

University Students and Their Employment

– Consideration from the Viewpoint of Supporting the Transition to Work and Human Resource Development –

Summary

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Objectives of Study

Job offers to new college/university graduates have rapidly increased recently, and the recruitment situation for university students has significantly improved. Nonetheless, the issue of employment of new graduates has not been entirely solved, as represented by the fact that the number of “non-workers” who are not in employment nor in an educational program at the time of their graduation has not come down to the level seen in the early 1990s. At the same time, it has been noted that students’ minds have changed in recent years, with universities facing a situation where the number of prospective students is lower than the university’s enrollment limit.

Concerning the issue of graduate employment, the Japan Institute for Labour Policy and Training had a plan in fiscal 2005 to conduct research from the viewpoint of human resource development (titled “The Role of Higher Education in Human Resource Development”), to consider whether current university education constitutes an

effective channel for students to transition to careers. At the same time, the Institute was requested by the Employment Security Bureau of the Ministry of Health, Labour and Welfare to conduct a fact-finding survey titled “Survey on Students’ Job-Seeking Activities, Job Offers and Employment,” in order to determine the actual situation of students’ job-seeking activities, job offers from companies, employment of graduates by companies, etc. and to consider the issues therein. The Institute designed and implemented surveys in which these two subjects were dealt with simultaneously.

The results of the 2005 surveys were published in two survey reports: “Survey on Students’ Job-Seeking Activities, Job Offers and Employment, Results I: Survey of Companies on Their Recruitment of Graduates” and “Survey on Students’ Job-Seeking Activities, Job Offers and Employment, Results II: ‘Survey of University Career Services Offices and Career Centers’ and ‘Survey of University Students on Their Career Perspectives and Job-Seeking Activities.’” The Institute’s reports were also given to the Employment Security Bureau of the Ministry of Health, Labour and Welfare.

Based on the results of the 2005 surveys mentioned above—combined with the result of an additional survey, conducted in fiscal 2006, on the employment situation of the respondents to the 2005 surveys after their graduation—the present study report intends to provide a comprehensive report on the job-seeking activities of university students, the actual status and issues of the support for their transition to careers, the role of university education in the development of professional workers and the issues to overcome.

Thus, the objectives of this study report are, firstly, to look into students’ job-seeking activities in order to understand the situations of students who have recently transitioned from university to careers and to consider what transitional support should be provided by universities. Secondly, it considers the university’s role in the development of professional workers and takes up the issues therein.

Summary of Surveys

In this study report, the results of the following two surveys, Surveys No. 1 and No. 2, are used. In addition, the analysis in some chapters of this study report draws on the results of Surveys No. 3 and No. 4. The survey results have been published in the form of reports and the like (Reports of Survey 2006a and 2006b of the Japan Institute for Labour Policy and Training), with the exception of the results of Survey No. 2.

Surveys No. 1, 3 and 4 were made at the request of the Department of Youth Employment Measures of the Employment Security Bureau of the Ministry of Health, Labour and Welfare. These surveys are designed to accurately grasp the recent state of

graduate employment and recruitment.

Survey No.1: “Survey of University Students on Their Career Perspectives and Job-Seeking Activities” (hereinafter referred to as the “Survey of Students”)

This survey was conducted between October and November 2005. It covered fourth-year students from 276 universities (excluding students from medicine, dentistry and nursing science faculties). These universities were chosen from the four-year universities all over the country (excluding medical colleges, dental colleges, nursing colleges and religious colleges), and they agreed to cooperate with the survey. Approximately 49,000 questionnaires were distributed (excluding those questionnaires completed online). The questionnaires were distributed to students through the career services offices and career centers of each university cooperating with the survey. In more detail, the following methods were used: questionnaires were handed over to students at career guidance meetings, seminars lead by professors, etc., posted from universities to students’ residential addresses, or the URL or address of the online survey was sent by universities to the E-mail addresses of students or advertised on the universities’ intranet site. Universities were requested to choose the samples in such a way as to represent the entire university. However, there were some cases where questionnaires were distributed only to students whose job applications were accepted by companies, due to the scheduling of school events or for other reasons, and other cases where questionnaires were distributed only some faculties. The number of questionnaires distributed varied by university. The number of valid responses was 18,509 (16,486 (excluding the online survey): the valid response rate was 33.6%). Responses collected through the online survey amounted to 2,023.

Survey No. 2: “The Second Survey of University Students on Their Career Perspectives and Job-Seeking Activities” (hereinafter referred to as the “Survey of Graduates”)

This survey was conducted in June 2006. The questionnaire was sent to 5,423 respondents to Survey No. 1 who had agreed to cooperate with the second survey after their graduation. It was possible to respond via a website. The number of valid responses was 2,124 (the valid response rate was 39.2%).

11.5% of the people sampled by Survey No. 1 responded to the Survey No. 2 questionnaire. By gender, the response rate among women was 14.6%, which was about twice that of the rate among men (8.0%). As a result, 66.7% of the responses to this survey were made by women. This rate is higher than the ratio of female graduates (42.9%), which is derived from the “Schools Survey” of the Ministry of Education,

Culture, Sports, Science and Technology.

Survey No. 3: “Survey of University Career Services Offices and Career Centers”

This survey was conducted between July and August 2005. The questionnaire was distributed to the career services offices and career centers of four-year universities all over the country from which students graduated in fiscal 2004 (617 universities, excluding medical colleges, nursing colleges and religious colleges). The number of valid responses was 510 (the valid response rate was 82.7%).

Survey No. 4: “Survey of Companies on Their Recruitment of Graduates”

This survey was conducted in February 2005. 10,000 companies throughout the country were chosen from the companies database maintained by Teikoku Databank, by sampling different percentages of companies based on company size. They were contacted by telephone to make sure that they had decided to employ graduates in fiscal 2005 and were requested to cooperate with the survey by means of a questionnaire sent by post. The questionnaires were sent to 4,789 companies. The number of valid responses was 1,362 (the valid response rate was 28.4%).

Principal Results of Analysis and Policy Implications

In Chapter 1, the types of job-seeking activities currently carried out by students of each type of university (categorized according to selectivity¹) are analyzed. The reason why analysis was performed for each type of university is that it was thought practical that the actual measures for employment be set for each type, since it has been proven by a number of evidence-based studies that the opportunities for employment by large corporations vary according to the rank of one’s university.

It has been thought that in the Japanese labor market for graduates, most university students conduct job-seeking activities in a standardized manner or in accordance with job-seeking manuals. As a result of the analysis, it is clear that students adopt different

¹ The universities are categorized by their managing entities and the difficulty of their entrance examinations into: National Universities (in some parts of the analysis, this category is further divided into National Universities I, such as the former imperial universities, which have difficult entrance examinations, and National Universities II, which are other local national universities), Prefectural and Municipal Universities, Private Universities A (with a deviation value of more than 57 for their entrance examinations), Private Universities B (with a deviation value of between 46 and 56 for their entrance examinations) and Private Universities C (with a deviation value of less than 45 for their entrance examinations). The deviation values of entrance examinations are mainly according to the deviation value ranking of universities of social science maintained by Yoyogi Seminars, a preparatory school.

manners and processes in their job-seeking activities, depending on their university's rank. In the case of students at the lowest rank of universities (i.e. Private Universities C), they start their job-seeking activities a little later than others and carry out fewer such activities. Students obtain informal decisions of employment from companies later than students at other types of universities, and these are spread over a wider time period. According to the result of the analysis of factors determining when an informal decision of employment from a company is obtained, an earlier start of job-seeking activities by students in these universities does not necessarily result in the earlier obtainment of a company's informal employment decision, and the number of interviews they are offered by companies does not have any meaningful relationship with the timing of their obtainment of a company's informal employment decision.

It is possible that the students of universities in the Private Universities C rank may be applying for jobs to companies different from the group of companies for which the "standardized job-seeking activities" are prepared, and that as a result they may engage in different types of job-seeking activities and at different times. In this type of universities, many individual students carry out (or are forced to carry out) different job-seeking activities at different times, and therefore the universities should provide them with a variety of support for their activities at different times, in order to satisfy the different needs of individual students. Strengthening this individual support requires more human resources in the career services offices of these universities, as well as more financial resources. It is difficult for individual universities to cope with these requirements. Therefore, these universities should somehow be supported by external public support organizations, by means of coordinating their activities with such organizations or being provided other appropriate measures.

In Chapter 2, the effect of consultation functions in the support of transition into careers is examined for each type of university, categorized by selectivity. In universities whose rank is below the median, the various types of support they provided pushed up the rate of obtaining informal decisions of employment as regular employees from companies. If students are categorized by the people whom they consulted about their employment, the students categorized as "isolated-type" (who did not have any people to consult) showed a lower rate of obtaining informal decisions for regular employees, regardless of the type of university (categorized by selectivity). In universities whose rank is below the median, more students categorized as "school-type" (who consulted with universities about their employment) obtained informal decisions of employment as regular employees from companies. Among universities of the same rank, there is a common tendency for the students of local universities to find it harder to obtain

informal decisions of employment as regular employees from companies than the students of other universities, for female students to find it harder than male students (expect students of National Universities), and for students of the faculty of education to find it harder than those studying other humanities subjects. Students who are supported financially by their parents or other guardians find it easier to obtain informal decisions of employment as regular employees from companies. Students with good grades find it easier to obtain jobs than others, except at National Universities.

Based on the findings mentioned above, it is necessary for universities whose rank is below the median to continue current efforts to support students, and they should further strengthen their activities to prevent students from being isolated. Since these universities include a variety of students, due to the diverseness of their entrance examinations and their multiple faculties, they need to provide supports to their students settle in the universities before they start their job-seeking activities. There are a number of students who do not utilize the universities' support resources, and it is necessary for universities to make them aware of the relationship between university life and their future careers.

In universities of the same rank, the factors of being a female student or studying in a local university work against obtaining a company's informal decision of employment as a regular employee. As numbers of female students are predicted to increase in the near future, actions are required to address the differences in the labor market. For students' job-seeking activities in the local area, since there are conditions and ways of thinking about job-seeking activities that specific to each region (as shown in the following Chapter 3), it is necessary to develop a cross-university system to support the employment of new graduates, taking into account the increasing preference of students to return to their hometowns.

In Chapter 3, we have paid attention to the differences between students' job-seeking activities by region, and have tried to find out the regional characteristics of these activities. In addition, we have observed the patterns of migration at two key points of transition, namely the transition from high school to university and the transition from university to work, and have considered what support should be provided for career development in accordance with such patterns of migration.

The findings we have obtained are as follows: First of all, career and gender norms and students' attitudes toward work differ by region and gender, and the job-seeking process also differs by region and gender. Secondly, the patterns of migration of students reflect their attitudes toward work. The patterns of migration of students are presumably determined by multiple factors including gender, the advice and support of

parents or other guardians, whether they are financially supported by their parents or other guardians, their attitudes toward work, the location of their universities or high schools (whether they are located in urban areas or not) and whether their universities are national universities or private ones. Students may possibly have their own attitudes toward work, rooted in their regions. Advice to change their migration patterns if employment opportunities are not available in their region is not easily accepted. Thirdly, students' different migration patterns require different support for employment. The results of the surveys show that differences exist among students with different migration patterns about what employment information and support was useful. It is presumed that although the university career services offices and career centers provide students with strong support for employment in the surrounding area, their support for "U-turn employment" (especially in cases where the student's hometown is a long way from the university) or employment in areas outside the prefecture where the university is located may be weak. It is useful for students hoping for employment in their hometowns or in areas outside the prefectures where their universities are located to be provided with cross-university support, or support covering a broader area.

In Chapter 4, the ideal picture that companies expect of new graduates as staff are examined. We also study whether these expectations are correctly understood by universities or not, i.e. whether there are any gaps between the companies' expectations and the universities' understanding. In addition, by comparing students who cannot obtain any informal decisions of employment from companies or those who do not engage in any job-seeking activities and students whose job applications are successfully accepted by companies with respect to the attributes of their universities, the measures of employment support and career development provided to them by universities, and the characters of their university lives, we explore the aspects of students that the companies focus on in determining which students will be suitable/ideal employees.

Companies' ideal picture of new graduates have not significantly changed in recent years. Companies consistently expect employees who have the "basic abilities" to deal with the company's business in a cooperative manner within the organization. However, the companies' descriptions of such expectations have changed from the simple term "pleasant personality" to something indicating competencies. Universities understand companies' expectations of employees in such a way as to emphasize specialist knowledge, but do not really understand the requirements implied by the term "pleasant personality." On the other hand, the students who successfully obtain

informal decisions of employment from companies realized that the companies value the facets implied by the term “pleasant personality” more. Successful students were more actively engaged in general activities in their university lives, such as temporary jobs, students’ circles, social relations with their friends, etc., and their activeness had a certain influence on their success in obtaining company employment. This presumably indicates that something which the students develop through the course of general activities in their university lives may have a certain relevance to the facets of the “pleasant personality” expected by companies.

It is observed that the measures for career development support provided by universities have some effect on the obtainment of a company’s informal decision of employment. However, the effect of the introduction of career development courses by universities cannot be measured by these surveys due to their coverage.

Based on the observations mentioned above, it is considered that universities should incorporate into their career development support the requirements which are implied by the terms “pleasant personality” and which have yet to be recognized by universities as the requirements which companies expect from new graduates. The requirements indicated by the words “pleasant personality” are described in more visible and cultivatable ways through the competency evaluation introduced by companies, and replaced by phrases such as “taking initiative,” “ability to identify a problem,” “ability to listen to others and to deliver own opinions,” etc. As they are utilized by companies in their employee education and development, they can also be incorporated into university education. These competencies can be developed in universities, transferred into the professional ability of students and clearly positioned in the university curriculum.

In Chapter 5, new graduates are categorized into career types based on their working experiences in companies during the two months after their graduation, and on their predictions at the time of the questionnaire survey regarding whether they will continue to stay in the companies at which they are employed. We study what influence university education has on the divergence of graduates into the career types categorized as described above.

Main points which are made clear through the study are as follows: Firstly, more than half of the students whose job applications had not been accepted by companies by the November of their fourth year and who had continuously engaged in job-seeking activities were employed by companies as regular employees when they replied to the questionnaire two months after their graduation. The ratio of respondents who were employed by companies as regular employees drops to less than 20% if they were

students who had not engaged in any job-seeking activities by the November of their fourth year, or had not decided by that time whether they would be in employment or not. Secondly, a very small number of respondents had left the companies by which they had been employed by the time they replied to the questionnaire two months after their graduation. At the time when the questionnaire survey was conducted, about 80% of the typical employees (i.e. regular company employees, civil servants and teachers employed on a regular basis) answered that they expected to stay in the same companies, and about 20% of the typical employees answered that they expected to leave their current employment at some point in time. The respondents who expected to stay at the same companies expressed that they found their current jobs challenging, interesting and had future potential. This indicates that many of them had positive reasons to stay. Nearly half of the respondents who expected to leave their current jobs expressed that they were not satisfied with their current labor conditions (especially the working hours) or that they did not find the companies they were working for to be reliable. Thirdly, the typical employees who answered that they expected to stay at the same companies, if compared to the typical employees who answered that they expected to leave their current jobs, tended to be working in larger corporations in terms of the size of the companies, tended to be working shorter hours and, in the case of female workers, tended to be better paid. They tended to have higher satisfaction about their jobs in general. Fourthly, the conditions that respondents looked for when choosing companies had changed between the time when they were in university and when they graduated from university. The conditions of companies which are thought to be important by graduates are “working hours, holidays and benefit programs,” “salaries” and “appropriateness to own competency and aptitude.” Fifthly, more graduates from lower-ranking universities tended to be employed as atypical workers. In lower-ranking universities, a quarter of the total number of students found their jobs through the employment information provided by their universities, which was higher than at other universities. The notice of informal decision of employment is given significantly later by companies if the job application is made through the university than if it is made by individual students through their websites. Sixthly, among the various career development support measures provided by universities, many of the students who did internships in companies found the experience very useful, although the number of students who actually did internships was very small. A moderate number of universities provide their students with courses and seminars for career development, but there were not many students who found such courses and seminars useful. The consulting functions of universities tended to be evaluated lower by students who failed

to make a smooth transition from university to work. Seventhly, many of the graduates who answered that they expected to stay in the same companies tended to have performed well at university, have studied enthusiastically in their classes and have actively participated in various activities with their friends. Among many things they experienced in their university years, seminars, practical training and specialist education were picked as being useful for choosing their career options. They also mentioned that students' circles, temporary jobs, internships and human relationships with teachers and friends were useful. They pointed out that communication capability, a broader view, initiative, etc. were the competencies they had developed through their university years.

Based on the analysis made in each of the chapters mentioned above, the following policies are considered necessary:

1. The employment and career development support provided by universities and by public services, respectively, should be coordinated and interconnected. Especially in universities whose rank (according to selectivity) is relatively low, there are many students who conduct job-seeking activities over a wide spread of time; thus, these universities are required to provide individual support to their students. A shortage of support can also occur in universities whose students mostly migrate between regions. These universities tend to invest a large amount of funds in career development support for their students. However, there are limits to the efforts of individual universities. What is required is that public services take the lead to create a network which makes a linkage of support provided mainly by these universities and to take over the universities' support of individual students, thus improving the environment which helps students in continuing their job-seeking activities.
2. It is necessary to promote studies on career development support services universities should provide to their students. Universities whose rank is below the median enthusiastically provide their students with support in their job-seeking activities, and these efforts result in an increase in the percentage of students whose job applications are successfully accepted by companies. However, the problem is that there is a group of students who do not utilize such support and who are isolated in their universities. In order to prevent such isolation, it is important to provide students with support to make them settle in their universities before they start their job-seeking activities. In this way, career development support should be designed in a seamless manner throughout their university lives. While the

preceding studies have clarified that the rate of obtaining informal decisions of employment from companies has a certain relation with university rank, this rate is also influenced by individual students' commitment in their university education and university lives and by their continuous effort in job-seeking activities. For these reasons, it may be effective to incorporate career development support into the educational programs provided by universities immediately after students enter into the universities. In addition, it should be noted that the results of the surveys mentioned above pose a question about the effectiveness of the career development courses and programs currently provided by universities. It is important to promote the studies as a part of government policies on what effective career development support services should be.

3. Further to the career development support services, it is necessary to review how professional abilities can be formulated through university education. The correlation between university education and profession should be further studied. The abilities that can be developed by university education and transformed into professional abilities should be identified. It should be considered that the cultivation of such abilities is to be incorporated into universities' educational programs. It is indicated by the analysis of companies' demands of human resources that companies put emphasis in their recruitment on the requirements described by them as "pleasant personality," which can be translated, because of the companies' introduction of competency evaluation, into abilities that are visible and cultivatable, such as "taking initiative," "ability to identify a problem," "ability to listen to others and to deliver own opinions," etc. As they are utilized by companies for their employee education and development, universities can also incorporate these into their curriculums. Government policy may be required to promote studies of possible programs to develop these abilities, along with promoting studies on university career development support services. These studies may be conducted by the career support departments or other similar organizations that are able to grasp the business world's demands on employees.
4. Students applying for jobs are required to pay full attention to the labor conditions at their potential employers. Early quit from companies that graduates had joined may be caused partly by the students' "unserious attitude toward work" and rather greatly by the labor conditions at the companies they joined. Therefore, it is important to increase the knowledge of job applicants, enabling them to properly choose companies. In addition, there are some cases where female students and students at local universities have disadvantages because of their status as such.

Therefore, it is also important to promote companies' compliance with the relevant rules and regulations in order to create a fair and equitable labor market.