

# 70% of companies believe job-oriented employment is beneficial for companies.

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The most common disadvantage is “unable to transfer employees to another department when they have no aptitude for the job.”

-en world Japan The attitude survey on “job-oriented employment” in global companies-

en world Japan K.K. (headquarters: Chuo City, Tokyo, President: Vijay Deol), one of Japan’s largest recruiting firms specialized in global human resources, conducted an attitude survey on job-oriented employment in global companies, and 274 companies answered.

## Summary of Survey result

- 70% of global companies believe job-oriented employment is beneficial for companies.
- The most common advantage of job-oriented employment is “able to hire human resources with specialist skills and knowledge who can hit the ground running” and the most common disadvantage is “unable to transfer employees to another department when they have no aptitude for the job.”
- 46% of companies responded that job-oriented employment would make it easier for them to recruit.
- 41% of companies responded that job-oriented employment would increase the recruitment cost.

### What is *job-oriented employment*?

An employment system where the job roles and work locations are clearly defined, and employees are evaluated based on performance within the scope of a defined job.

### [Comments on the results] Vijay Deol, President & Representative Director



“Job-Oriented Employment”, or the practice of hiring, managing, and evaluating employees within and clearly defined and relatively specialized scope is something that will continue to become more pronounced as technology and sophistication of business practices continue to develop. It is, therefore, not surprising that a significant majority of companies, both Japanese and non-Japanese, are aware of this practice and its implications. However, what is also not so surprising but certainly important in its implications, is the differences between Japanese and non-Japanese companies with respect to how they view job-oriented employment.

While traditionally many Japanese companies have taken an approach of hiring new-grads from university and developing them as “generalists”; transferring employees across multiple divisions over the course of their career, the trend towards higher degrees of specialization, as is seen more commonly in Western businesses, has been increasing. Despite the demand for specialization, the limited flexibility it creates and the potentially higher cost of hiring and retaining specialists is a challenge both Western and Japanese companies must face. As business evolves and the world becomes more global it will be very interesting to see how different businesses address this challenge and if different cultural practices begin to align or diverge in different ways.

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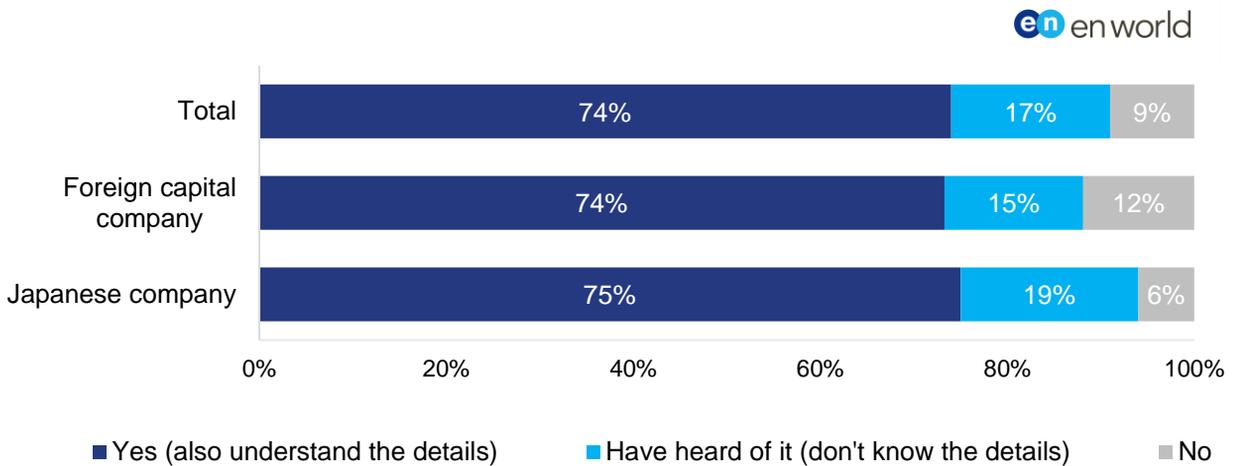
Details of survey results

1. 70% of global companies believe job-oriented employment is beneficial for companies. (Fig. 1, Fig. 2)

We asked companies whether they were aware of job-oriented employment, and 91% of them responded in the affirmative (“Yes” and “Have heard of it”) (foreign capital companies: 89%, Japanese companies: 94%). We told companies that job-oriented employment was a system where job roles and work locations were clearly defined, and employees were evaluated on their performance within the scope of a defined job and asked them whether they thought it would be beneficial for companies, and approx. 70% responded that it would (“highly beneficial” and “somewhat beneficial”).

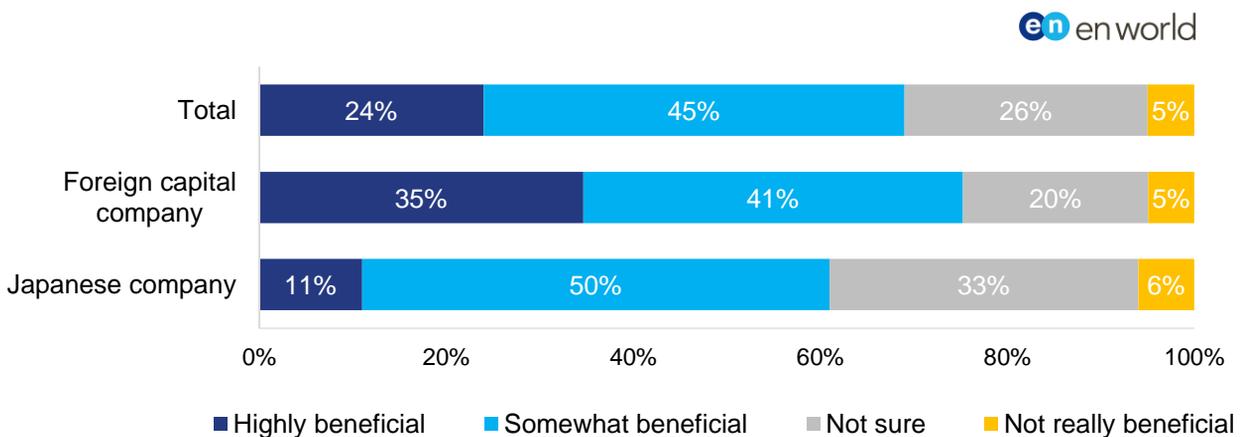
The percentage of foreign capital companies that responded that it would be beneficial was higher than that of Japanese companies by 15 points, which shows that the number of foreign capital companies that think job-oriented employment is beneficial is larger than that of Japanese companies. (Foreign capital companies: 76%, Japanese companies: 61%)

[Fig. 1] Are you aware of job-oriented employment?



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

[Fig. 2] Do you think job-oriented employment is beneficial for companies?

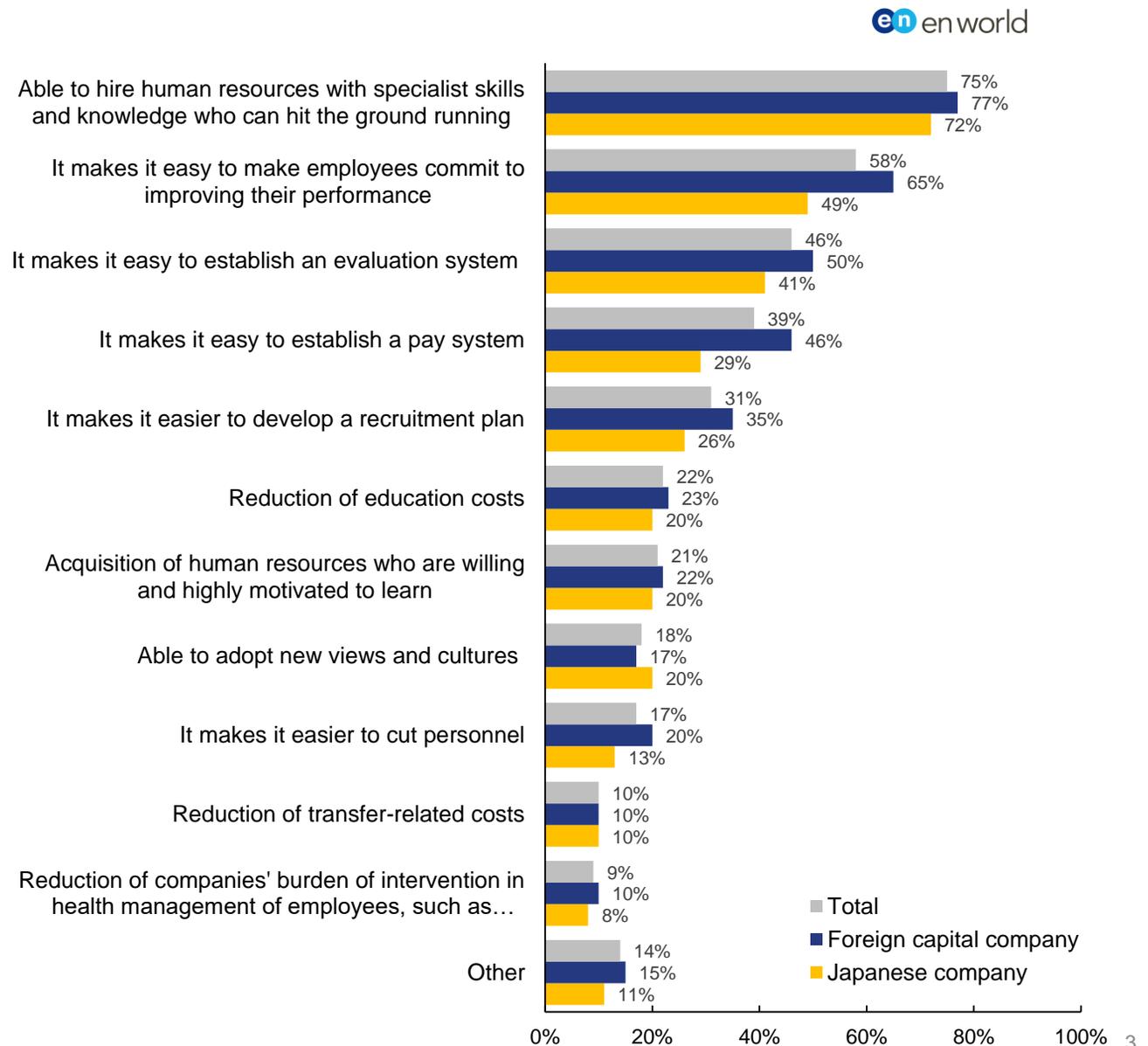


\*The total may not be 100% because the figures are rounded to the nearest whole number.

**2. The most common advantage of job-oriented employment is “able to hire human resources with specialist skills and knowledge who can hit the ground running” and the most common disadvantage is “unable to transfer employees to another department when they have no aptitude for the job.” (Fig. 3, Fig. 4)**

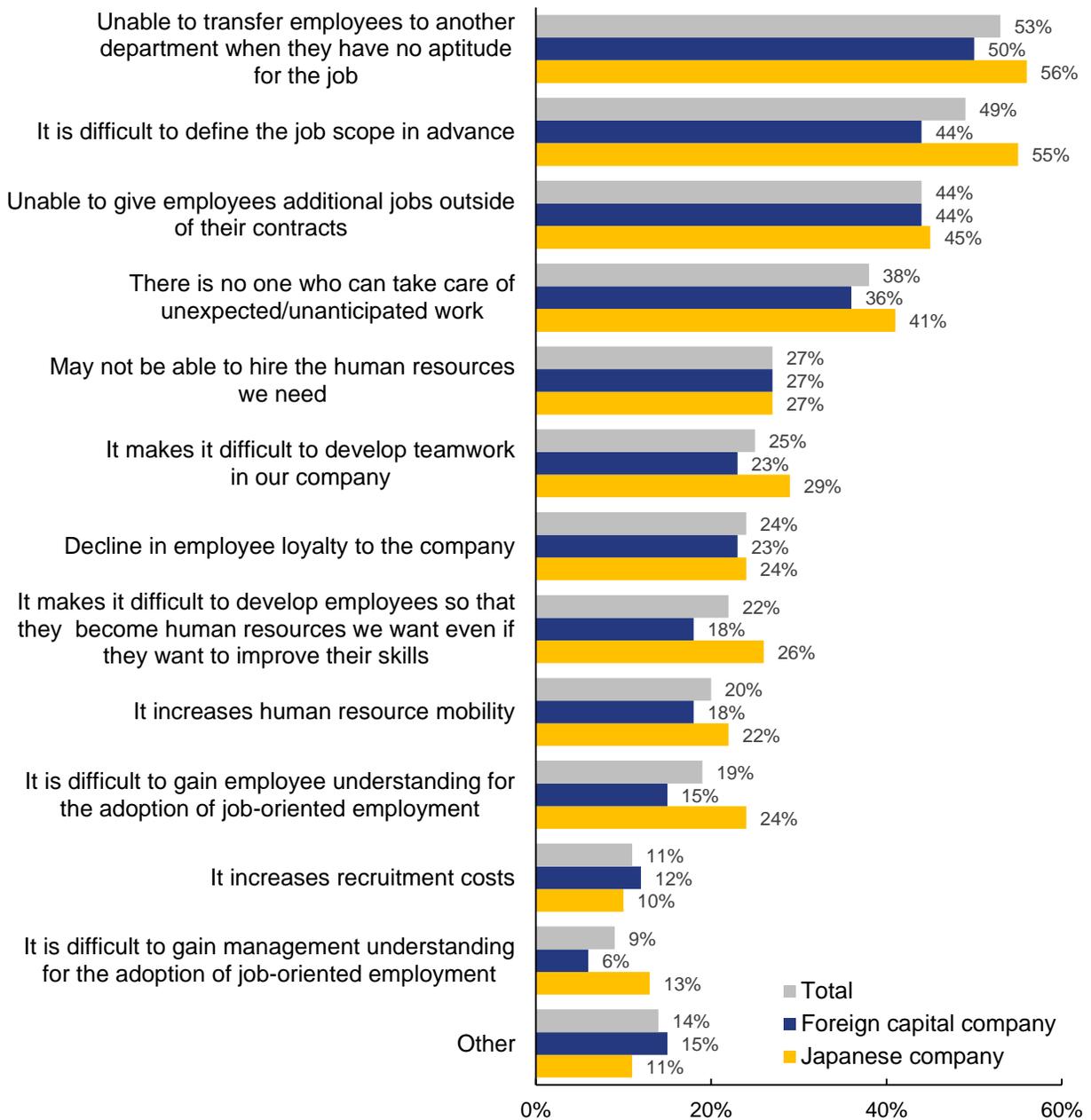
We asked companies about the advantages and disadvantages of job-oriented employment. The most common advantage was “able to hire human resources with specialist skills and knowledge who can hit the ground running” (foreign capital companies: 77%, Japanese companies: 72%). The second most common advantage was “it makes it easy to make employees commit to improving their performance” (foreign capital companies: 65%, Japanese companies: 49%), and the percentage of foreign capital companies choosing that response was higher than that of Japanese companies by 16 points, which reflected the cultural difference between foreign capital companies with an achievement-oriented culture and Japanese companies that did not evaluate employees based only on performance.

**[Fig. 3] What advantages do you think job-oriented employment offer?  
(Multiple answers allowed)**



The most common disadvantage was “unable to transfer employees to another department when they have no aptitude for the job” (foreign capital companies: 50%, Japanese companies: 56%). The second most common disadvantage was “it is difficult to define the job scope in advance” (foreign capital companies: 44%, Japanese companies: 55%), and the percentage of foreign capital companies choosing that response was higher than that of Japanese companies by 11 points. This showed that there was a difference between foreign capital companies with a job-oriented employment system and Japanese companies with a membership-type employment system.

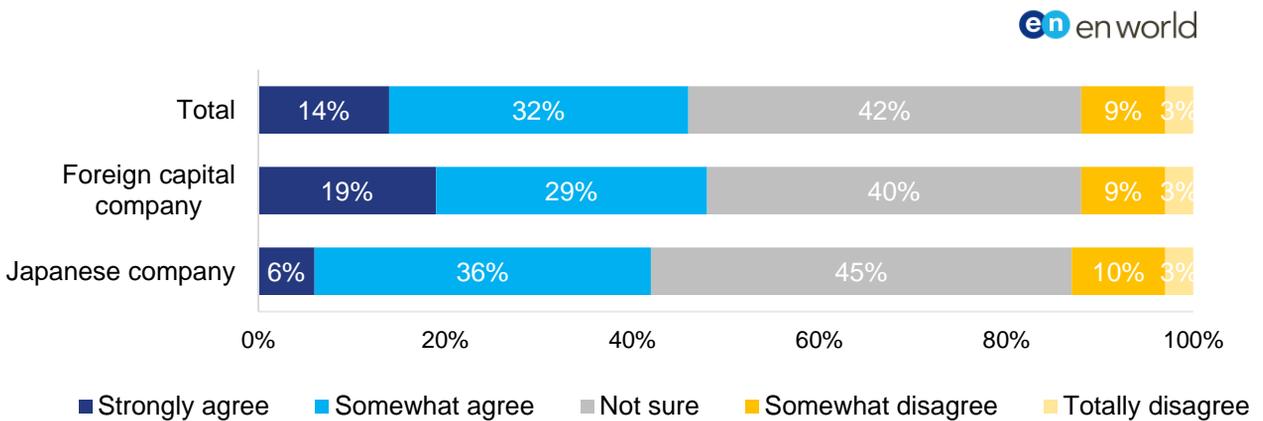
**[Fig. 4] What do you think the disadvantages of job-oriented employment are?  
(Multiple answers allowed)**



### 3. 46% of companies responded that job-oriented employment would make it easier for them to recruit. (Fig. 5)

We asked companies whether they thought job-oriented employment would make it easier for them to recruit, and 46% responded that it would (“strongly agree” and “somewhat agree”) (foreign capital companies: 48%, Japanese companies: 42%). Comments from respondents are shown below.

[Fig. 5] Do you think job-oriented employment will make it easier for you to recruit?



#### ▼ “Strongly agree” “Somewhat agree”

- It is easier to match the company’s needs and human resources development with applicants’ strengths and career orientation. (Foreign capital company, IT and communications, 101-300 employees)
- It makes our recruitment targets clearer. (Foreign capital company, travel and leisure, 101-300 employees)
- Because the jobs are clearly defined, recruitment criteria are also clear. (Japanese company, healthcare and pharmaceutical, 301-1,000 employees)
- It makes it easier to reflect the market value of employees in their treatment. (Japanese company, other, 1,001-5,000 employees)

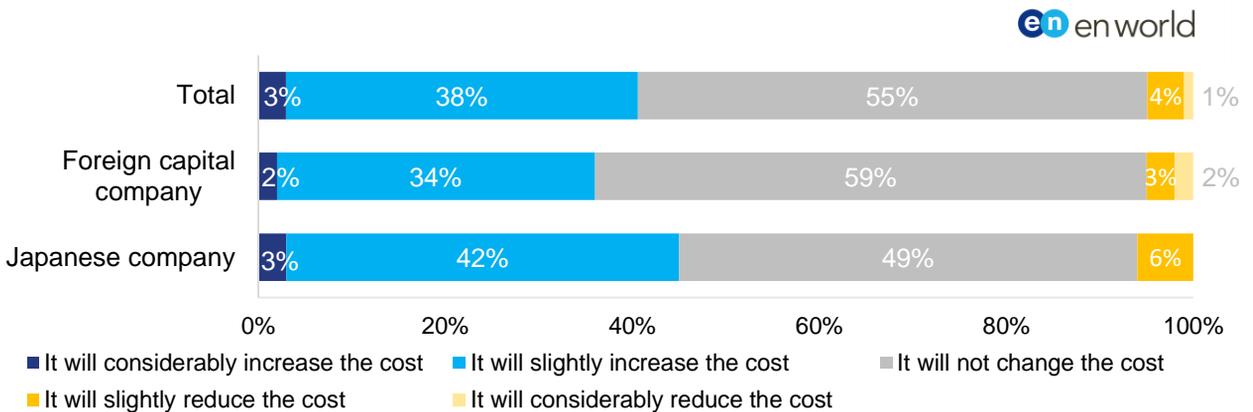
#### ▼ “Totally disagree” “Somewhat disagree”

- As job-oriented employment is targeted at applicants with specific skills, the recruitment process takes a long time if there are few applicants who meet the requirements. (Foreign capital company, IT and communications, 101-300 employees)
- The population is too small. (Foreign capital company, manufacturing and engineering 100 employees or less)
- It doesn’t make it any easier to recruit human resources for job types that are difficult to recruit. (Foreign capital company, IT and communications, 101-300 employees)
- Though it may make it easier to recruit human resources for some specialist positions, it is hard for job-oriented employment to make it easier for companies to recruit unless career education at universities and schools and the whole of society switch to job-oriented employment. (Japanese company, other, 101-300 employees)

**4. 41% of companies responded that job-oriented employment would increase the recruitment cost. (Fig. 6)**

We asked companies how job-oriented employment would change the overall recruitment cost, and 41% responded that it would increase costs (“It will considerably increase the cost” and “It will slightly increase the cost”). The percentage of Japanese companies that responded that it would increase costs was higher than that of foreign capital companies by 9 points (foreign capital companies: 36%, Japanese companies: 45%). Comments from respondents are shown below.

**[Fig. 6] How do you think “job-oriented employment” change the overall recruitment cost?**



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

**▼ “It will considerably increase the cost” “It will slightly increase the cost”**

- Because it focuses on specialized areas. (Foreign capital company, manufacturing and engineering, 101-300 employees)
- Because companies have to create a job description for each position for which they recruit and match it with data on pay in the labor market, which requires additional costs. (Foreign capital company, manufacturing and engineering, 1,001-5,000 employees)
- As companies compete for excellent human resources, they choose companies with better conditions. (Japanese company, travel and leisure, 5,001 employees or more)
- Because companies seek human resources with specific expertise rather than those with potential. (Japanese company, finance, 101-300 employees)

**▼ “It will considerably reduce the cost” “It will slightly reduce the cost”**

- If job-oriented employment becomes common in Japan, matching will be easier and will lead to a reduction in recruitment costs. (Foreign capital company, manufacturing and engineering, 100 employees or less)
- Because the target is specific human resources, it will be easier for companies to connect with them. (Foreign capital company, manufacturing and engineering, 1,001-5,000 employees)
- It enables companies to terminate the contract when it expires or when employees finish their assignments. (Japanese company, real estate, 1,001-5,000 employees)
- It may at least reduce recruitment labor for HR personnel. (Japanese company, real estate, 301-1,000 employees)

[Outline of the survey]

Survey method: Online survey

Area: Japan

Period: August 31 - September 2, 2020

Number of valid answers: 274

Respondent attribute: Foreign Capital Company employees 57% Japanese company employees 43%