ③). The most popular reason for this was "To undergo screenings of companies they preferred more," as answered by 73.1% of students (data ④). Like the student introduced on this page (upper column), some students whose first choice was well-established companies also applied for small and medium sized companies, and continued their job search even after they gained early unofficial offers.

Activities cost about 100,000 Yen on average

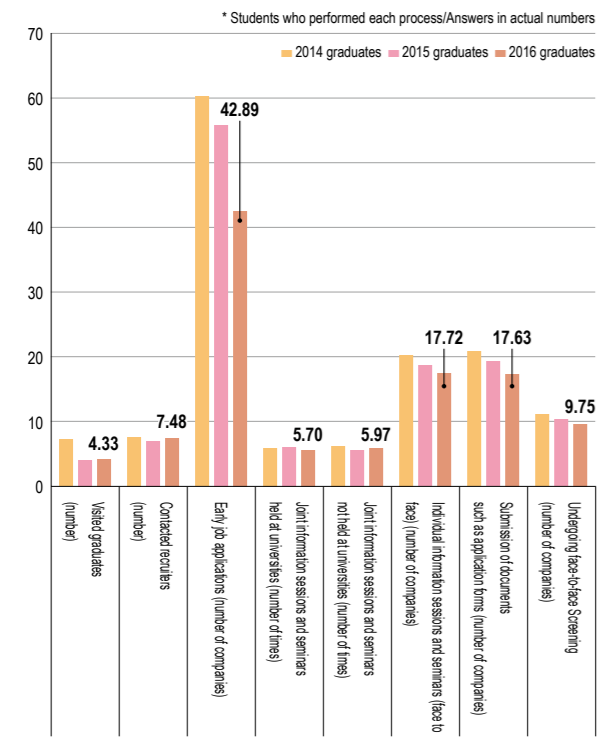
The survey also revealed that the average amount spent on job search

was 101,262 Yen in total (data ⑤). The amount varied depending on the region, and the biggest factor of this difference was transportation expenses. Students in Chugoku and Shikoku areas spent the highest transportation expenses of 85,001 Yen. This was followed by 69,349 Yen in Hokkaido and Tohoku, and 65,039 Yen in Kyushu. The lowest was 43,674 Yen in Chubu. Accommodation expenses varied from 1,800 to 14,000 Yen, and clothing expenses such as business suits, shirts, ties etc. were 26,000-35,000 Yen.

Unless they are local corporations, applicants must visit their headquarters which are located in large city areas to undergo their screening. Transportation fees were especially costly in distant areas such as Hokkaido, Tohoku and Kyushu.

Student Approaches to individual companies decreased

① Average values of each job search activity



The number of graduates (+0.2 person), the number of recruiters contacted (+0.35 person) and the number of joint information sessions and seminars attended (+0.24 times) increased from the previous year. Others decreased.

Student Successful students had higher rate of performing processes before approaching companies

② Ratios of students answered to have "performed" each activity process

* Students who answered "Successful" or "Unsuccessful"/Multiple answers
* When asked "Looking back on your whole job search activities, do you consider your job search successful?" those who answered "Yes" or "Rather Yes" are defined as "Successful students" and those who answered "No" or "Rather No" are defined as "Unsuccessful students."

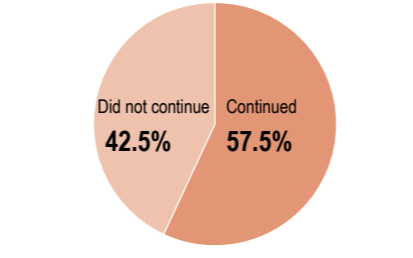
	Successful students	Unsuccessful students	Difference between successful and unsuccessful
Participation in internships	44.6%	30.6%	14.0
Gathering job information	84.4%	78.4%	6.0
Corporate research (Including business/industry researches)	57.8%	52.7%	5.1
Self-analysis	69.6%	63.2%	6.4
Visits to graduates who work in target companies	19.6%	12.3%	7.3
Contact with recruiters	21.1%	11.8%	9.3
Early job application	52.7%	54.3%	-1.6
Participation in joint information sessions and seminars (held at universities)	62.8%	63.3%	-0.5
Participation in joint information sessions and seminars (not held at universities)	58.1%	62.6%	-4.5
Participation in information sessions and seminars held by individual companies (face to face)	52.2%	48.5%	3.7
Submission of documents such as application forms	68.2%	68.6%	-0.4
Taking aptitude test or writing exam	65.5%	66.3%	-0.8
Undergoing face-to-face Screening	67.8%	65.0%	2.8

"Participation in internships", "Contact with recruiters" and "Visits to graduates" were considerably different. Rates in processes not directly connected to screening showed differences.

Student Almost 60% of students continued job search after they got unofficial offers

③ Continuity of activity after the first unofficial offer

* Students with unofficial offers/Single answer



Regionally, Kanto and Kinki areas had higher rates, over 60%, of students who answered "continued," which were 61.0% and 60.4% respectively. The ratio was less than half in Chugoku and Shikoku areas, at 49.8%.

Student 70% continued activities "To undergo screenings of companies they preferred more"

④ Reasons why they continued job search activities after having had the first unofficial offer

* Students who continued job search after receiving the first unofficial offer/Multiple answers

- 1st To undergo screenings of companies they preferred more 73.1%
- 2nd Because I was anxious and wondered if I made the right choice 32.5%
- 3rd To learn about the society by studying more about companies 16.6%

Student Activities cost about 100,000 Yen on average

⑤ Expenses for job search (average amount)

* University students who did job search/Numeric answers
* Aggregated answers except "0 Yen"
* Average amount per item. The sum does not match the total

Total expenses 101,262 Yen

- Transportation 53,672 Yen
- Clothing 33,966 Yen
- Accommodation 5,753 Yen

Students in Chugoku and Shikoku areas spent the highest expenses, 129,373 Yen. which was followed by 121,465 Yen in Hokkaido and Tohoku, 112,845 Yen in Kyushu and 112,396 Yen in Kinki. The lowest was 86226 Yen in Chubu.

Student Started participating in screening processes with no clear mindset toward my job

Unofficial offer from a telecom company/ Department of International Culture Studies
My first choice was large enterprises that can provide me with opportunities to work overseas. I began job search in March, and it was too early to focus on large enterprises, so I started researching small to medium-sized firms to have a wider view. It was unexpected that I was desired by some of them and passed their screening processes. I really appreciated their unofficial offers but could not decide what I really wanted to do in my job and for which company I really wanted to work. By questioning myself again, I defined important conditions for a place to work and selected firms that satisfied these conditions. I finally received an unofficial offer at the end of August from a telecom company to complete my job search activities.

Student Made too many job applications from anxieties and fears

Unofficial offer from an electrical equipment manufacturer/Department of economics
I started job search activities in March, and participated in company information sessions almost every day as I did not have any knowledge about industries and businesses. These activities did not help me to decide my first choice, and I made too many job applications from anxieties and fears. Screening processes started in April, but I ended up participating in them with no clear reason why I wanted to work for each company. I failed many screening processes as my research on businesses was not enough and my motivation for application was not concrete. It was in September that I finally decided my first choice as manufacturers and received an unofficial offer from an electrical equipment company.

Gaps between Companies and Students



Survey result shows gaps between companies and students in their recruitment and job search activities.

Mismatch between what companies want to know and what students want to tell

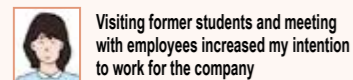
To find any gaps between companies and students in screening process, we asked companies about "Important criteria in screening process," and students about "Their selling points at interviews" (chart 1 2). The most important aspects for companies were "Personality" (93.0%), "Passion for the company" (79.0%), and "Potential in the future" (68.4%). On the other hand, although the highest ratio of 52.9% of students chose "Personality" as their selling point, it was followed by "Experience in part-time job" (40.7%), "Club or circle belonged" (26.2%), and "Hobbies and skills" (25.1%), which were considered important by only 10-20% of companies. Many students talk about their experiences

at interviews. However, the result suggests that companies did not just look at the experiences themselves, but tried to figure out personalities of students and their potentials in the future through those experiences.

The survey also tried to find any gaps between companies and students in information gathering process. We asked students about "What they wanted to know" and "What they found out" (chart 3), in information gathering process and top three information they wanted were "Specific job description" (69.1%), "Criteria of screening" (61.8%), and "Specific skills or personality wanted by companies" (51.2%). However, only 38.6% of them found out about "Criteria of screening" and there was 23.2 points gap between "What they wanted to know" and "What they found out."

Other information with considerable gaps were: "Annual income of 30 and 40 years old (salary in the future)" (17.8 points gap), "Relationship in the company" (17.3 points gap), and "Complaints of employees about the company, weak points of the company" (15.5 points gap). Some information is not suitable for companies to tell in front of a large audience like in information sessions, but it should be considered important to disclose these information as it helps students understand companies. Some of the companies introduced in pages 15 and 17 already have or are planning to have opportunities to tell students what employees really think and actual state of companies.

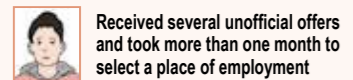
Students also should be eager to gain information as they may be able to find out from their seniors working in their target companies, for example.



Visiting former students and meeting with employees increased my intention to work for the company

Unofficial offer from a casualty insurance company/Department of economics

My first choice was the education industry but I selected a casualty insurance company as my place of employment. I met and was fascinated with employees of the company through company research and screening process, and really wanted to work for them by the time they gave me an unofficial offer. When I visited two of the employees introduced by the career center of my school, I asked them about challenges of working at a casualty insurance company and the employee turnover rate. They sincerely answered me and told me how rewarding their job was. That also increased my intention to work for them.

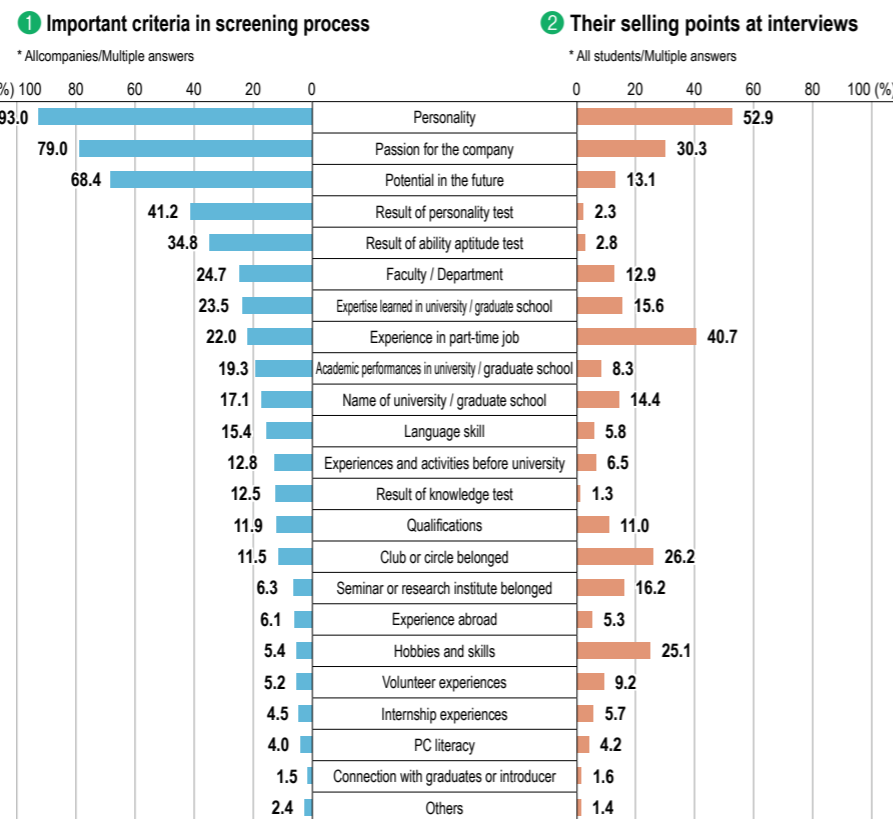


Received several unofficial offers and took more than one month to select a place of employment

Unofficial offer from a pharmaceutical company/ Department of science and engineering

I received unofficial offers from an information system company at the end of March and a pharmaceutical company at the end of July, but could not select one till the first of September. The former offered me to work at Tokyo office, which was really appealing, but living on my own in Tokyo with no housing aid was financially difficult. In comparison, the latter offered me to work in a local city where access to transportation was bad. I consulted the career center of my school and decided to work for the pharmaceutical company considering their steady growth, possibility to use what I learned in school seminars, and opportunities to work overseas in the future.

The most important thing is "Personality" for both companies and students



Companies valued "Personality," "Passion for the company," and "Potential in the future," whereas students valued "Personality," "Experience in part-time job," and "Passion for the company" as their selling points at interviews.

Company

CASE7

Manufacturer

Screening: From August

Raised the proportion of students with strong intentions to the target number of employees from 80 to 90%

COMPANY DATA

- Headquarters: Tokyo
- Employees: More than 1,000
- Employment in 2016
 - Target: About 500 new graduates
 - Unofficial offer: About 650
 - Employment: About 500 (Rate of refusal: 25%)

Key employment process

- Engineers**
 - March 2015: Independent company information session (till April)
 - May: Factory tour, job matching interview (till August)
 - August: Interview (1-2 times), Unofficial offer
- Office workers**
 - March 2015: Joint company information session, job searching seminar at schools, independent information session
 - April: Independent information session, Web seminar, round-table talks with employees
 - June: Meeting session with former students (with students from target schools only), job application open, application close for aptitude test
 - July: Round-table talks with recruiters
 - Beginning of August: Interview (3 times), unofficial offer

Job matching interviews before screening secured talented engineering students

Raised the proportion of students with strong intentions to the target number of employments from 80 to 90%

We have been abiding by the Japan Business Federation's Guidelines for Recruitment. In employment activities of engineering students, we usually implement job matching interviews between students and their preferred departments before screening process. This is a system to determine the section where each student belongs to after employment. 80% of our target number of employees are students with strong intention to work for us, so we could rest assured that careful job matching interviews would ensure talented engineering students for us. In contrast, we were afraid of not being able to forecast job searching activities and qualities of students who wanted to work as general workers.

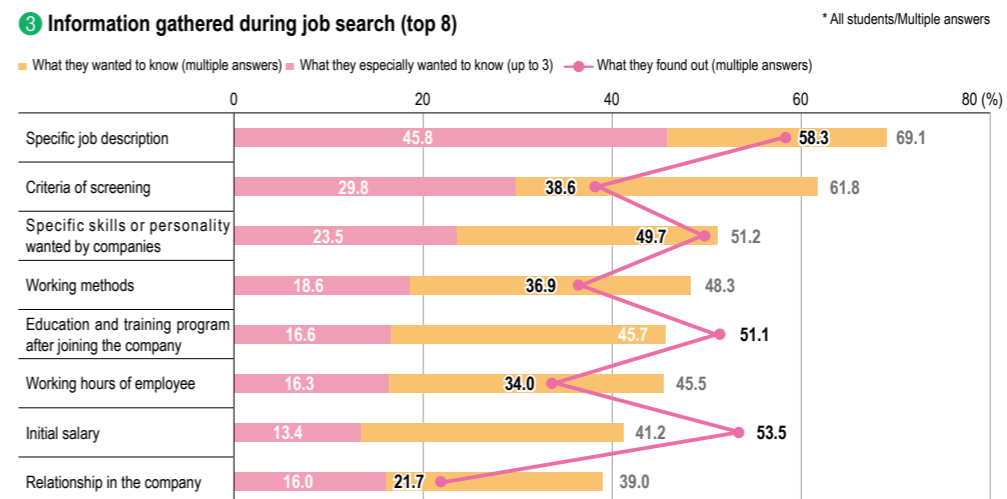
Changes in the new graduate employment schedule made us review our employment system for graduates of 2016. For engineering students, we lengthened the duration of job matching interview by one month and raised the proportion of students with strong intentions to the target number of employees from 80 to 90%. For students who wanted to work as general workers, we implemented round-table talks with recruiters, inviting students from our target

Increase of the number of internship participants for graduates of 2017

These efforts helped us to achieve the target number of employees, and to secure the similar quality of engineers and general workers as the previous year. The rate of refusal of general worker candidates did not increase. We think that students who were willing to wait for our interviews starting in August had already determined their first choices.

For graduates of 2017, we will increase the number of internship participants for winter. This is because we are now making unofficial offers to about 40% of summer/winter internship participants. Internship participants are really talented overall, and they are well received at each section they were assigned to. For the engineering sections have a stronger desire to meet quality students at job matchig interviews, they are willing to accept more interns if the internship is what draws them in.

"Criteria of screening" was the information wanted by many students but was also hard to get



Among students who chose "What they found out," the ratios of successful students were higher than those of unsuccessful students in all items: in "Criteria of screening" 40.1% for successful students and 37.2% for unsuccessful students, in "Relationship in the company" 27.0% for successful students, for instance.

Survey on Internship



Survey result shows the trend in internship programs, companies' goal in implementing these programs, and insights students gained through internships.

60% of companies implemented internships. Half of companies with less than 1,000 employees implemented them.

59.5% of companies implemented (or planned to implement) internships in 2015, which increased by 9.6 points from the previous year (chart ①). 61.1% of companies are planning to implement internships in 2016. 39.0% of companies implemented them in 2011, and the ratio increased by 22.1 points over the past 5 years. 17.2% of companies implemented internships for the first time in 2015, and 21.6% of companies did for the first time in 2014. The ratio was less than 10% before 2014, which means it increased rapidly since 2014.

On the other hand, 39.9% of 2016 graduates participated in internships, which increased by 13.0 points from the previous

year. The ratio had been around 20% until then (chart ②). The number of companies students interned at increased by 0.69 and reached 2.32. The number was 2.60 in Kanto area, 2.42 in Kinki area, and over 2 in average.

Although the number of participants in internships increased, not all applicants could participate in them. The implementation status (including plans) of companies in 2015 shows that the ratio of interns to applicants was 2.8 in average. The gate became even narrower, as the ratio was 2.4 in 2014. The ratio was as high as 4.3 in Kanto area, and it stood out especially in Tokyo with the ratio of 5.0. When classified by the number of employees, the ratio was high for "1,000-4,999" with 4.0 and for "5,000 or more" with 3.4.

2015 was the year when internship

significantly increased its presence. To find out what kinds of internships actually increased, we asked companies which implemented internships about contents of their programs, and the most popular answer in 2015 (including plans) was "Tasks or projects different from normal works," which was 53.1% (chart ③). This was followed by "Tours in workplaces and plants" (43.1%), "Part of assistant work of employees" (35.2%), "Attending employees in or out of the office" (33.4%), "Part of primary jobs of employees" (21.6%), and "Partial works of part-time workers" (9.1%). When classified by departments, "HR department" accepted 56.1% of the interns. This was significantly higher than other departments as they accepted less than 30%. 48.5% of 2016 graduates who participated in internships answered their contents of internships were "Tasks or

projects different from normal works," which was the highest. When classified by regions, 52.3% of students in Kanto area and 56.1% of students in Kinki area experienced "Tasks or projects different from normal works."

Half of students participated in one-day programs

The survey also looked at implementation periods of internships. The most popular period in 2014 was "7 - 13 days" with 32.7%, but it decreased by 9.7 points to 23.0% in 2016 (planned). "1 day" increased by 13.0 points from 22.2% to 35.2%. Planned implementation periods for 2016 classified by industries are as follows: "1 day" internships are to be mostly implemented in the distribution business with 42.9%, and the service and information business with 40.6%. In the banking business, 25.7% plan to implement for "1

day," 22.9% for "2 days," and 31.4% for "3 - 6 days," so 80% will implement them for shorter period than one week. On the other hand, programs "longer than 2 weeks" are often seen in the manufacturing business, with 15.8%.

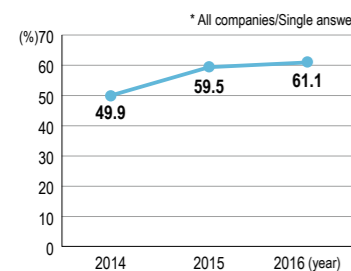
This tendency is even more obvious with participation ratios of students. Participation for "1 day" was 24.8% by 2014 graduates and 23.6% by 2015 graduates. This increased by 29.6 points and reached 53.2% by 2016 graduates. Participation for "2 days" showed the same tendency with 8.7% by 2014 graduates and 7.7% by 2015 graduates. This increased by 9.7 points and reached 17.4% by 2016 graduates. When classified by areas, the highest ratio, 60.3% of participation in "1 day" programs was seen in Kanto area. Less students participated in long-term programs and participation in short-term programs became

popular.

One of the students participated in a one-day program told us "After the explanation about the company's business, we were separated into groups and experienced fieldworks. The internship was only in the morning and we were in a rush, but it was a good opportunity to gain better understanding of the company." On the other hand, another student told us "It was no different from an information session. I actually have worse impression of the company now." Even in longer internships, we heard complaints such as "It was nothing but a part-time job." Selecting the contents of programs carefully could be more important than their periods in order to make internship experience more fruitful. Internship cases of four students help understand the trend and importance of these programs.

Company Increased regardless of size, industry, or region

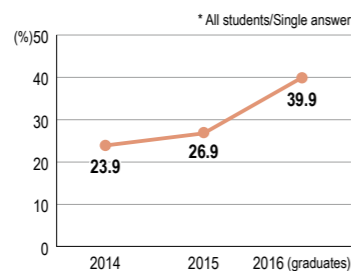
① Ratio of companies implemented internships



Regardless of the number of employees, business types or regions, the ratio of those did it, or planned to do it, increased in 2015. It was 59.4% in distribution industry, which increased by 12.6 points from 2014, and showed the highest growth.

Student Participants increased in all regions

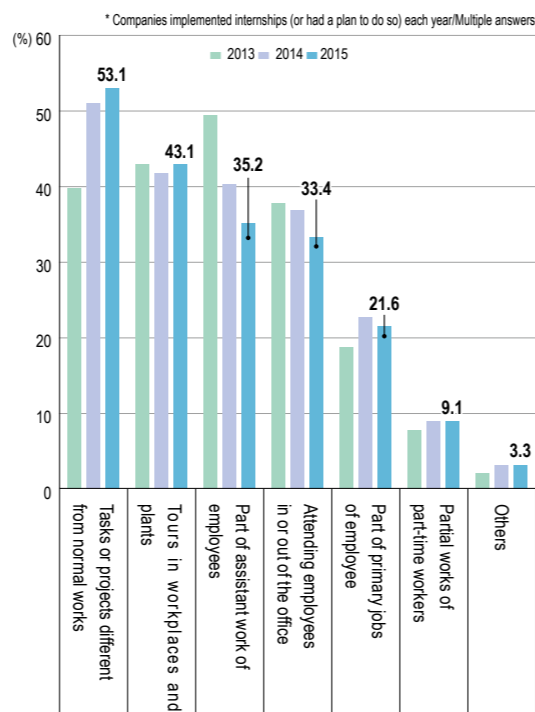
② Ratio of students participated in internship



The ratio increased more than 10 points in all regions. It showed the largest increase among graduate students with science and engineering majors, which increased by 21.3 points from 26.2% of 2015 graduates and reached 47.5%.

Company "Tasks or projects different from normal works" was over half

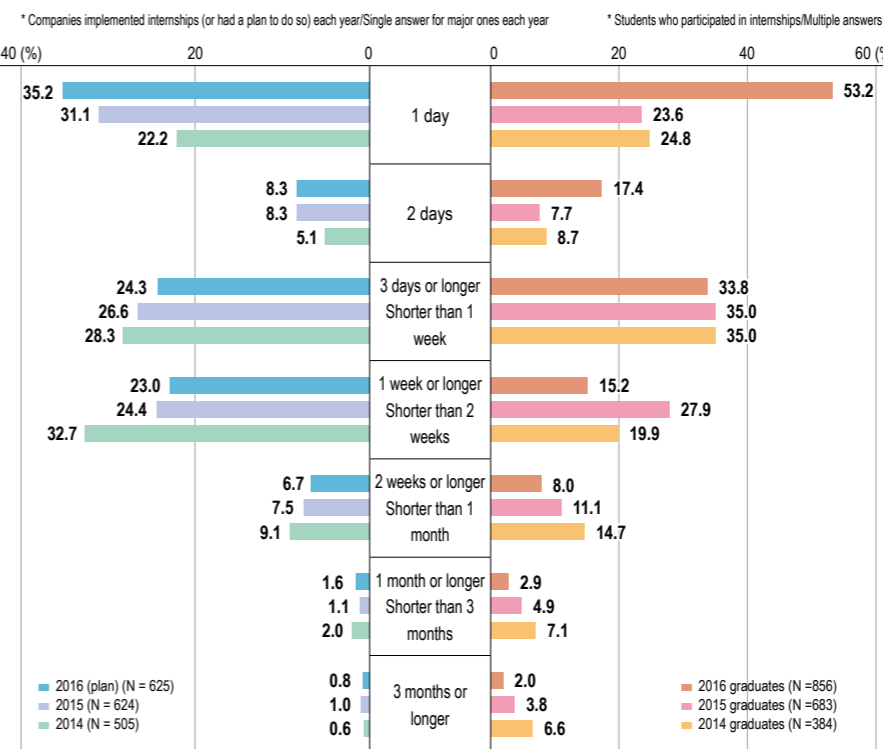
③ Program contents of internship



"Tasks or projects different from normal works" increased by 13.2 points from 2013. "Part of primary jobs of employees" increased by 2.7 points. On the other hand, "Part of assistant work of employees" decreased by 14.3 points and "Attending employees in or out of the office" decreased by 4.5 points.

Company Internship programs for 1 or 2 days increased for both implementation and participation

Implementation period of internship / Participation period of internship



13.7% of 2014 graduates participated in internships for "1 month or longer." The ratio decreased by 8.8 points to 4.9% for 2016 graduates. Also, 2.1% of companies recruited interns for "1 month or more" in 2015, which was a decrease by 0.5 point from the previous year.

Student Over half of 2016 graduates did internship at 2 or more companies

Number of internship companies students interned at

2.32 companies 2016 graduates

1.63 companies 2015 graduates
1.64 companies 2014 graduates

"Interned at just one company" decreased to 48.9% for 2016 graduates, which was 69.2% for 2014 graduates and 67.8% for 2015 graduates. "Interned at 5 or more companies" was 12.0% for 2016 graduates, which increased by 7.9 points in two years.

Participated in an internship program in August of the third year to have a clear mindset for working

• Unofficial offer from an advertising company/ Department of humanities

I participated in an internship program by a local advertising company held in August to have a clear mindset for working. In the three-day program, my view of salesperson has completely changed from someone who "aggressively sells products to meet tough sales quotas" to "carefully listens to customers' demands and propose appropriate products." I received another unofficial offer from an airline company, my dream industry, and it was really difficult to select my place of employment. But I decided to work for the ad company as I learned in the internship that they provided an ideal working environment for women. The ratio of employees taking childcare leave was 100% and female employees worked actively.

Talking with employees in different sections helped me in my job search activities

• Unofficial offer from a food manufacturer/ Science course of graduate school

I participated in a five-day internship program by a food manufacturer in August when I was in the first year of graduate school. In the program, I could learn about the contents of work for both career-track and research positions and how rewarding they are, and was really interested in a sales position. By talking with many employees in different sections, I gathered necessary information to decide my career. Other program participants also helped me to mature. Actually, I could not pass one of the internship programs by large enterprises. I was surprised to find that companies were severely screening students at the time of internship.



Less than 10% of students participated in internships for unofficial offers

The survey found out reasons of implementing internships. Chart ① shows purposes of implementation over the years. "To help students understand the industry and job, including the company, through work" was the top purpose of implementation for three years in a row. However, purposes related to recruitment such as "To value skills of students while considering recruitment" and "To find out unconventional kinds of candidates" increased from the 2012 survey. Also "To help students who could be their future customers understand and have better image of the company," which has nothing to do with "helping students understand what it's like to work in the real world," increased by 10 points in 2016 (planned)

from 2012. By contrast "To contribute to society by providing students with working experience in the company" decreased by 17.4 points in 2016 from 2012.

On the other hand objectives of participants (chart ②) were: "To understand work" with 67.0% and "To understand the industry" (63.4%). These two were also high among 2015 and 2014 graduates participated in internships. This is followed by "To know the atmosphere of company and workplace" (32.6%) and "To understand business contents of the company" (31.1%). Although it was not many, 5.7% of participated students had "No specific purpose," which increased by 2.5 points from 2014 graduates.

60.4% of students participated in internships answered they "submitted early job applications to companies they interned at" and it is often pointed out internships

are related to recruitments, but in reality only 9.6% of students participated in them "For unofficial offer (directly connected to employment)." However it is increasing as it was 6.6% for 2014 graduates and 7.0% for 2015 graduates.

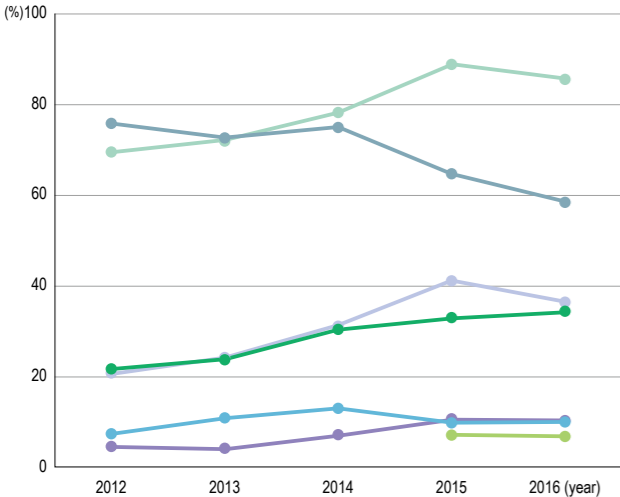
In fact, companies whose "Prospective employees included internship participants" was 66.5% (chart ③ on the right page). Also 20.4% of "Students participated in internships" of 2016 graduates were employed by the companies they interned at (chart ④ on the right page). Internships often make

students realize if they can work in a way suited for them, like the student case in P. 23. Satisfaction with the companies they were employed by also tended to be higher among students participated in internships.

Company "Help students understand the industry and work" came to the top 3 years in a row

① Objectives of implementation of internships

* Companies implemented internships (or had a plan to do so) each year/Multiple answers



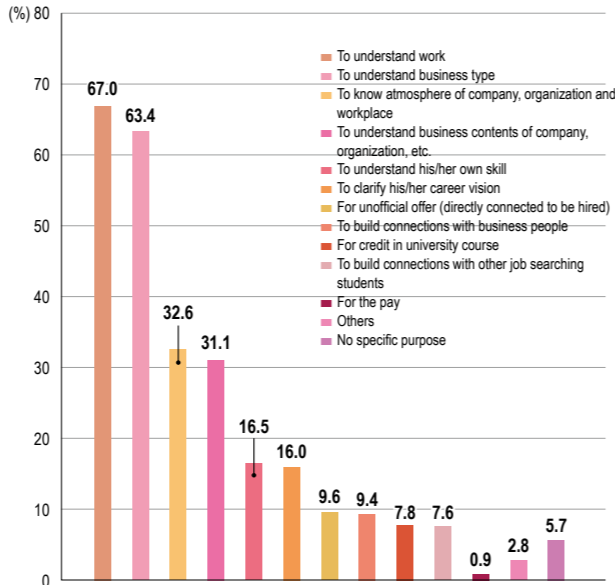
- To show students routine works, projects, etc. and utilize their skills, and motivate employees
- To value skills of students while considering recruitment
- To help students understand the industry and job, including the company, through work
- To find out unconventional kinds of candidates
- To help students who could be their future customers understand and have better image of the company
- To contribute to society by providing students with working experience in the company
- For direct recruitment

"To help students understand the industry and job, including the company, through work" came to the top in 2016 survey with 85.5%. On the other hand, "To contribute to society by providing students with working experience in the company," which ranked top in 2012 survey, decreased by 17.4 points and was 58.4%.

Student Less than 10% aimed for "Unofficial offers." Over 60% answered "To understand work" "To understand the industry"

② Objectives of participation in internships

* Students who participated in internships/Multiple answers



Reasons of participation did not differ much among regions, except for the reason "For credit in university course," which was 12.4% in Chugoku and Shikoku, 10.8% in Hokkaido and Tohoku and 10.7% in Kyushu while nationwide average was 7.8%. Also, among students of science and engineering majors, the ratio of "For credit in university course" was 8.6 points higher than that of liberal arts majors. Especially 26.5% of students of "Architecture and civil engineering" corresponded to it.

Company

CASE8
IT
Screening: year-round

Provide a wide range of internship programs
70 to 80% of unofficial offers are given to internship participants

COMPANY DATA

- Headquarters: Tokyo
- Employees: More than 1,000
- Employment in 2016
 - Target: About 150 new graduates
 - Unofficial offer: About 200 (Engineer: 100, Career-track positions: 100)
 - Employment: About 150 (Rate of refusal: 7-8%)

Key employment process

- Internship programs held throughout the year
 - Short programs: three to seven days Long programs: three months (renewable, paid programs)
- General job application
 - February 2015 Company information session (till June)
 - Job application open (to be made before each information session)
 - Interview (6 times)
 - Paper test
 - End of February Unofficial offer

*Students who receive an unofficial offer in the general job application process must participate in an internship program before they join us, to have a working experience.

Several internship programs are held throughout the year

All the internship programs we are now providing are intended to find prospective employees. About 80% of unofficial offers are given to internship participants now. We do not concentrate internships on a particular period, but hold several programs throughout the year and make unofficial offers when needed. We also provide programs adapted to the trends in new graduate job market, that start accepting applications in May and June, considering that many talented students of the third year start job search preparation at this time of the year.

Our internship programs do not confine to students of the third or fourth years. If there is a talented sophomore participant, we will give him an unofficial offer, and accept him in April after finishing school.

Help students to understand our company by offering internship programs similar to real jobs

Past internships include a three-year business planning for one section and a publication of our company history. Before these practical ones, most of our internships were new business development programs. We changed our programs to enable participating students to experience real jobs we are dealing with.

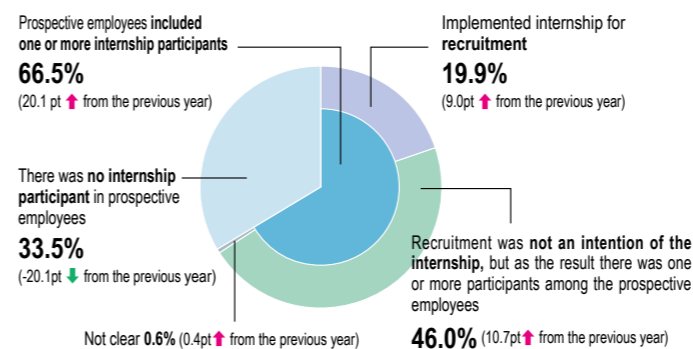
One of our challenges is to eliminate a gap between students' impression of us and the attitude of our employees. Internship programs can help eliminate this gap, by inviting our employees as mentors to present a real picture of our company. About 70 employees worked as mentors, and many of participated students responded in post-internship surveys that their impression of us changed.

The rate of refusal in employment activities for graduates of 2016 was about 7 to 8% for career-track positions, which was a significant improvement from the previous year. One reason of this favorable result was the limited number of unofficial offers. Before making an unofficial offer, we usually meet the student at least once a month to talk honestly and discuss his specific intention to work for us. Too many unofficial offers may make us look desperate. For graduates of 2017, we will keep focusing on dialogues with students and give unofficial offer to selected candidates.

Company Almost 20% of companies "Implemented for recruitment"

③ Ratio of companies whose prospect employees included internship participants

* 2016 graduates/companies implemented internships (or had a plan to do so)/Single answer

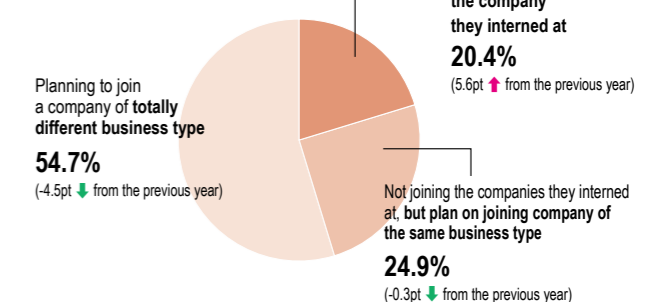


The ratio of internship participants to the prospective employees was higher in companies with "1000 or more" employees, and was 80.4%. However, this is also because they accepted more interns.

Student About 20% of students were hired by the companies they interned at

④ Ratio of students employed by the companies they interned at or companies of the same business type

* 2016 graduates/students who participated in internships/Single answer
* No "others" (-0.8 pt from the previous year)



Students "Planning on joining companies they interned at" was 14.8% for arts students and 29.4% for science and engineering students. Among science and engineering students, 52.4% of them plan to join "Information service industry" and 30% plan to join "Manufacturing industry."



Participating with purpose will make internship a meaningful experience

The survey also looked at what students felt during and after their internships. Chart 1 shows the answers of internship participants to the question of "What did you gain from your internship?" Over 60% of students answered they "Learned specific contents of work and business." By the way, students who thought their job search was "Successful" had higher points in their answers to "What did you gain from your internship?" than those who thought they were "Unsuccessful." On the other hand, students who thought they were "Unsuccessful" had higher points in "Nothing in particular," with 13.2%. This is 7.5 points higher than 5.7% of "Successful students."

When we asked participants their impression of the internships, their answers showed internships produced many good effects on them such as "I could choose my career after graduation based on it" (67.3%), "I felt I wanted to be successful in my career in the future" (65.7%), "I learned what it's like to work" (61.1%), and "I could develop myself" (58.6%). Also students who thought their job search was "Successful" had higher points in these answers.

What should students be careful of in order to take advantage of internships, a privilege of students? First of all, it is important to have a sense of purpose. A male student from Political Science and Economics department gave us the following comment: "Students who just participated in internships not caring about

which company it is, because everyone around them did, often complained about their internship experiences." The depth of information students gain will be different if they ask themselves "What can I gain from internships?" and participate in them proactively, so as not to waste this chance. A female student from Faculty of Humanities told us "My vague wish became a clear-cut objective through the internship." It is also important to find out a company program which realizes one's objective of participation. There are many good sides of internships besides understanding of business or work. By choosing a program which suits one's objective better, students you are likely to have a fruitful experience.

Experienced group work in a 5-day program

- Unofficial offer from an electronic manufacturer / Faculty of commerce

I participated in a 5-day program of a precision equipment manufacturer in Feb. when I was a Junior in my college, because although I was interested in manufacturers, their contents of works were unclear to me. The contents of the program were to propose new business plans and measures to improve sales of existing businesses in group works. It was interesting as it was closely related to contents of my seminar, and their global development fascinated me. I had an interview with their HR representatives in Jun., and they asked me my situation of job search and my prioritization. The interns were exempted from their first round interviews in Aug.

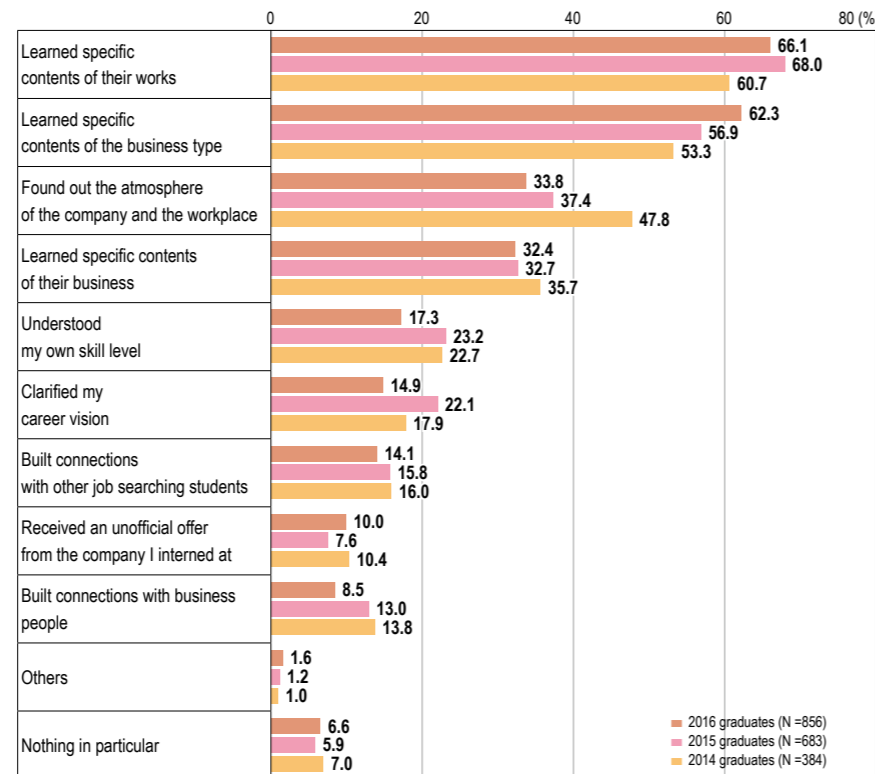
Wanting to know my dream job, worked as a student journalist for one year

- Unofficial offer from an advertising company / Faculty of Law

During my one-year internship in a newspaper company which started when I was a sophomore, I made up my mind to target my job search "to something related to writing". It was a lot of fun to learn how to write and take photographs by reporters and to write articles by myself. As I also wanted to see other "writing careers" besides newspapers, I participated in internships of the media industry in Feb. when I was a junior in college and in Apr. when I was a senior. I could broaden my horizon as I noticed that writing career is not limited to print medias and there are also online medias.

Student Over 60% answered they "Learned contents of work and business".

Chart 1 What students thought they gained through their internship * Students who participated in internship/Multiple answers



There were more than 10 points difference between students who thought their job search was "Successful" and those who thought "Unsuccessful" in ratios of "Found out the atmosphere of company and workplace" and "Learned specific contents of work and business."

Company CASE9 Advertising production firm Screening: From March



Designing internship programs that can prevent students and our company from finding a gap before and after employment

COMPANY DATA

- Headquarters: Tokyo
- Employees: 50-99
- Employment in 2016
 - Target: 5 new graduates
 - Unofficial offer: 7
 - Employment: 6 (Rate of refusal: 14%)

Key employment process

- March 2015** Internship (participants proceed to the processes with *)
 - *Interview (several times, with managers and executives)
- April 2015** *Unofficial offer
- May 2015** Company information session
Job application close
- June 2015** Interview (3 to 4 times, with human resources department, managers, and executives)
Unofficial offer

Practical internship programs enhance mutual understandings between students and our company

As part of employment activities for graduates of 2016, we held a three-week internship program. It included three phases; 1. To understand our businesses and attitudes, 2. To propose a business plan, and 3. To implement the adopted business plan. It had to be a practical process. This way, students can not only find working for us is interesting and exciting, but also experience difficulties in developing a plan, frustrations when their plan is not accepted, discussions with their fellows, and bonds when they overcome the hurdles. These experiences help students to understand the nature of our business, and help us to know each student's personality, attitude, and aptitude for our company. We believe this process develops a good relationship between us, preventing us from finding a gap before and after employment.

During the internship, students were encouraged to communicate with other employees than the ones in the human resources department. For example, students participated in one-to-one interviews with employees and the interviews were reported as an article. Some visited our clients with employees, or even enjoyed lunch with them. These efforts helped students to deepen understanding in our

company before they faced the final interview with executives, and the rate of passing the interview was the highest ever. As a result, about half of unofficial offers for graduates of 2016 were given to internship participants.

For graduates of 2017, we offer long internship programs for those participated in our short term internship

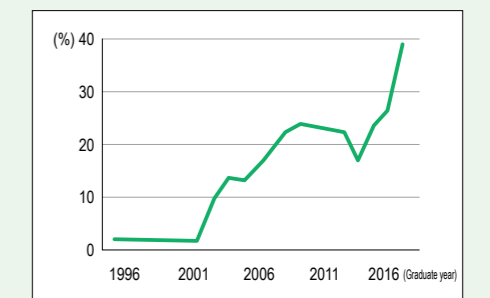
As part of employment activities for graduates of 2017, we held a three-day internship in summer. The program was the same as the previous year, but the shortened period resulted in insufficient understanding among participants. So we interviewed and invited them to participate in a longer internship and a twice or thrice a week part time job if they wanted. These programs are as practical and exciting as last years' programs, with close communications between students and employees, which deepen mutual understanding.

column
Internship became popular recently in Japan

The July 2003 issue of Shushoku Journal reported a comment by a human resource person of a foreign consulting firm that his company started utilizing internship programs more than 10 years ago as part of their recruitment activities. Internship started in Japan at the beginning of 1990s, and the September 1997 issue of Works journal featured the theme. But according to the feature article of Works, the rate of university students participated in internship programs was only 3%. All the programs held by 8 enterprises in the article were five or more days, and there were many examples of longer programs with no specified period. One-day programs that dramatically increased in 2015 were originally developed by firms who wanted to accept as many students as possible at the end of 1990s

(Source: December 2000 issue, Shushoku Journal). It is now about 30% of all the programs held by firms. According to Shushoku Journal, the rate of students participated in internship programs first exceeded 10% in 2003. After that, the rate slowly increased in 2000s to exceed 20%, then jumped close to 40% for graduates of 2016. It was at the latter half of 2000s when the rate of firms implementing internship programs started increasing. The implementing rate was less than 40% in 2011, but increased about 10 percentage points in just 3 years since then. There was about 10 percentage points increase in 2015 too. Both the participating rate and the implementing rate significantly increased in the last few years.

Changes in the rate of students participated in internship programs



Based on research by New-Grad Market Research Institute*



September 1997 issue of Works journal (Recruit Works Institute) devoted 22 pages to internship programs by enterprises.

*Based on results of White Paper on Employment and other sources. There were years with no statistical figures available, but to grasp the transition, the graph was shown in a solid line.

Recruitment Forecast of 2017 Graduates



Screening of 2017 graduates starts "from June 1," two months earlier than the previous year. How are companies and students dealing with this schedule change?

PR activities and interviews concentrate from March to June

We asked companies in which months they are starting "PR for recruitment," "Information sessions and seminars (face to face)," "Interviews," and "Unofficial/early unofficial offers" (chart 1 to 4, excluding "not yet determined").

77.2% of respondents answered they will start "PR for recruitment" in March 2016, which is about the same year-on-year. On the other hand, "Information sessions and seminars (face to face)," "Interviews," and "Unofficial/early unofficial offers" changed year-on-year.

65.2% of companies planned to start "Information sessions and seminars (face to face)" in March 2016, which increased by 17.5 points from 47.7% of the previous year. Together with companies that start information sessions/seminars in April, 87.2% of companies plan to start these

activities in March or April, which increased by 12.5 points from 74.7% of the previous year. This suggests companies wanted to contact students as early as possible. If we look at this from the number of employees, including those who answered "not yet determined," 79.5% of companies with 5,000 or more employees planned to start these activities in March, while the percentages were 36.4%, 53.9%, and 59.8% for the companies with less than 300 employees, with 300-999 employees, and 1,000-4,999 employees respectively. Since about 20% of companies in each group planned to start these activities in April, information sessions and seminars by companies with less than 5,000 employees would likely to break up into March and in April.

Starting dates of "Interviews" separated into April and in June, and the percentages of companies were 33.9% and 27.4% each. The number of companies planning to start

interviews in March increased by 3.0 points to 12.6% from 9.6% in the previous year. These results show that only a limited number of companies plan to follow the guidelines. If we look at this per the number of employees, including those who answered "not yet determined," companies with 5,000 or more plan to start interviews in June (42.2%) which was followed by April (22.2%). As for companies with less than 5,000, the ratio of those planning to start in April was the highest in each company scale varying from 17 to 30%. The ratio of companies planning to start interviews before May was 41.1% for those with 5,000 or more employees and 40-56% for those with less than 5,000 employees. Although 25.8% of companies answered "Not yet determined," small or medium-sized firms plan to start screening earlier, which is followed by larger companies, the same as the recruitment of 2016 graduates.

The largest number of companies (41.6%) plan to start "Unofficial/early unofficial offers" in June 2016. Only 14.3% of companies plan to start it after July, and students are likely to receive some results by June.

40% of companies forecasted decrease of applicants and parent population

To understand how companies thought about the schedule change, we asked them about their prospects on seven items such as "parent population of new graduates recruitment," "Number of applicants for Screening," etc. (chart 5). The most popular answer was "Not likely to change" for all items, but about 40% of respondents answered "Number of applicants for screening" and "Parent population of new graduates recruitment" will "likely to decrease," and more than 30% answered "Manpower required for recruitment of new graduates" and "Number of unofficial offers

turned down" will "likely to increase." This was probably because they forecasted job search activity of students would decrease as the period between the start of PR and screening became shorter, and also because the seller's market would likely to continue.

The key factors are early recognition, gathering candidates, and follow-up on prospective employees

We asked companies what they are planning to change because of the schedule change, and over 30% of them answered "Promotion of company recognition in the early stage," "Gathering candidates," and "Follow-up on students with unofficial offers" (data 6). As to the companies with 1,000-4,999 or 5,000 and more employees, more companies answered they would focus on "Promotion of company recognition in the early stage" compared to the companies who replied they would focus on "Gathering candidates," both of which corresponded

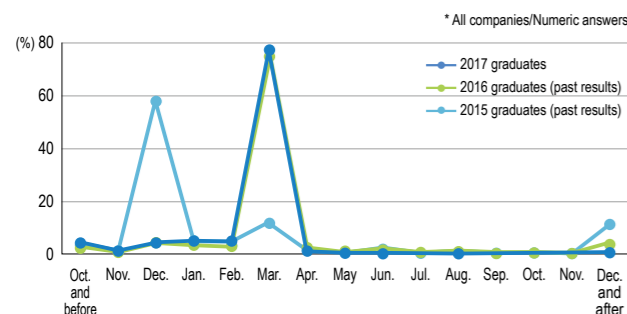
to the forecasts such as decrease of applicants and parent population and increase of unofficial offers turned down.

On the other hand, 30% of companies answered "Nothing in particular." The smaller the number of employees were, the higher the ratio was, and it was 14.8% for companies with 5,000 and more employees but it was 48.9% for those less than 300 employees.

These results mean the number of companies students can contact and the amount of activities of students will be limited, as screening activities of companies will concentrate in March-June. Therefore, more students will likely to undergo screenings without enough study of businesses or companies. It is important for companies to contact students widely in a limited amount of time, make the companies and their work look appealing to them, value students who meet their recruitment standard quickly, and help them understand the companies well.

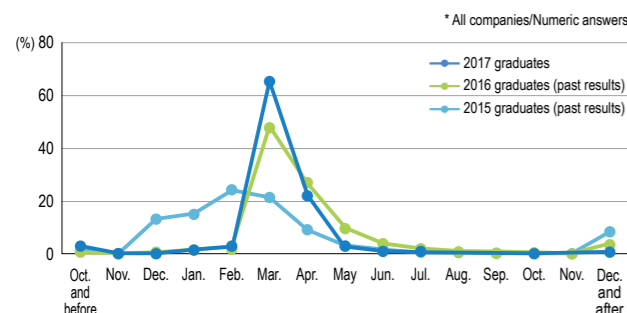
Company More companies start interviews in Apr. or in Jun., and providing unofficial/early unofficial offers in Jun.

1 Starting month of PR for recruitment (provision of recruiting information)



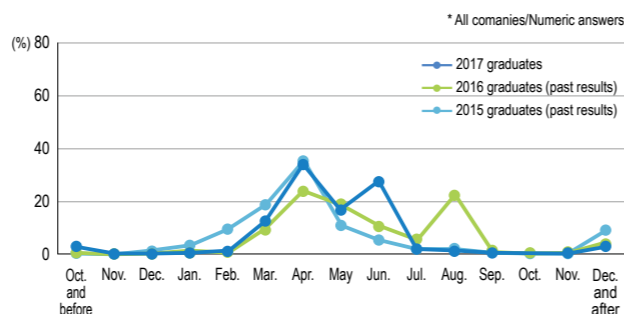
77.2% of companies replied they would start it in March 2016. It increased by 2.5 points from 74.7% for 2016 graduates.

2 Starting month of individual information sessions and seminars (face to face)



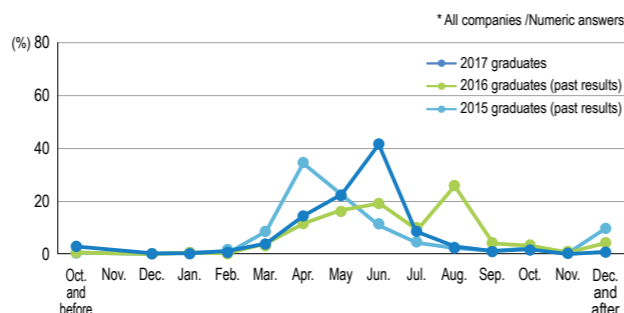
65.2% of companies replied they would start it in March 2016. It peaked in the "month when the PR for recruitment (provision of recruiting information) starts," showing 17.5 point increase from the previous year.

3 Starting month of interview



The peak was 33.9% in "April 2016." This is followed by 27.4% in "June 2016." The peak shifted forward from August for 2016 graduates.

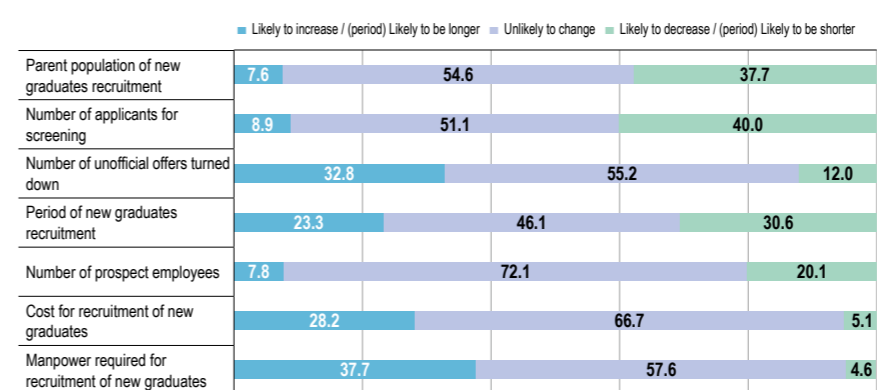
4 Starting month to provide early unofficial offers and unofficial offers



The peak was 41.6% in "June 2016." Unlike for 2016 graduates which had two peaks, the peak concentrated in April-July.

Company 40% forecasted "Number of applicants for screening" and "Parent population" would decrease

5 Forecast due to change in recruiting schedule



The majority of companies answered "Unlikely to change" for all the items except "Period of new graduates recruitment," but 40.0% of companies answered "Number of applicants for screening" is "Likely to decrease" and 37.7% answered "Parent population of new graduates recruitment" is "Likely to decrease."

Company The challenges are "Early recognition," "Gathering of candidates" and "Follow-up on prospective employees"

6 Plans to change due to the change in recruiting schedule



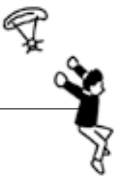
Screening in June is difficult for students who have a midterm exam in the same month

Department of politics and economics
In my job searching activities as a graduate of 2016, I was only interested in large enterprises, and made several job applications hoping that I could receive an unofficial offer from one of them. I failed, so I stayed in school one more year to do job search again. As a graduate of 2017, I will research a wider range of firms and increase the number of job applications. Small to medium-sized companies will start screening earlier, and it would be difficult again for students who want to work for large enterprises if they failed. Also, screening in June would be difficult for my fellows if they did not earn enough credits, as they have a midterm exam in the same month.

Time was short for students who studied abroad before screening

Unofficial offer from a human resource services firm/Science and engineering course, Graduate school
I studied in America for 5 months from January 2015, taking part in an exchange program at my school, and returned home at the end of May. Then I participated in screening at several firms from June to August. For me, there were two-month preparation period till screening at my first choice firm held in August. For graduates of 2017, the start of screening in June will be very hard, as many students who study abroad have to face screening immediately after returning home. For students who study aboard, the start of screening should be in August.

How are Recruitments and Job Searches Supposed to Be?



Survey result shows the important efforts companies, universities, students, and the society need to do in order to avoid mismatches.

Three approaches to avoid mismatches between companies and students

How are recruitments and job searches supposed to be in the days to come? One of ideal states of recruitment is for companies to "Recruit required human resources without deficiency, and have them fully perform their capabilities for a long time," and for students to "find their jobs which fulfill their wishes, and fully exercise their capabilities for a long time." However in reality, there are substantial amount of mismatches between companies and students, as turnover ratio of employees within three years after they graduated universities is over 30% for the past 20 years. Although the reasons for these turnovers are not always negative ones, we should consider what is important in order to improve this situation and achieve more satisfying recruitment by companies

and job search by students.

New-Grad Market Research Institut asked Mr. Toshiyuki Fukuda, department director of Employment/Career Support Center in Meiji University, Prof. Yoshio Higuchi from Keio University Faculty of Business and Commerce and Mr. Minoru Amoh, chairman of Educational Reform Committee of Japan Association of Corporate Executives, about their opinions from their positions in employment support at university, labor issue study, and the industrial world respectively (P. 31-33) They suggested "More internship opportunities in the earlier stages in university," "A wider variety of recruitment and application methods, not just limited to recruitment of new graduates," and "Clarification of recruiting criteria of companies" may reduce mismatches. We will look at each of these factors in more details

from the next section.

1 More internship opportunities in earlier stages in university

Prof. Higuchi and Mr. Amoh told us one of the causes of mismatches is students searching their jobs without giving enough thoughts to questions such as "what do I want to do in society?" and "what kind of jobs suit me?" One of the solutions for this is implementation of more internships for freshmen and sophomores by universities and companies, in order to promote better understanding of working in the real world among students.

Universities and companies will play significant roles here and their burden will be heavier. Some might say this should be left for students to think on their own. However, only few university students can form their own view for job search before

it starts. More involvement of universities and development of collaborated programs between universities and companies are required to raise the level of human resources.

Universities should establish a system to promote students' motivation to participate in internships, educate students to become sophisticated members of society, and send them out to the world. It is crucial to consolidate programs to teach students indispensable manners and knowledges required including business manners beforehand, and to let them learn through reflection and think how to spend the rest of universities days after participated in internships. It may also be necessary to acknowledge a participation in internship as a credit in universities course.

From the company side, it is crucial that more companies implement internships which offers pure working experience with no consideration for recruitment. Many companies hesitate to implement internships because they think "It is a burden unless connected to recruitment." However, as Mr. Amoh pointed out, working experiences offered by companies will develop human resources who will lead Japan in the future. As a part of the regional revitalization, the government is enhancing the partnership between universities and local companies. It is one way to utilize this movement.

When universities and companies implement internships in cooperation, it is crucial that they provide feedbacks interactively regarding program contents and students to improve internships. 37.1%,

the highest ratio of students answered "The contents were not attractive" as "The reason for not participating in an internship" (chart on the left page 3). Universities should pass opinions of students to companies, and companies should offer feedbacks to universities, for example when the quality of students was not satisfying, to improve programs through information exchanges.

2 Open the door widely to methods other than mass recruitment of new graduates

Mr. Fukuda in Meiji University suggested that "The society should allow the idea to start job search after graduation and accept students who try that approach ." Prof. Higuchi and Mr. Amoh also pointed out that companies should establish systems and methods to accept student applicants more

Company About half of companies and students thought "Some guidelines are necessary" for the schedules **Student**

1 About simultaneous recruitment of new graduates

A: Should be maintained and continued
B: Should change

	Close to A	Relatively close to A	Close to neither	Relatively close to B	Close to B	Close to A, total	Close to B, total
* All companies/Single answer							
Company	10.4	28.8	39.7	13.5	7.6	39.3%	21.1%
student	7.8	21.5	36.4	18.4	16.0	29.3%	34.4%

2 About the timing of information disclosure and unofficial offers

A: Some guidelines are necessary
B: It should be open and free

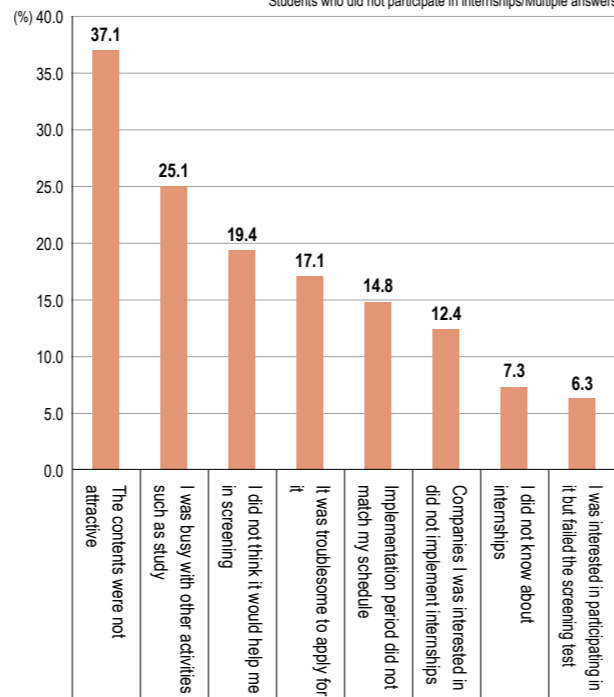
	Close to A	Relatively close to A	Close to neither	Relatively close to B	Close to B	Close to A, total	Close to B, total
* Total / single answer							
Company	14.1	40.6	25.8	13.2	6.3	54.8%	19.4%
student	14.3	33.9	25.4	16.1	10.3	48.3%	26.4%

When asked whether they think simultaneous recruitment of new graduates "A: Should be maintained and continued" or "Should change," higher ratio of companies answered "Closer to A" and higher ratio of students answered "Closer to B." However, the majority of both companies and students answered "Close to neither."

Student The biggest reason for not participating in internships was "The contents were not attractive"

3 The reason for not participating in internships (top 8)

* Students who did not participate in internships/Multiple answers



The following reasons followed: "I could not get credit in university course" (4.9%), "I did not know how to participate in internships" (4.4%), "I could not gain information of companies implementing internships" (4.0%), and "I could not make the application deadline for internships I was interested in" (3.9%).

Voice 1 From the Front Line of Career Counseling

Society Should Allow "University Graduates to Search Their Jobs After Graduation"

Let Students Enjoy Their University Days for Their Better Development without Interruption for Job Search Activities

We expected the recruitment schedule for graduates in 2016, which had been changed at the request of universities, would work well. Regrettably, however, there were only a few advantages available from the change: students studying overseas could come back to Japan just in time to start job search activities, and the classes and tests in the fall term (the second semester) for junior students went on stably without interruption. On the other hand, the spring term (the first semester) for senior students did not work well, and the recruitment schedule for graduates in 2017 would seemingly affect the classes during the spring term as well.

It is not easy to decide the optimum timing to start job search. However, I think society should allow the idea "to start job search not as

university students but as university graduates" and accept students who try that approach. In today's Japan, students who have missed out on the wave of "mass employment of fresh graduates" or have failed in riding such a wave are accusingly or critically regarded as dropouts. I think all students need not join the mainstream.

Career Education Should be Provided Proactively to Help Students Go out into Society

The four years during university are precious and valuable for students. They can be absorbed in anything regardless of time and money. They can grow remarkably through a wide variety of experiences. Essentially, I think we should not evaluate students with such potentials under their immature conditions. We sincerely hope that the four-year growing period will be secured without interruption for job search activities. I suppose not a few adults have regretted after graduation that "I should have studied much harder during

university" or "I should have studied liberal arts much more, as they are really important." Students should study very hard during their four-year university days to acquire accomplishments, which will work well five or ten years later in their career. I would like to secure that time for them.

I think universities should play a key role in proactively providing career education to send students out into society. Based on this concept, Meiji University puts effort into an increase in the number of long-term internships for freshmen and sophomores. In addition, we create a good environment for our students to closely interact with society by arranging lots of contact points with society. We believe that these efforts will help reduce mismatching in employment.

Meiji University
General Director of Employment/Career Support Office
Employment/Career Support Center

Mr. Toshiyuki FUKUDA

Graduated from School of Political Science and Economics, Meiji University, and started working for Meiji University in 1980. Under the philosophy of "Job Searching is a Challenge," he is engaged in support for the students searching their jobs. Has been in the current post since 2011. Served as Chairman of the Nationwide Private University Employment Guidance Workshop for two years from 2013.





widely, not just limited to recruiting new graduates.

As Mr. Amoh said, mass recruiting of new graduates is an efficient way to recruit more than hundreds of thousands of university students each year. It is not realistic to change the system radically or do away with it. Only 21.1% of companies answered the mass recruiting system of new graduates "Should change" rather than "Should be maintained and continued" in this survey (chart in P. 30 ①).

Even when the mass recruiting of new graduates is the major method, companies can still have a flexible system to accept applications from students whenever they want to work or apply. Companies can be generous to job searches after graduation, too. Such attitudes of companies will allow

more options for students, recruitment of unconventional students who do not fit the mold of "Mass recruitment of new graduates," and secure a wider variety of human resources. There are companies which define "new graduates" as "Within xx year(s) after graduation" to recruit those who are not new graduates also, but the number of such companies is quite limited. We hope more companies will open their doors widely.

It is also hard for students considering to become civil servants to think about other options of recruitment as civil service exam constrains their schedule. We should consider holding civil service exams throughout the year in order to allow students to have more options and to secure a wider variety of human resources,

also in civil servant recruitment.

3 Show required qualities of human resource more clearly

Prof. Higuchi pointed out that if students could find out what kind of work they would engage in or what kind of skill is required at the point before job search activity or even after they got unofficial offers, it would help students to learn focusing on their career after graduation.

Conventionally, companies could develop their new employees after recruiting students with standards hard to be clarified such as their potentials. But sophistication of works and changes in business environments and performances made it impossible for some companies to

adequately develop new employees. It is conceivable that providing students with information of skills required by companies promotes human resource development in universities and helps students mature as a person. This approach is necessary in order to raise the level of students and to hire better human resources.

Now is the time to make the first step toward better recruitment and employment

By the way, there probably is no other way but to find out better solutions on a moment-to-moment basis regarding the timing of mass recruitment of new graduates, as it had been changed again and again depending on circumstances of companies and students since the era of the recruitment agreement.

We heard multiple students and personnel at companies and universities say "I do not care when it is, but please stop changing the timing every year" or "If it needs to be changed, I want it to be announced one or two years in advance." If it changes every year, students can't set their schedule for the future, and furthermore, they may have to gather information of different companies in different ways depending on the timing. Companies have to remake their recruiting plan and approach every year, so this is a burden for both companies and students.

We asked companies and students whether they thought "Some guidelines are necessary" or "It should be open and free" about starting dates of information disclosure and unofficial offers regarding recruitment of new graduates. 54.8% of

companies and 48.3% of students answered "Some guidelines are necessary" (P. 30 chart ②).

The plan proposed here may have many challenges and difficulties. However, as Mr. Amoh said, "Making a small start" may be the first step of everything. Everyone involved in recruitment of new graduates, including universities, companies, and the government, should think what is "Better employment and recruitment" and what can they do to achieve it, then try it. Then improve it by reflecting back. If each person involved addresses this issue with a determination, it will lead to a reduction of mismatches.

Voice 2 From a Labor Issue Researcher

Clear Indication of Skills and Abilities Required for Employment by Job Category Results in Better Matching

Corporate Impatience due to Creation of the Workers' Market Has Partially Resulted in Losing Substance of the Guideline

We feel that the flying start (accelerated schedule) in the 2016 recruitment on the corporate side resulted from the workers' market created by the increased number of jobs due to recovery in the economy.

University students, who experience job search for the first time as the once-in-a-lifetime event, do not have much information. They tend to decide their places of employment based on the available criteria such as reputation and corporate size, soon find out the gaps between the reality and their initial imagination, and end up changing jobs early. I think mismatching results from these gaps.

To prevent mismatching, students must collect information from seniors or participate in internships and volunteer activities. They need to think about what they want to do in society or

what kind of jobs they want to be engaged in by knowing much about society and gaining internal corporate information.

Recruitment by Job Category Leads to Countermeasure for Sophisticated Society

On the other hand, we would like companies to consider several issues, such as recruitment by job category and employment with fixed places of work. Since most Japanese companies recruit university graduates without clearly showing what they will do after being employed, students can choose companies but not their jobs. This may be one of the reasons why students collect only a small amount of information. In addition, students seem to miss opportunities to study or make preparations for their career paths because specific skills and abilities required in the career are unclear. In a society with highly sophisticated jobs, not only those who are capable of displaying their competence and capability in a variety of

operations but also those who have deep knowledge and abundant experience in specialized operations are required.

Therefore, companies should willingly consider the possibility of recruitment by job category, with fixed places of work, or with fixed working hours. Our recent survey shows that the retention rate of the personnel who are employed with job categories indicated is higher than that of the personnel who are employed without job categories indicated.

In addition, companies will have to employ individuals by taking a closer look at each of them and figure out what kind of workforce they expect them to be and what kind of performance they expect from them. We are concerned that the mere adoption of a required number of persons will not work well in a highly sophisticated society.

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Voice 3 From the Industry

One Month or Longer Internship as a Measure to Prevent Mismatching

The Ideal Flow of Education Is to Let Freshmen and Sophomores Interact With Society, Raise Their Awareness, and Learn in Special Courses

One of the factors for early resignation by young employees, which is now regarded as a social issue, may be that students start working without giving enough thought to "what they want to do in society." During university, freshmen or sophomores should interact with society to know what they are good at and bad at or to think about what they want to do in society. Based on such awareness, they should study in special courses to convey their achievements, experiences, strengths, and jobs they want to be engaged in to companies with their diplomas. Companies should also determine their adoption based on how much and what they have learned at university. I think these processes are ideal to both students and companies.

Long-term Internship System is Planned in Collaboration with Universities from a Start Small Perspective

Educational Reform Committee of Japan Association of Corporate Executives thought that it would be important for freshmen and sophomores to experience internships as a means to know society. At present, we are making preparations to promote the long-term internship system lasting for one month or more by involving the companies to which the committee members belong and universities/higher professional schools. This is a program which allows students to know what society is. It is not designed for their job search.

Although the burdens these companies will bear are not small, both universities and companies should mutually make their best endeavors so as to boost national power with better human resources. It may be difficult to drastically change the employment mechanism of fresh graduates right away, but it is indispensable to "do what we can do now." We will make a

small start, establish best practice based on feedbacks, and hope it gets accepted gradually in society. When these efforts increase, students will know what working in society means better by feeling society more familiar to them. I am sure that more and more companies will start recruiting all year round.

Considering the current situation that almost 70% of university students gets employed by companies, the existing channel of mass employment of new graduates should be also maintained. However, that system must not be the only means, and it would be preferable that the year-round recruitment rate increases in the future and students conduct job search activities freely to some extent even after graduation. For that purpose, companies should clearly show the qualities and skills/abilities they need for more open adoption by removing the frames of new graduates and mid-career workers.

Chairman of the Educational Reform Committee, the Japan Association of Corporate Executives

Mr. Minoru AMOH

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