



Transition from School to Work of University Students in the Japanese Context

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Abstract

Up until the 1990s Japanese university graduates entered the workforce smoothly soon after their graduation. Japanese firms provided them training as a member of the organisation under the lifelong employment plan. However, today, economic depression, globalisation, and decreasing populations have made it difficult for Japanese society to maintain this transition system. Educational reformation has encouraged universities to promote career guidance as a means to raise university students' capabilities to acquire the necessary skills for achieving social and vocational independence. This paper describes the past and present elements of Japanese university students' school-to-work transition and suggests points for developing career guidance in Japan.

Keywords: active learning, career development, competency, Japan, literacy, school-to-work transition, university students

This paper explores the history of the Japanese employment system and its influence on university education as well as the university student recruiting system, both of which are significantly different from Western and other Asian countries. This writing describes the state of career education in Japanese universities: It may be noted that the paper does not focus on secondary school students who begin working after finishing high school.

University Graduate Employment Practices in Japan: The Social Background

Western organisations operate on the *job* model, whereas Japan is based on the *membership* model (Hamaguchi, 2014). In Western countries there is a stronger relationship between one's undergraduate field of study and job content than in Japan. Ordinarily in Japan there is a reduced connection between a person's

undergraduate major and the content of his or her first job (Koyama, 2014). Japanese companies do not explicitly specify a position when they employ new graduates. Since companies bind their workers to comprehensive employment contracts, employees recognise that they are members of the organisation (Koyama, 2014). Instead of viewing job searching as an act of seeking employment, it is more contextually resonant to view it as membership hunting in Japan.

According to the Organisation for Economic Co-operation and Development (OECD, 2000) and Ryan and Büchtemann (1996), compared to other OECD countries, toward the end of the 20th century, Japan had an international reputation as a country equipped with a smooth school-to-work transition mechanism that kept the unemployment rate among young people low (Kosugi, 2004). In the past, the main features of the Japanese employment practices were

as follows: lifetime employment, seniority-based wage, and enterprise union (Mitani, 1999). Under these practices, firms provided new workers with vocational training opportunities on the premise that they would continue working for the company indefinitely (Kosugi, 2004). However, after the collapse of the economy in 1994, the Japanese labour market and employment systems changed drastically. At the same time, computerisation and globalisation made it difficult for the Japanese social system to maintain its employment systems.

Simultaneous Recruiting of New Graduates

Now in Japan there is no guarantee of employment until retirement and firms are reducing the training costs of new employees. One system that is still in operation is simultaneous recruiting of new graduates. This recruiting system is thought to have originated in 1895 when the Mitsui combine, a Japanese giant family concern, started hiring new university graduates on a regular basis (Nishikawa, 2013). As reported by OECD (2009), compared to other countries in OECD, in the Japanese labour market, a majority of young people after graduation from university, immediately enter the labour market as regular employees, which provided a stable work-style. This usually happens in April of a given year, when the fiscal and school years begin. Graduation ceremonies are held in March. Most university graduates enter the work force by April.

This employment of university graduates is usually a *lump-sum* hire, a term used to describe the practice of hiring individuals for the firm, but not for a particular job within the firm. These individuals are not assigned to specific jobs, but tend to move from one job to another within the firm (Mitani, 1999). Figure 1 shows a typical Japanese career development system especially in a big firm, as compared to career development in the West.

According to Mitani (1999), the lump-sum hiring of new graduates is thought to have several economic advantages. First, it reduces the costs of personnel management, such as promotion or wage management of individual workers, because those hired in the same year can be treated collectively. Second, it reduces training costs because firms can train all new employees at the same time. In addition, because newly hired graduates are not attached to specific jobs, training is facilitated by using broad On the Job Training (OJT), which is based on the movement of workers between various related jobs.

Influence of Job Opening-to-Application Ratio for New Graduates

During the bubble boom from 1980 to 1993, the Japanese economy showed high growth. For March 1992 university graduates, the number of job openings at firms was 738,100 and the number seeking employment at firms was 306,200. The job opening-to-application ratio was 2.41 (Nishikawa, 2013). Up until this period, a majority of young people in Japan entered the market as regular employees immediately after graduation from a high school or university. These are full-time workers with no fixed-term labour contract. The majority of firms considered these newly graduated young workers to be cheap labour sources with a high potential for training (Kosugi, 2004). After the collapse of the bubble economy, from 1994 to 2004, job seekers had a difficult time because the ratio dropped to 0.99. Since 2005 the ratio has gradually recovered to 2.14. However, due to the impact of world economic problems in 2008, many companies curbed their hiring of new graduates and the ratio declined to 1.62 (Nishikawa, 2013).

Today in Japan there is a disruption of the smooth transition system from school to work. The Ministry of Education, Culture, Sports, Science and Technology, Japan (MEXT) (2013) announced that



Figure 1. Differences between Japanese and Western Organisations and Career Development (Koyama, 2014).

20% of new graduates were not in stable employment. This includes those in irregular employment and temporary employment, those who do not try to advance to higher education, and those who did not find a job. Moreover, even though they could be hired as regular employees, the early job-leaving rate after three years of working climbed to about 30%. The primary cause for this is the working conditions that employees are required to cope with. Long work hours and too few holidays accounted for 27.5% of all possible reasons (Uenishi, 2012). Kosugi (2014) found that new graduates who fail to be hired as regular workers tend to have fewer opportunities for regular jobs afterwards and their career is negatively affected in their late 20s.

University Education System

Schooling-Oriented Society

As previously stated, in many cases there is no connection between new graduates' undergraduate majors and their first jobs. Exceptions to this are graduates with degrees in technical fields such as medical science, pharmacy, chemistry, engineering, and such occupational areas. Most new graduates are expected to be generalists, not specialists. In order to raise skilled generalists, firms attach importance to enthusiasm as well as high literacy when hiring new graduates. To identify this potential, firms consider

university rank as the most important marker when screening candidates. This is the modus operandi in large firms. Students in highly ranked universities routinely desire working in large firms.

Increasing University Enrolment

In spite of Japan's declining birth rate, university enrolment almost doubled from 24.6% in 1990 to 56.1% in 2011 (Nishikawa, 2013). This change reflects the features of university entrance examinations. The purpose of these examinations is to select students with a high level of basic knowledge and educational potential. However, Arai (2005) has pointed out that the entrance exams are changing from selection-based to aptitude tests that screen out only a small number of applicants who are obviously unaccepted. As the academic level of universities in Japan are wide-ranging, most applicants, including those who have demonstrated low academic potential, are able to enter a university if they choose the university suitable for their academic ability.

This situation has changed the entrance examinations. They tend to focus on not only academic knowledge (literacy) measured through paper tests, but also potential capacity determined through an interview. In essence, over the recent past, evaluations measure both literacy and competency (Yamanouchi,

2014). This clearly indicates that academic achievement is now viewed as wide-ranging. Nowadays, each university considers diversity as related to educational goals and accepts students with various competencies.

Moreover, many junior (2-year) colleges raised their status to university recently and many universities expanded the number of courses offered, which leads to an over-supply of universities in a society of decreasing birth rate. It must be noted that 40% of private universities could not meet their quota in 2011 because of the shortage of applicants (Yamanouchi, 2014). Now, Japanese universities, especially low ranked universities, are struggling to survive. Competition for new students by universities is intense as the universities' survival is at stake with new students holding most of the cards.

New Competencies

Japanese firms consider new graduates as effective human resources with high potential to be trained. However, the current economic situation and globalisation prevent firms from investing in new graduates by providing On the Job Training (OJT), because of financial costs. Now, new graduates are expected to develop their skills and abilities *before* entering the firms.

Since the late 1990s, the Japanese government has listed desired abilities and competencies. Regarding higher

education, the Ministry of Economy, Trade and Industry, Japan (METI) (2006) has set out the description of Fundamental Competencies for Working Persons (see Figure 2) and MEXT (2008) has described the Abilities of Bachelor's Degree Holders and Working Abilities: Both of these define the abilities and competencies to suit globalised society. They have identified the goals of education and developed an evaluation guide (Matsushita, 2014). In many cases Japanese firms expect new graduates to have already acquired generic and basic skills rather than professional skills or knowledge. Thus, the ability profile of bachelor degree holders should contain generic communication skills, quantitative skills, information literacy, logical thinking skills, and problem solving skills. In a globalised society, these skills are the key to provide an education that would help young people to find their own career development answers (Matsushita, 2014). Mitani (1999) has suggested that firms attached more importance to enthusiasm and general knowledge in the hiring of new graduates. This is an indication that Japanese firms have been demanding such competencies as motivation and desired positive personality traits. Instead of evaluating these competencies directly, the firms have evaluated graduates according to their academic background. Thus, it is important to note that the Fundamental Competencies for Working Persons elucidates these competencies and evaluates them (Ministry of Economy, Trade and Industry, Japan, 2010).

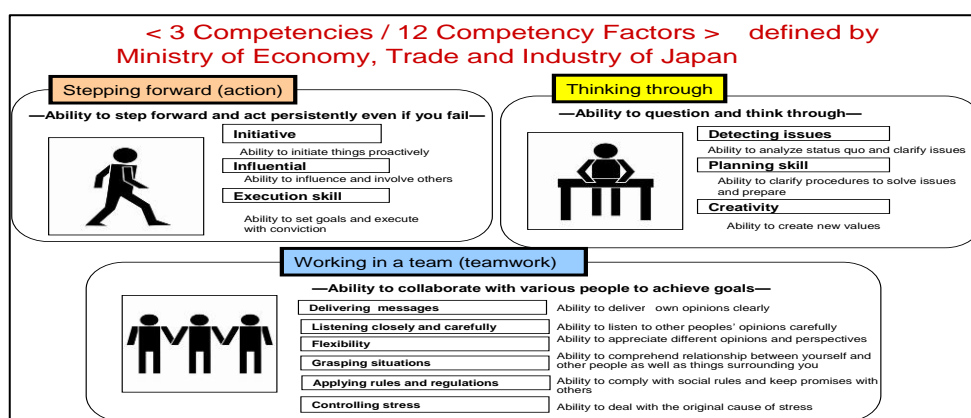


Figure 2. Fundamental Competencies for Working Persons (METI, 2006).

Career Education

Educational Reformation

Although Senzaki (1979) has insisted on the importance of career education in universities, it was not seriously recognised because of the smooth transition from university to workplace. However, as discussed above, this situation has changed drastically. In 1999, the Central Education Council designated the necessity of career education in higher education. In 2003, MEXT started to support the reforming of university education which included support for career guidance. Since then, universities have begun considering career education much more seriously. In 2010, MEXT modified the Standard for Establishment of Universities. It now stated that it is necessary for the university to guide students to acquire employability for achieving social and occupational self-reliance by seeking organic collaboration between various organisations within universities. In addition, it mentioned that career guidance should be provided through the regular curriculum as well as through extracurricular subjects (Uenishi, 2014).

This modification encouraged universities to change their educational curriculum, and each university began improving its curriculum, drawing upon the principles of active learning, project-based learning, and experiential learning. Large numbers of universities are now trying to improve professors' and lecturers' teaching abilities by holding faculty development workshops. To promote active learning, professors are required to be skilful facilitators who can motivate students to think through problems and work in a team. It is now required that curricula are planned to simultaneously promote student literacy and competency.

Difficulties in Career Decision Making

However, despite this recently activated educational reformation, the same job search system remains. Shimomura (2012) analyses factors that make

Japanese job hunting difficult. Firstly, the number of firms is vast, the quantity of information provided through the internet sometimes exceeds the individual's processing capacity making career decision-making all the more difficult. Secondly, hiring standards are not clear because firms continue to place primary importance on generic skills not on professional skills. Students cannot determine a clear strategy they can deploy in order to be hired by the firm. Finally, job recruiting has a rigid time limitation. Each year the Federation of Economic Organizations discusses when to open the recruiting season. Over the recent past, the period of job-searching has become shorter given the requirement of increasing students' study time. Nevertheless, university students have to start preparing for job-searching late in their junior year. Intensive recruiting activities commence at the start of their senior year. Students have to get unofficial job offers before graduation.

Conclusion

Career guidance in higher education in Japan has a short history. At present, there is diversity in the style of career guidance depending on the university and the kind of diplomas it offers. The Japanese context is unique and is sometimes different from the Western style of functioning. Schein (1978) found that a career anchor is a framework which stabilises a person's life. Koyama (2014) pointed out that a career anchor seems to be effective in seeking jobs in the Western culture but pursuing one's career anchor might be an obstacle for Japanese people's career development, because Japanese companies are based on the membership model and in general workers are required to comply with the company's decision.

Historically professors (and teachers) have played an important role as career counsellors inclusively in Japan and career counselling itself is a recent occupation in Japan. As career counselling theories have been imported from Western countries, sometimes it

does not fit Japanese cultural background as mentioned above. Arulmani (2014) suggests that the cultural preparedness model offers a framework that would allow the context to define career development.

The Japanese career development standards are expected to emerge in the context of researching Japanese cultural preparedness.

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