

Approx. 20% of companies are aware of the mandatory disclosure of the percentage of mid-career hires. Registered users of career change support services look forward to the mobilization of human resources and improvement of the image of career changes

-en world Japan Survey on the awareness of mandatory disclosure of the percentage of mid-career hires-

en world Japan K.K. (headquarters: Chuo City, Tokyo, President: Vijay Deol), one of Japan's largest staffing firms specializing in global human resources, conducted a questionnaire survey on the mandatory disclosure of the percentage of mid-career hires (scheduled to be in effect from April 2021, imposed on companies with 301 employees or more) announced by the Ministry of Health, Labour and Welfare, and 113 companies and 1,275 registered users of career change support services responded.

Summary of survey results

1. Companies (employees in charge of HR/recruitment)

- The most common answers for the percentage of mid-career hires were over 90% for foreign capital companies and 50% to 69% for Japanese companies.
- Companies that were aware of mandatory disclosure of the percentage of mid-career hires accounted for a little less than 20%.
- 15% of companies responded that mandatory disclosure of the percentage of mid-career hires would benefit companies. Top reasons given by foreign capital companies and Japanese companies were "it will provide fair information to job seekers when they look for a new job" and "it will make it easier to recruit job seekers" respectively.
- More than 40% of companies responded that it would benefit job seekers. "It will make it easier for them to compare the characteristics of companies when looking for a new job" was chosen by the largest percentage of companies as a benefit.
- 30% of foreign capital companies and 17% of Japanese companies responded that they were worried about the introduction of mandatory disclosure of the percentage of mid-career hires. When asked what they are worried about, the largest percentage of respondents chose "the trouble of organizing data before disclosure and disclosing information."

2. Registered users of career change support services

- 8% of foreign capital company employees and 10% of Japanese company employees were aware of mandatory disclosure of the percentage of mid-career hires.
- Respondents were most interested in the percentage of mid-career hires by age.
- Approx. 50% of registered users of career change support services responded that it would benefit job seekers. "It will make it easier for them to compare the characteristics of companies when looking for a new job" was chosen by the largest percentage of companies as a benefit.
- Percentages of mid-career hires would be most helpful in choosing companies when looking for a new job.
- Many respondents expect improvement in the mobility of human resources and expansion of employment opportunities, improvement in the image of job changes, transparent information disclosure by companies, and transition to the merit system from mandatory disclosure of the percentage of mid-career hires.

* About mandatory disclosure of the percentage of mid-career hires

https://www.kantei.go.jp/jp/singi/keizaisaisei/portal/employment_opportunity/policy.html

[Comments on the results] Chris Kobayashi, Director of the Staffing Division,



Japan's lifetime employment system has significantly faltered in recent years. Because foreign capital companies have a deep-rooted achievement-oriented culture and are more focused on employees' performance than ever before, their employees are not judged based on age or how many times they have changed jobs; instead, employees who are competent can work in an environment where they can achieve their potential. Because of that cultural difference, foreign capital companies naturally have a higher percentage of mid-career hires than Japanese companies.

Japan has finally started to take some action to catch up to overseas companies in recruiting. If companies can keep up with this change, they will be more competitive in acquiring human resources. If they cannot, Japanese companies may face difficulties in acquiring human resources and become less competitive. As skills and experience will be more valued, having clearer strengths will be advantageous for people who plan to change jobs and will become the key to a successful work life.

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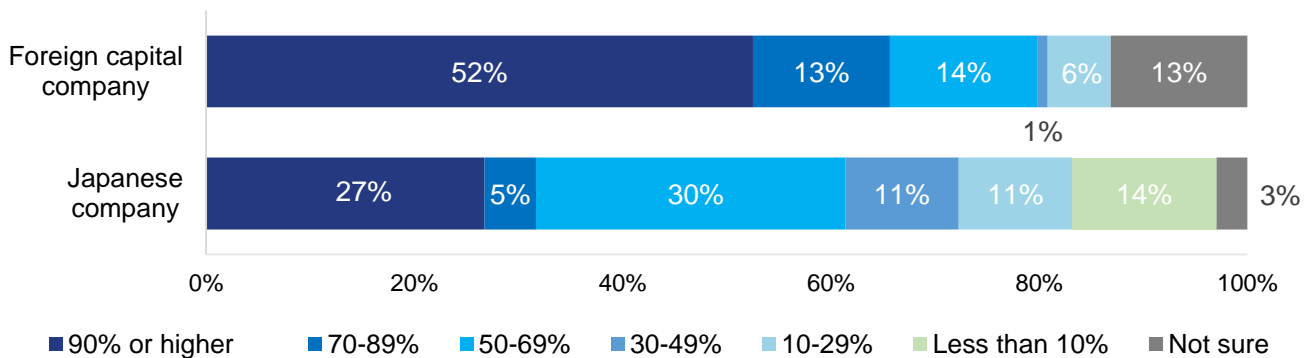
Details of survey results

1. Responses from companies (employees in charge of HR/recruitment)

1. The most common answers for the percentage of mid-career hires were over 90% for foreign capital companies and 50% to 69% for Japanese companies. (Fig. 1)

When asked about the current percentage of mid-career hires, companies responded that over 90% and 50% to 69% accounted for the largest percentage at 52% for foreign capital companies and at 30% for Japanese companies respectively. The percentage of mid-career hires was over 50% in 79% of foreign capital companies and 62% of Japanese companies, which shows foreign capital companies have a high percentage of mid-career hires.

[Fig. 1] What is the current percentage of mid-career hires?

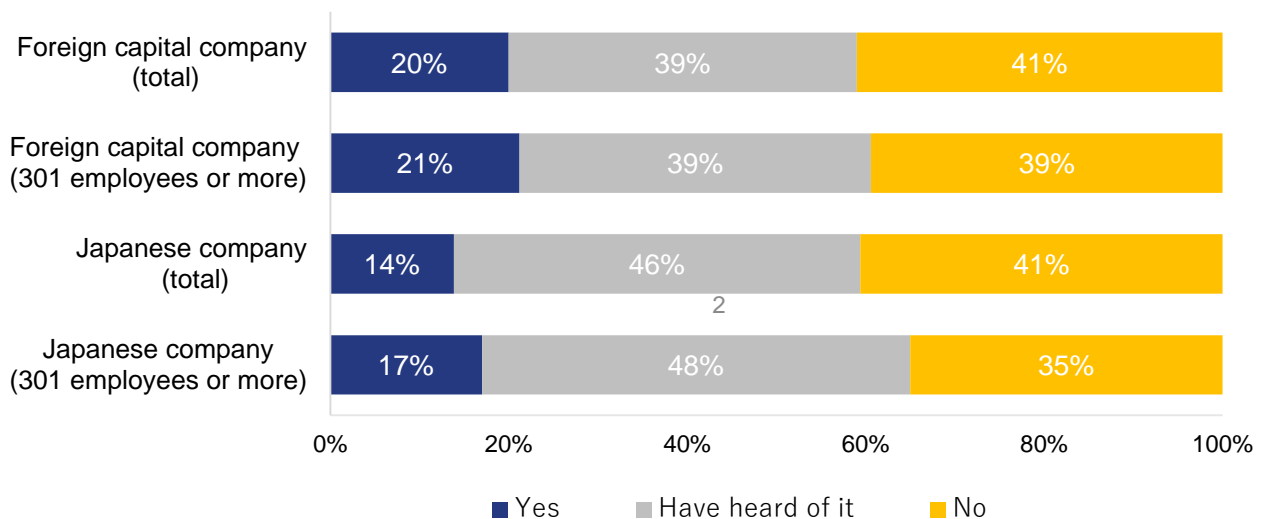


*The total may not be 100% because the figures are rounded to the nearest whole number.

2. Companies that were aware of mandatory disclosure of the percentage of mid-career hires accounted for a little less than 20%. (Fig.2)

When asked whether they were aware of mandatory disclosure of the percentage of mid-career hires (scheduled to be in effect from April 2021, imposed on companies with 301 employees or more) announced by the Ministry of Health, Labour and Welfare, a little less than 20% of companies responded that they were aware of the requirement. (All companies/foreign capital companies: 20%, Japanese companies: 14%, companies with 301 employees or more:/foreign capital companies: 21%, Japanese companies: 17%)

[Fig. 2] Are you aware of mandatory disclosure of the percentage of mid-career hires (scheduled to be in effect from April 2021, imposed on companies with 301 employees or more) mandated by the Ministry of Health, Labour and Welfare?



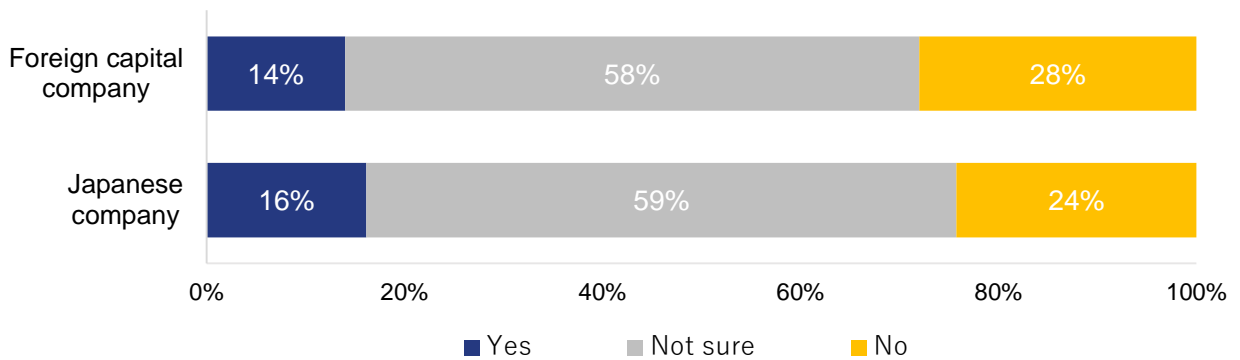
*The total may not be 100% because the figures are rounded to the nearest whole number.

3. 15% of companies responded that mandatory disclosure of the percentage of mid-career hires would benefit companies. Top reasons given by foreign capital companies and Japanese companies were “it will provide fair information to job seekers when they look for a new job” and “it will make it easier to recruit job seekers” respectively. (Fig. 3, Fig. 4)

When asked whether they thought mandatory disclosure of the percentage of mid-career hires would benefit companies, only 15% of companies responded that it would. (Foreign capital companies: 14%, Japanese companies: 16%) Companies that responded that they were unsure accounted for the largest percentage at approx. 60%. (Foreign capital companies: 58%, Japanese companies: 59%)

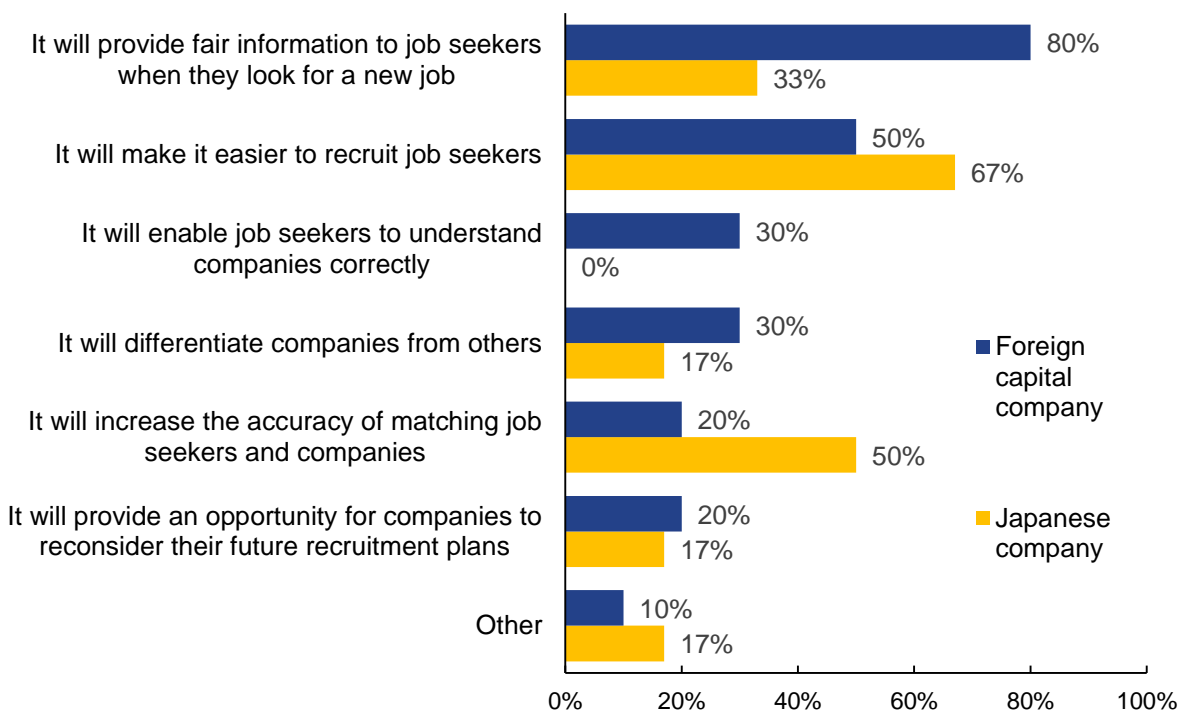
We asked companies what benefits it would offer to companies, and “it will provide fair information to job seekers when they look for a new job” (foreign capital companies: 80%, Japanese companies: 33%) was chosen by the largest percentage of foreign capital companies while “it will make it easier to recruit job seekers” (foreign capital companies: 50%, Japanese companies: 67%) was chosen by the largest percentage of Japanese companies.

[Fig. 3] Do you think mandatory disclosure of the percentage of mid-career hires will benefit companies?



*The total may not be 100% because the figures are rounded to the nearest whole number.

[Fig. 4] Please respond if you think mandatory disclosure of the percentage of mid-career hires will benefit companies. What benefits do you think it will offer? (Multiple answers allowed)

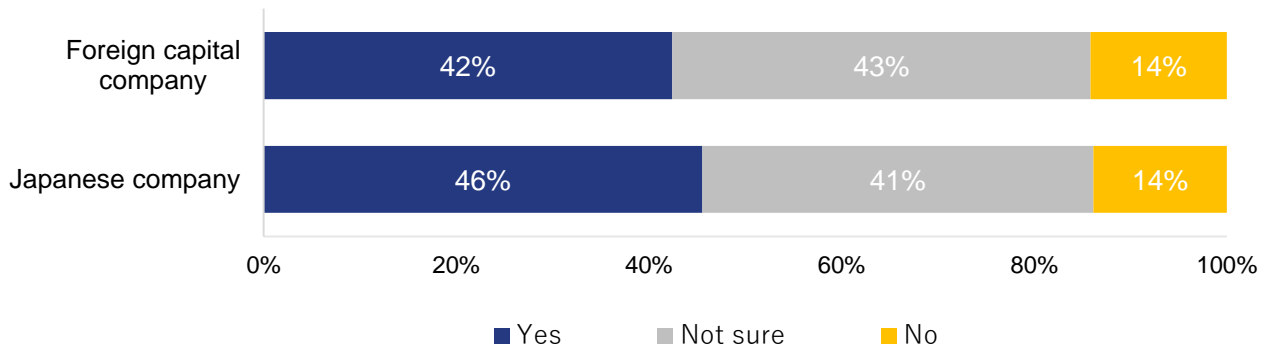


4. More than 40% of companies responded that it would benefit job seekers. “It will make it easier for them to compare the characteristics of companies when looking for a new job” was chosen by the largest percentage of companies as a benefit. (Fig. 5, Fig. 6)

When asked whether they thought mandatory disclosure of the percentage of mid-career hires would benefit job seekers, more than 40% of companies responded that it would. (Foreign capital companies: 42%, Japanese companies: 46%) As of now, many companies think that mandatory disclosure of the percentage of mid-career hires will offer more benefits to job seekers than to companies.

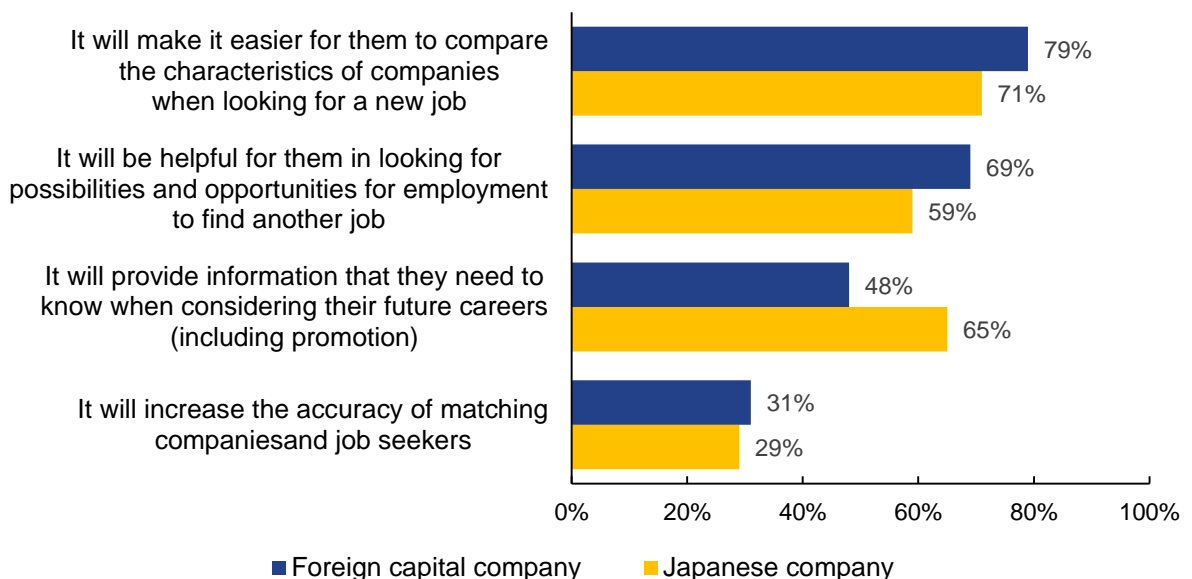
We asked companies what benefits it would offer to job seekers, and “it will make it easier for them to compare the characteristics of companies when looking for a new job” was chosen by the largest percentage of foreign capital and Japanese companies and accounted for approx. 80% of the responses. (Foreign capital companies; 79%, Japanese companies: 71%)

[Fig. 5] Do you think mandatory disclosure of the percentage of mid-career hires will benefit job seekers?



*The total may not be 100% because the figures are rounded to the nearest whole number.

[Fig. 6] Please respond if you think mandatory disclosure of the percentage of mid-career hires will benefit job seekers. What benefits do you think it will offer? (Multiple answers allowed)

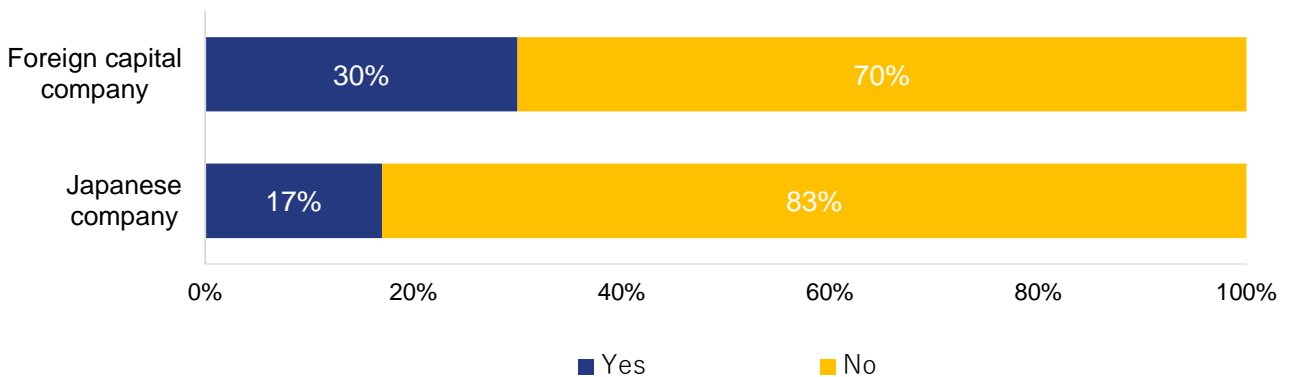


5. 30% of foreign capital companies and 17% of Japanese companies responded that they were worried about the introduction of mandatory disclosure of the percentage of mid-career hires. When asked what they are worried about, the largest percentage of respondents chose “the trouble of organizing data before disclosure and disclosing information.” (Fig. 7, Fig. 8)

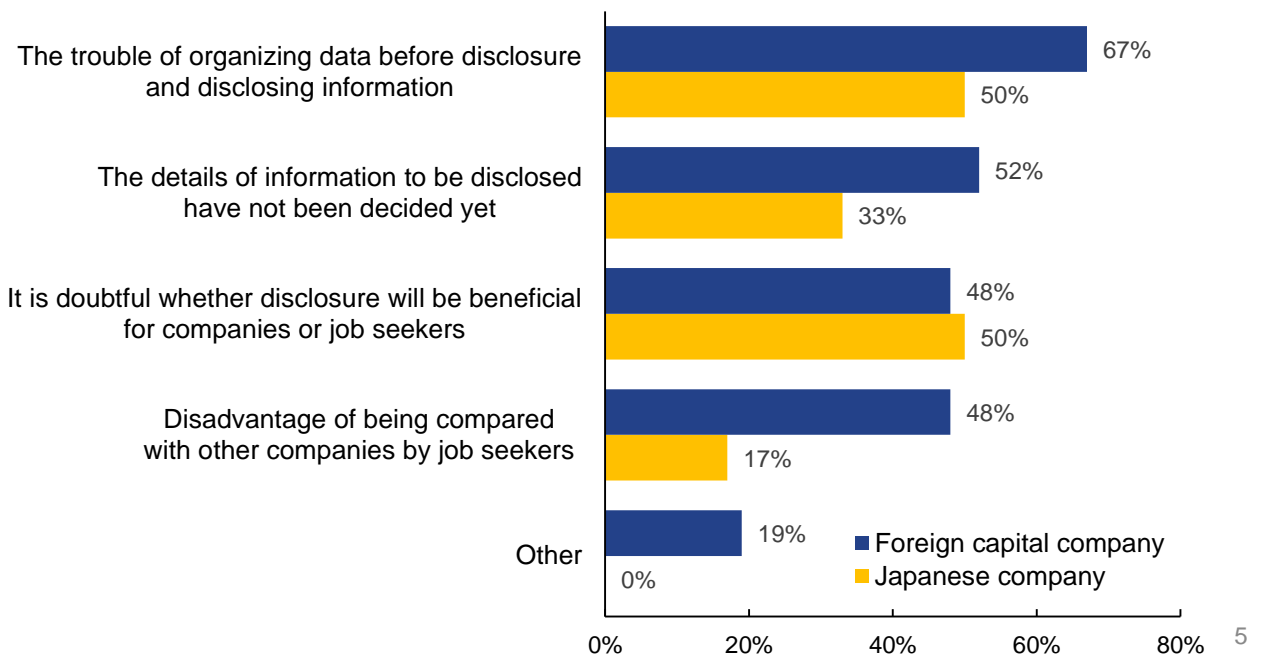
When asked whether there was anything they were worried or concerned about with regard to mandatory disclosure of the percentage of mid-career hires, 30% of foreign capital companies and 17% of Japanese companies responded that there was.

We asked companies what they are worried or concerned about, “the trouble of organizing data before disclosure and disclosing information” was chosen by the largest percentage of both foreign capital and Japanese companies and accounted for approx. 60% (foreign capital companies: 67%, Japanese companies: 50%.) The same percentage of Japanese companies also chose “it is doubtful whether disclosure will be beneficial for companies or job seekers” (foreign capital companies: 48%, Japanese companies: 50%.) Foreign companies also chose “others” and included “it’s still vague” and “worried that young job seekers may have negative feelings toward companies that don’t recruit new graduates.”

[Fig. 7] Is there anything you are worried or concerned about with regard to mandatory disclosure of the percentage of mid-career hires?



[Fig. 8] Please respond if there is anything you are worried or concerned about with regard to mandatory disclosure of the percentage of mid-career hires. What are you worried or concerned about?



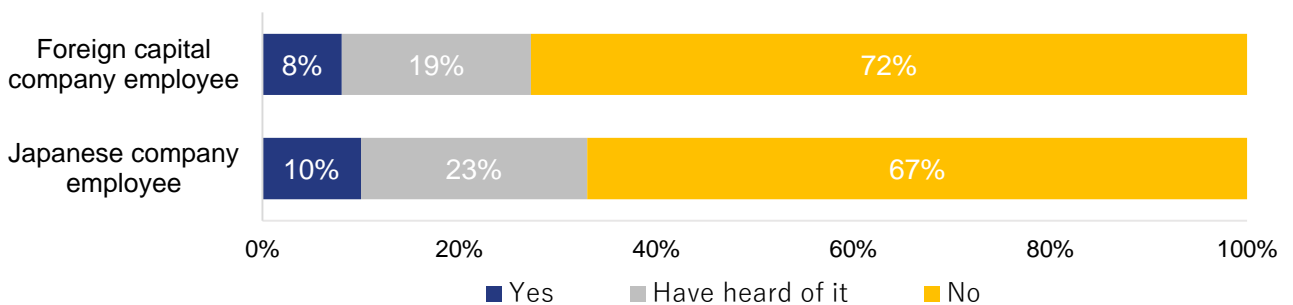
Details of survey results

2. Responses from registered users of career change support services

6. 8% of foreign capital company employees and 10% of Japanese company employees were aware of mandatory disclosure of the percentage of mid-career hires. (Fig. 9)

We asked registered users of career change support services whether they were aware of mandatory disclosure of the percentage of mid-career hires (scheduled to be in effect from April 2021, imposed on companies with 301 employees or more) announced by the Ministry of Health, Labour and Welfare and less than 10% of respondents responded that they were. (Foreign capital company employees: 8%, Japanese company employees: 10%) Approx. 70% of respondents said that they were not aware of the requirement (foreign capital company employees: 72%, Japanese company employees: 67%), which showed that it was not known to many people as information yet.

[Fig. 9] Are you aware of mandatory disclosure of the percentage of mid-career hires (scheduled to be in effect from April 2021, imposed on companies with 301 employees or more) mandated by the Ministry of Health, Labour and Welfare?

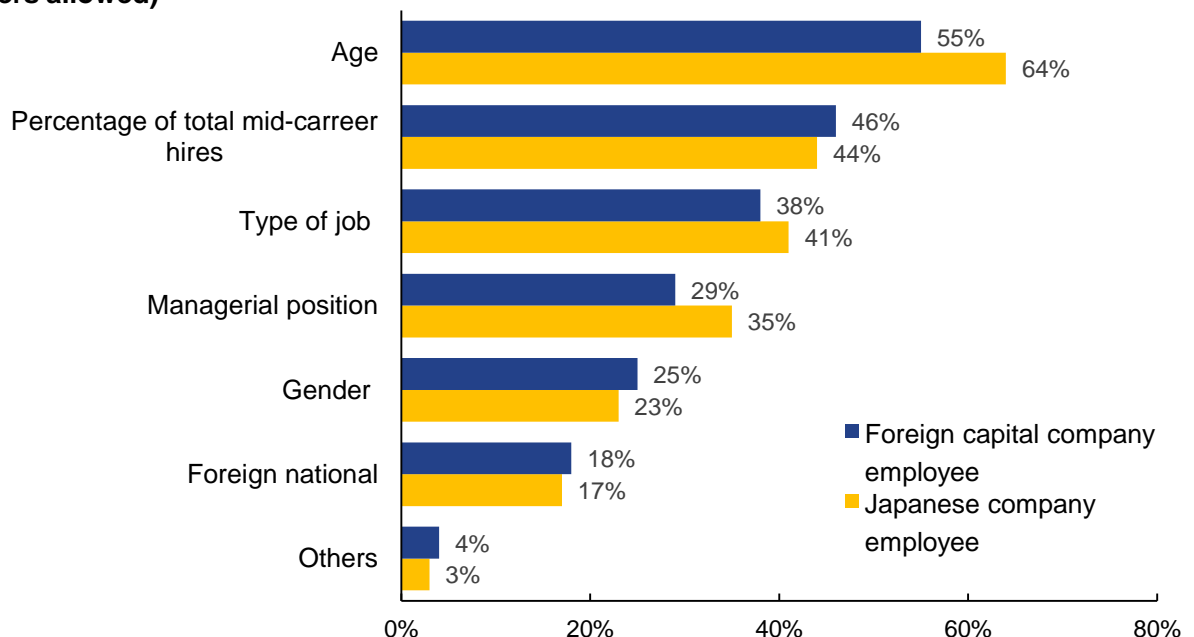


*The total may not be 100% because the figures are rounded to the nearest whole number.

7. Respondents were most interested in the percentage of mid-career hires by age. (Fig. 10)

We asked respondents what they were interested in with regard to the percentage of mid-career hires, and age was chosen by the largest percentage of respondents (foreign capital company employees: 55%, Japanese company employees: 64%), followed by the percentage of total mid-career hires (foreign capital company employees: 46%, Japanese company employees: 44%) and type of job (foreign capital company employees: 38%, Japanese company employees: 41%).

[Fig. 10] What are you interested in with regard to the percentage of mid-career hires? (Multiple answers allowed)

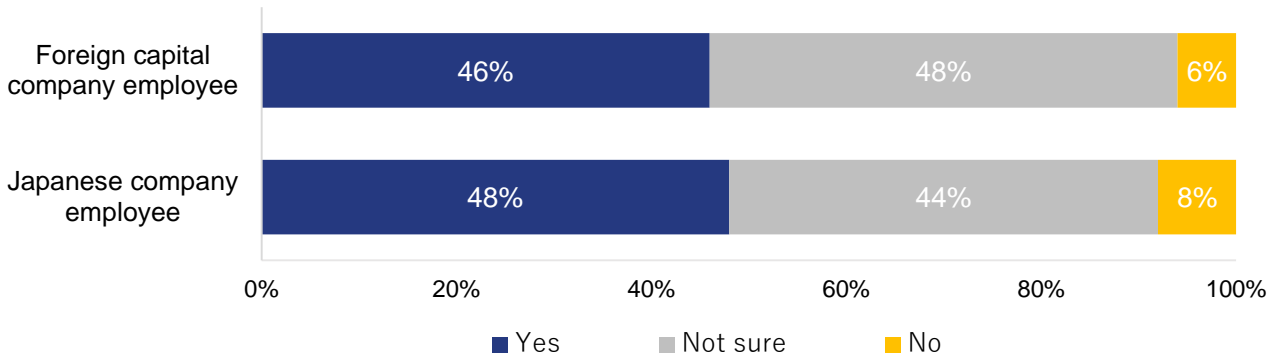


8. Approx. 50% of registered users of career change support services responded that it would benefit job seekers. “It will make it easier for them to compare the characteristics of companies when looking for a new job” was chosen by the largest percentage of companies as a benefit. (Fig. 11, Fig. 12)

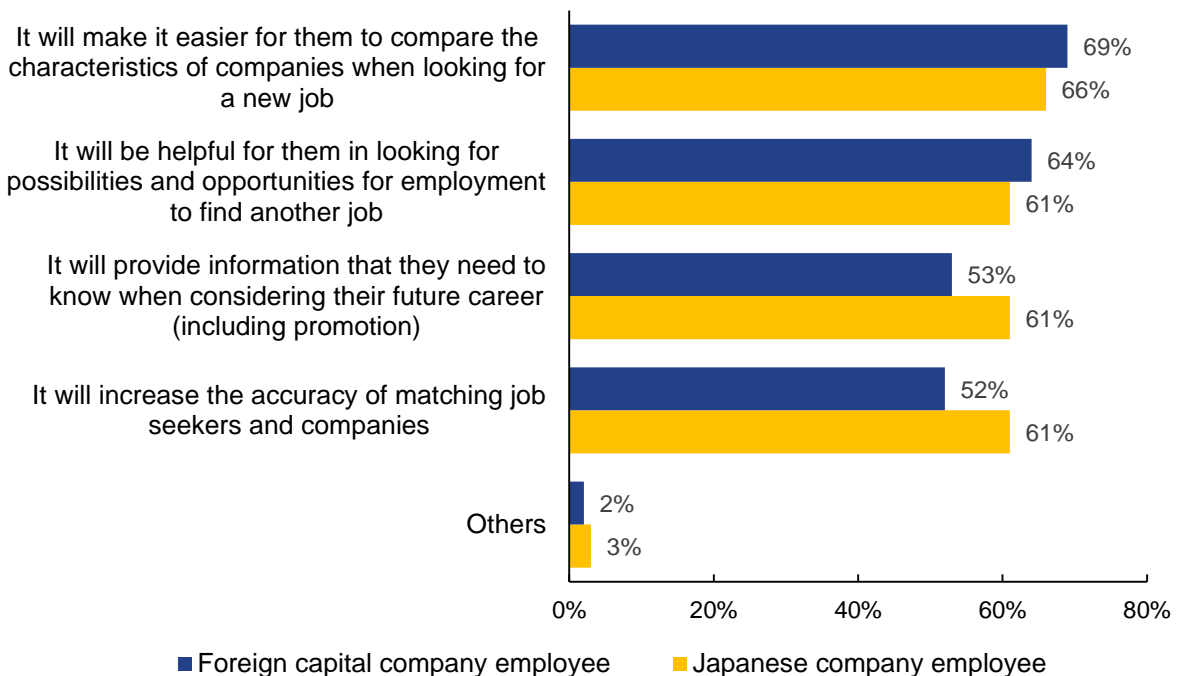
When asked whether they thought mandatory disclosure of the percentage of mid-career hires would benefit job seekers, approx. 50% of respondents responded that it would. (Foreign capital company employees: 46%, Japanese company employees : 48%) These figures were similar to the percentages of companies that responded that it would benefit job seekers. (Responses from companies/ foreign capital companies: 42%, Japanese companies: 46%, see Fig. 5, Page 4)

We asked registered users of career change support services what benefits it would offer job seekers, and “it will make it easier for them to compare the characteristics of companies when looking for a new job” was chosen by the largest percentage of foreign capital and Japanese company employees (Foreign capital company employees; 69%, Japanese company employees: 66%) .

[Fig. 11] Do you think mandatory disclosure of the percentage of mid-career hires will benefit job seekers?



[Fig. 12] Please respond if you think mandatory disclosure of the percentage of mid-career hires will benefit job seekers. What benefits do you think it will offer? (Multiple answers allowed)

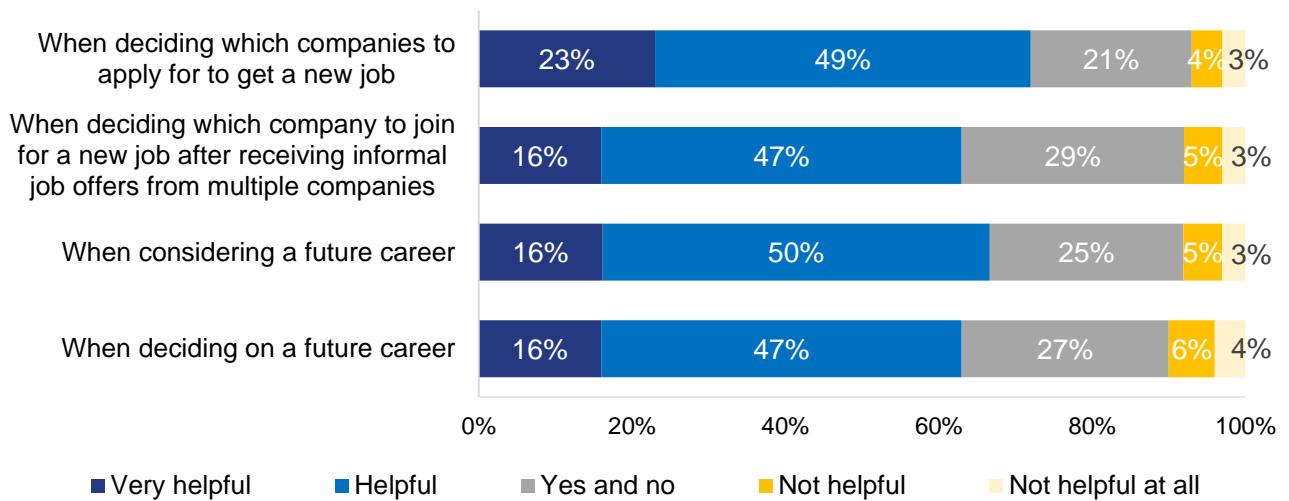


9. Percentages of mid-career hires would be most helpful when deciding which companies to apply for to get a new job. (Fig. 13, Fig. 14)

We asked respondents when mandatory disclosure of the percentage of mid-career hires would be helpful, and approx. 70% of respondents chose “when deciding which companies to apply for to get a new job” as “very helpful” and “helpful.” (Foreign capital company employees: 72%, Japanese company employees: 74%)

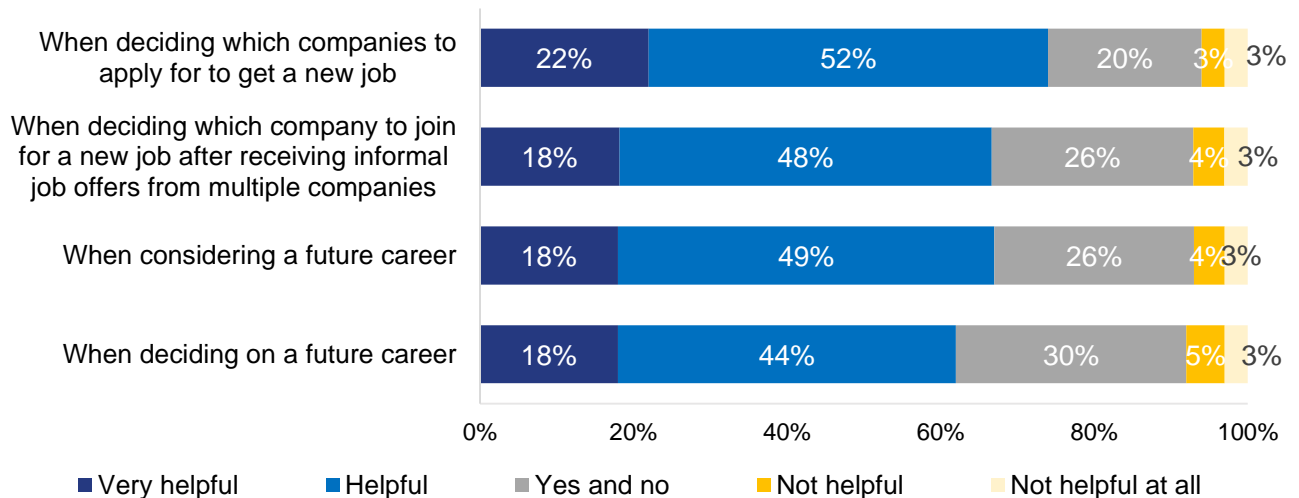
In addition, we also asked them if there were other occasions when mandatory disclosure of the percentage of mid-career hires would be helpful. Responses that stood out include understanding of corporate cultures and diversity, improvement of development and education systems, and how gender and age were considered in recruiting. Some of the responses are shown on the next page.

[Fig. 13] If the percentages of mid-career hires are disclosed, when do you think they would be most helpful?(Registered users of career change support services/ foreign capital company employees)



*The total may not be 100% because the figures are rounded to the nearest whole number.

[Fig. 14] 「If the percentages of mid-career hires are disclosed, when do you think they would be most helpful?(Registered users of career change support services/ Japanese company employees)



*The total may not be 100% because the figures are rounded to the nearest whole number.

► **Please tell us if there are any other times when you think mandatory disclosure of the percentage of mid-career hires would be helpful. (Open-ended)**

Foreign capital company employees

- Helpful in identifying the corporate culture, including whether mid-career workers can fit in. (30s)
- It could be a way to determine whether companies actively recruit those looking for a new job or whether they have a high turnover rate. (40s)
- Company policies on human resources development can be guessed. (40s)
- The degree of effort companies exert on diversity can be guessed. (40s)
- Helpful in giving advice to kids when they make a career choice. (40s)
- Understanding of the intentions of each industry (40s)

Japanese company employees

- Helpful in judging whether companies develop human resources and whether they are still growing. (20s)
- Able to judge whether women would be promoted to managerial positions. (30s)
- Helpful not only for those who consider changing jobs but also for new graduates. (40s)
- Can be used as an index to judge the aspects of companies other than performance. (40s)
- Helpful in judging whether companies have a corporate culture where employees respect each other regardless of age. (40s)
- Helpful in judging whether companies are performance-oriented and value employees on a career ladder or they basically care about all workers. (50s)
- It serves as a record when companies have age limits for jobs (50s)

10. Many respondents expect improvement in the mobility of human resources and expansion of employment opportunities, improvement in the image of job changes, transparent information disclosure by companies, and transition to the merit system from mandatory disclosure of the percentage of mid-career hires.

We asked respondents what they expected from mandatory disclosure of the percentage of mid-career hires. Some of their responses are shown below.

► **What do you expect from mandatory disclosure of the percentage of mid-career hires? (Open-ended)**

Foreign capital company employees

- Elimination of old systems such as seniority system (20s)
- I want companies to disclose their turnover rate. (20s)
- I hope the transparency of information disclosure by companies will improve. (30s)
- I hope people stop having a biased view of job changes in Japan. (30s)
- Fair treatment of mid-career workers such as improvement of on-the-job training and off-the-job training (40s)
- I hope it will lead to not only KPI of recruitment but also disclosure of other nonfinancial items. (40s)
- Increased awareness of compliance. Decreased turnover rate. (50s)
- I hope we have more diverse companies where people can use their work experience regardless of age. (50s)
- Not only mid-career hiring but also improved mobility of human resources and placement of the right people in the right positions. (50s)
- I hope it will help reform Japan's employment practices, such as mass hiring of new graduates, lifetime employment, and in-house labor unions and eliminate discrimination between non-regular and regular workers (50s)
- Improvement of motivation of companies with a low percentage of mid-career hires for hiring mid-career workers. (50s)
- Not only clear numerical targets but also a policy on return to work after raising a child should be set. (50s)

► **What do you expect from mandatory disclosure of the percentage of mid-career hires?**
(Open-ended, continued)

Japanese company employees

- Corporate transparency, healthier labor market (30s)
- I want companies to disclose and provide useful information to prevent a mismatch in the recruitment process because it will also be beneficial for companies. (30s)
- I hope companies will not just disclose it for the sake of it, but that they will actually hire mid-career workers and develop their business mindset. (30s)
- I hope disclosure of the percentage of mid-career hires will help promote information disclosure by companies. (30s)
- Enhancement of liquidity in the mid-career job market that does not depend on new graduate hiring (30s)
- Changes in companies' mindset and systems (30s)
- Increase in the number of people who change jobs, improvement in the treatment of mid-career workers (40s)
- Reduction of discriminator or differential treatment of mid-career workers (40s)
- Improved mobility of human resources, reform of Japanese-style companies (40s)
- Awareness of education in companies will change because there will be criteria to determine which company to apply for. (40s)
- People will have a less negative image of job changes. (40s)
- Age will not be a disadvantage when changing jobs. (40s)
- It may enable women to be employed again and take on challenges. (40s)
- I also expect companies will disclose turnover rates and years of service of mid-career workers they hired. (50s)
- I hope an increasing number of companies will hire more mid-career workers. (Over 60 years old)

[Outline of the survey]

Survey method: Online survey

Area: Japan

Period: March 26- March 30, 2020

Number of valid answers: 113 companies

1,275 registered users of career change support services

Respondent attribute:

Companies/Foreign companies: 65%, Japanese companies: 35%

Registered users of career change support services/Foreign capital company employees: 46%, Japanese company employees: 54%

Appendix: What is mandatory disclosure of the percentage of mid-career hires?

Mandatory disclosure is a bill that mandates that large companies with 301 employees or more disclose the percentage of mid-career hires as part of the reform of social security for all generations by the government. The bill is scheduled to be in effect from April 2021 based on the Act on Comprehensive Promotion of Labor Policies, Stability of Employment of Workers and Enhancement of Occupational Life .

The bill was revised because the government believes that reform of the employment system must be promoted so that motivated workers can fully achieve their potential and in order to achieve social security for all generations in this era of people living longer. The government considers it necessary to increase the number of mid-career and experienced workers hired in a year-round recruitment process while implementing the necessary review of the traditional recruitment system that focused on the mass hiring of new graduates as adopted by large companies. Companies need to review their recruitment, evaluation, and compensation systems. The government plans to ask each large company to disclose information on the percentage of mid-career and experienced worker hires. In addition, the government also plans to change employment practices by introducing the good practices presented at the Conference on Mid-Career and Experienced Worker Recruitment , where listed companies actively recruiting mid-career and experienced workers, venture companies, and SMEs gather, to other fields and companies. All companies will be encouraged to review their evaluation and compensation systems by being introduced to good practices by the Japanese government. Because SMEs are limited in their ability to carry out management reforms, the government will provide support for reviewing these systems with a Mid-Career Worker Recruitment Support Subsidy.

The details of the mandatory disclosure have not been announced yet. (As of May 2020)

KPI 2020: Hiring rate of workers who changed jobs 9.0%

Reference/source: Prime Minister's Office of Japan "Growth Strategy Portal Site" (Japanese)
https://www.kantei.go.jp/jp/singi/keizaisaisei/portal/employment_opportunity/policy.html

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