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2021 Survey on Hiring of “Remote” Candidates in Global Companies in Japan

en world Japan K.K. (headquarters: Chuo, Tokyo, President: Vijay Deol), one of Japan's largest recruiting firms specializing in global talent, conducted a questionnaire survey on the hiring of specifically remote employees which means they could be based anywhere in Japan or even overseas with no expectation to work in the office, 230 global companies responded.

Summary of Survey Results

1. **Nearly 50% of the companies have considered or already proceeding with the hiring of employees specifically to work remotely. Some of these remote employees are even based overseas but working to support Japan operations.**
2. **“Improve talent acquisition capabilities by expanding the target talent pool to include specifically remote workers” is the top reason for companies to focus on hiring remote employees.**
3. **“Difficulty in grasping and supporting the physical and mental health conditions of employees” is the greatest challenge associated with managing business in the current remote dominant paradigm.**
4. **30% of companies in Japan reduced or renovated office space in 2021.**

Overview

Vijay Deol, President & Representative Director



As the COVID pandemic continues and the omicron variant creates further uncertainty about acceptable levels of social interaction going forward companies need to continue to navigate remote working arrangements. While we are not yet seeing a vast majority of companies willing to hire people to work remotely outside of the region where the business is based, the portion of companies that do is significant.

Of those companies that employ this strategy, many are even willing to hire people anywhere across Japan. Overwhelmingly the motivator for this seems to be simply to access more and better talent. Amid the demographics of a declining population, it is likely that this trend will continue regardless of how the COVID pandemic evolves.

Outline of the survey

Survey method: Online survey

Area: Japan

Number of valid answers: 230 companies

Period: Nov 11-18, 2021

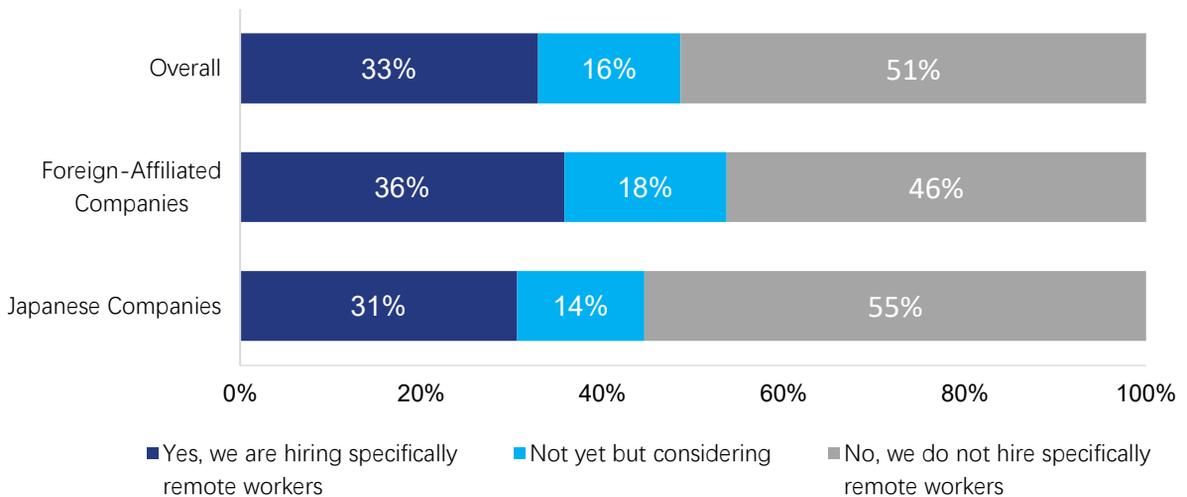
Respondent attribute: Foreign-affiliated Companies 43% / Japanese Companies 56%

Data Analysis and Commentary

1. Remote Hiring

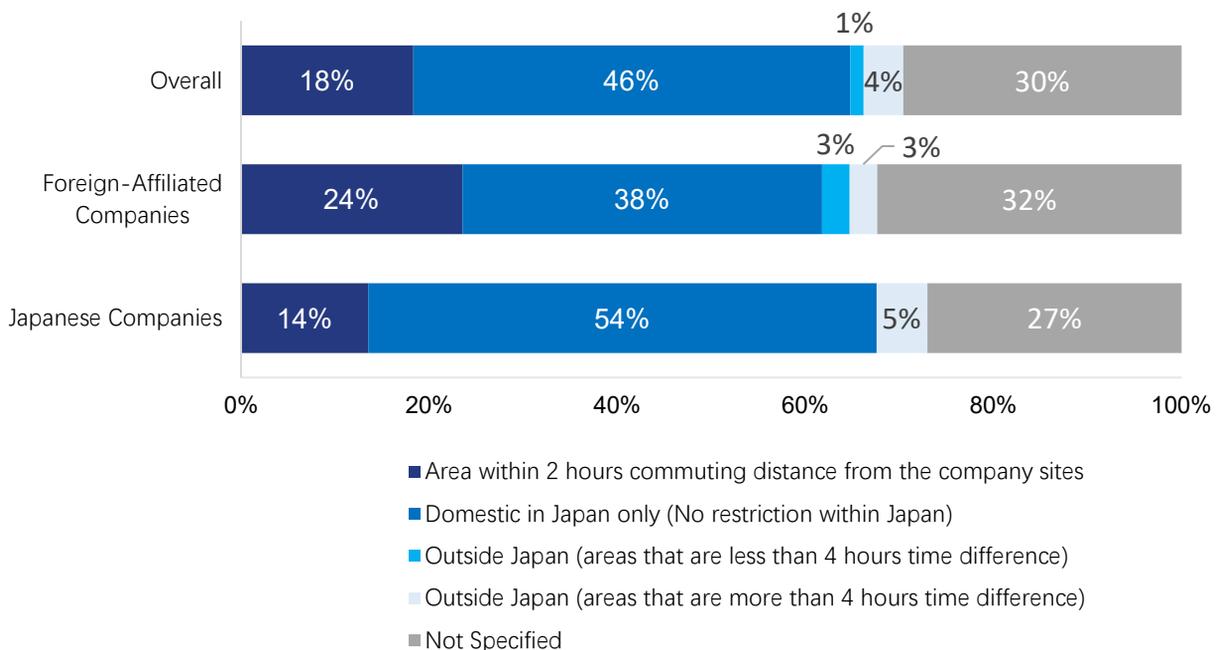
Assuming fully remote working conditions, participating companies were asked if they considered hiring employees specifically to work remotely. 33% responded “Yes, we are hiring specifically remote workers” and 16% responded “Not yet but considering”. Answers between foreign-affiliated and Japanese companies have a difference of 9%.

[Fig. 1] Does your company consider hiring employees specifically to work remotely under the presumption that remote working will continue?



In terms of the geographic range limits that companies can accept for these specifically remote employees, “Domestic in Japan only, no restriction as long as it is within Japan (46%)” is the most common answer. In addition, “Outside Japan (areas that are more or less than 4 hours’ time difference)” accounts for only 5% in total. Data indicates that some overseas remote hiring is taking place in Japan. We expect to see this increase post-pandemic.

[Fig. 2] If you responded "Yes" to the above question, what is the geographic range limit that your company can accept for remote employees? (Multiple answers allowed)

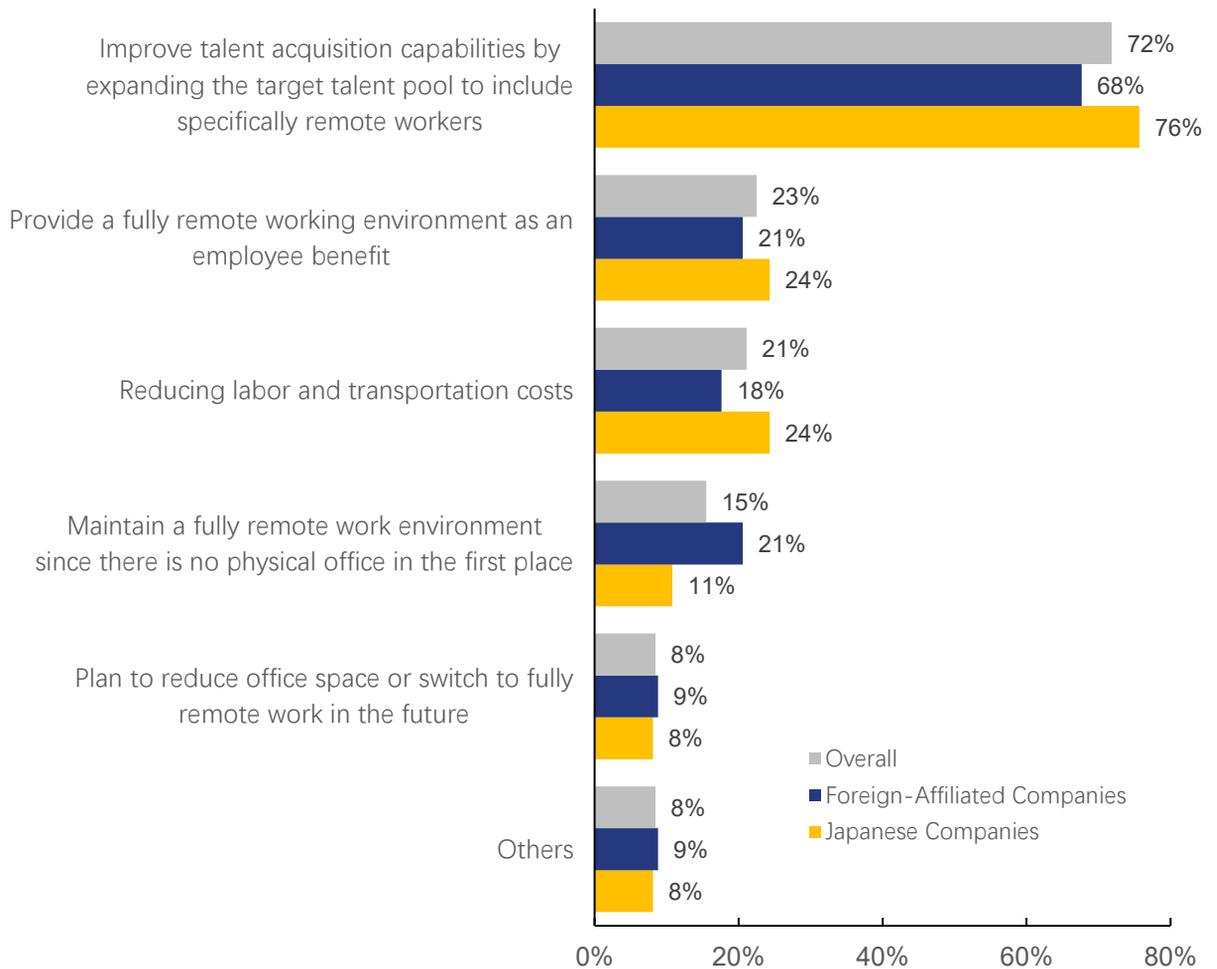


2. Benefits of Remote Hiring

The top reason for remote hiring, chosen by 72% of respondents, is to attract talented individuals more effectively from a larger talent pool. The data indicates that vast majority of the companies in Tokyo are now focusing more on recruiting outside of the highly competitive Tokyo market to improve their talent acquisition capabilities.

Furthermore, in the "Other" comments, some companies answered, "most of the companies start to realize that the benefits of fully remote work far outweigh the disadvantages". In fact, the positive business results following the switch to remote working during the COVID-19 pandemic accelerated the establishment of remote hiring in Japan, encouraging more companies to hire specifically remote employees.

[Fig. 3] Why does your company hire remote workers? (Multiple answers allowed)

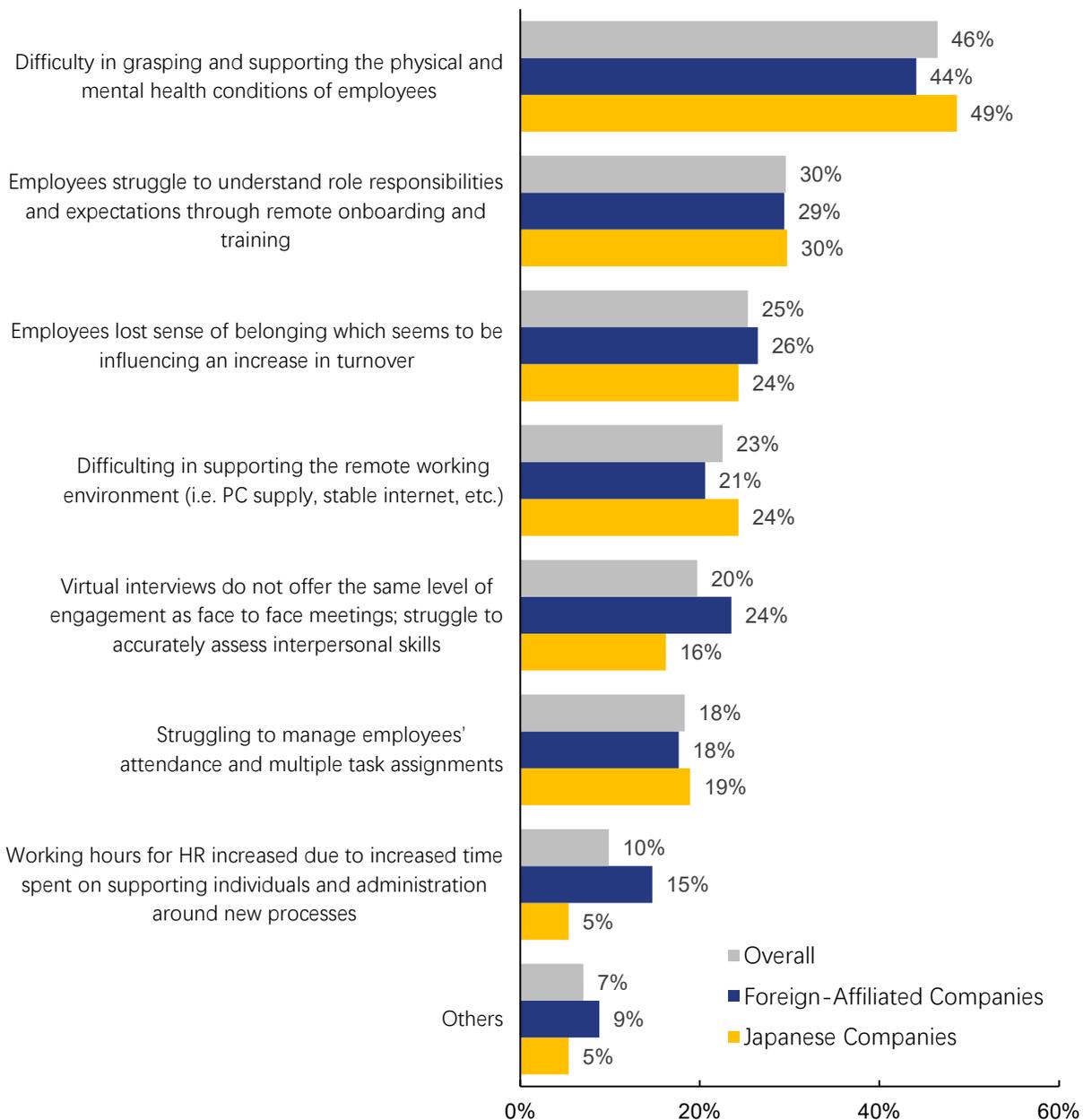


3. Challenges of Remote Hiring

The greatest challenge identified by companies with remote employment is the "Difficulty in grasping and supporting the physical and mental health conditions of employees (46%)". Data indicates that concerns on employee well-being continue to be the most pronounced challenge which companies are struggling to solve.

Moreover, other answers including "Employees struggle to understand role responsibilities and expectations through remote onboarding and training" and "Employees lost sense of belonging which seems to be influencing an increase in turnover" accounted for more than half of the answers. These results suggest that the decrease in direct social interactions among employees continues to be a huge challenge for most companies and requires specific strategies to increase employee engagement.

**[Fig. 4] What are the challenges you faced during remote hiring?
(Multiple answers allowed)**

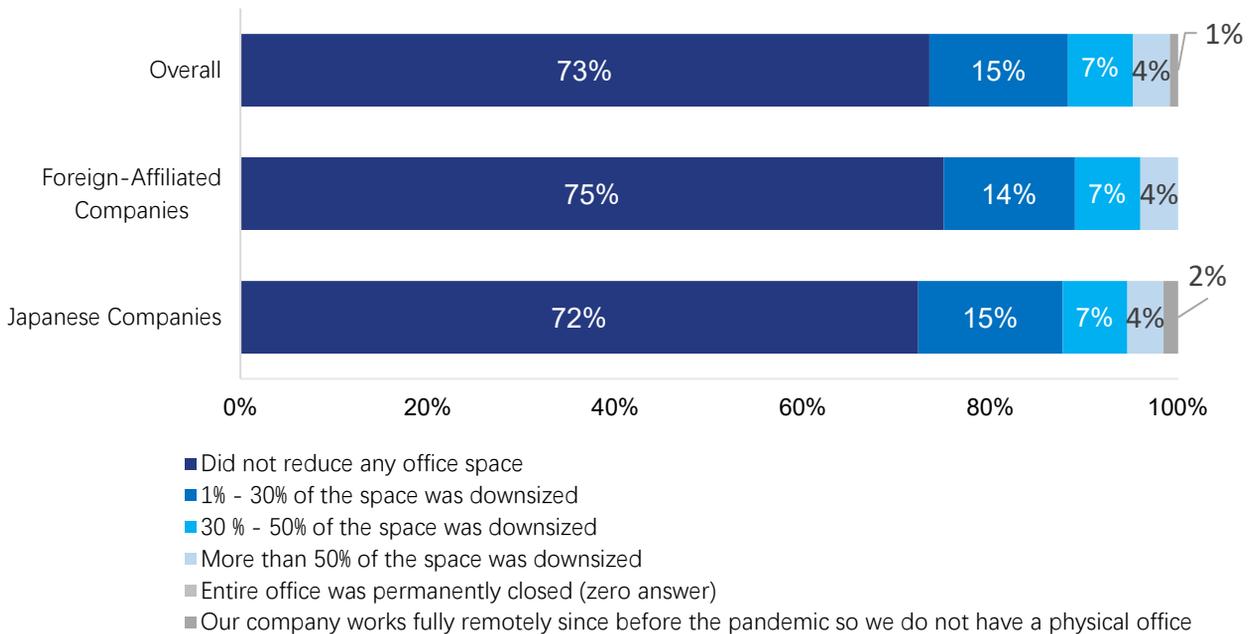


4. Re-evaluation of working space

Of the 230 companies that responded to the survey, 30% reduced or renovated their office space due to the impact of COVID-19. Compared to the survey* conducted in July 2020, the number has increased from 6% to 30%. Among the companies that redesigned their office, the most common response was a reduction in space of 1%-30% (15%)

(*Survey of teleworking by global companies: <https://www.enworld.com/en/blog/2020/07/survey-en-20200709>)

[Fig. 5] Did your company reduce or renovate office space due to the impact of COVID-19 after February 2020?



*Percentages may not total 100% due to first decimal place rounding.

About en world Japan:

en world's humble beginnings trace back to a tiny Tokyo hotel room in 1999. From the outset, we've always been focused on pairing global talent with internationally-minded businesses. Since then, we've solidified our presence in the Tokyo Metropolitan Area, expanded domestically with offices in Osaka and Nagoya, and grown into a multinational operation with footholds across Asia. In 2010, on becoming part of the en-japan family, we implemented a new corporate mission of enabling success. As we move forward, we remain dedicated to seeking new heights, aiming to become the most respected recruiting partner in the global talent market.

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