

Rise in “Employment Rate of University Graduate” - Corporations Actively Recruiting

1. How to Capture Employment Situation of University Graduate?

It can be captured by “Employment Situation Survey of Students Graduated from University etc.” conducted jointly by the Ministry of Health, Labor & Welfare and the Ministry of Education, Culture, Sports, Science and Technology. Both ministries jointly conduct survey on employment situation (employed and preliminary offered) of university graduate etc. (including candidate to graduate) four times (Oct., Dec., Feb., Apr.) a year and announce it around the middle of following month.

2. Latest Trend

According to the “FY2013 Employment Situation Survey of Students Graduated from University etc.” released on May 16, employment rate of the university graduate (job seekers) was 94.4% which was + 0.5% y-o-y. This was an increase of three consecutive years since FY2011 March graduation (91.0%), however, could not reach FY2008 March graduation (96.3%), before the Lehman Shock, which was the latest peak. By the gender, the male graduate was 93.8% while female graduate was 95.2%, better than the male for last two consecutive years. By the faculty, faculties of arts was 94.0% while faculties of science was 96.4%. By the regions, out of six, five regions showed the improvement in employment rate except Chugoku/Shikoku region.

3. Future Outlook

Every year, Japan Productivity Center (JPC) decides a catch phrase of freshman employees reflecting their characteristics, which was “Automatic Break” this year. This naming came from their nature which is that they have a high sense of information gathering and smart, however, easy to compromise with somewhat satisfactory preliminary job-offers and cease the challenging job search. JPC also conducts a survey called the “Spring Opinion Poll” to the freshman employee. This year, polls asking “If any chance to be seconded to overseas, happy to take it” was 50.1% and “To pursue the future career path, choose to start new business rather than succeed in the company” was 30.9%. Both polls recorded the historical low since they were first included (year 2011 and year 2003, respectively). On the other hand, poll for “If any company offers better employment terms, better to move to that company immediately” was 30.9% which rose above 30% level after a decade.

The job hunting environment of the students has been tough, however, the intake of newly-graduated are rising with the gradual recovery of corporate earnings supported by the sustainable economic growth of six consecutive quarters till Jan.-Mar. 2014. In addition, with the university and the government support, students began to gather information and to approach not only the large corporations but also the SMEs which is lifting up employment rate. Their interest in working overseas and starting a new company have receded whilst flexible to change job as the job hunting environments improved thanks to good business environment. It is now the high season of the job hunting activities of students graduating next spring. A private survey indicated that the number of job available will increase by more than 25% y-o-y. This year, the hiring interest of corporations could be stronger as the retirement of baby-boomers will be at its peak and labor markets are getting tighter thanks to strong economic growth.

Employment Rate of University Graduate etc.

School Categories	Job Seeking Rate		Employment Rate	
		Dif. y-o-y, ppt		Dif. y-o-y, ppt
University	71.5%	1.2	94.4%	0.5
National Uni.	53.1%	-0.3	96.7%	1.4
Private Uni.	80.6%	1.9	93.7%	0.3
Junior College	79.0%	-1.0	94.2%	-0.5
Technical College	57.8%	-3.0	100.0%	0.0
Grand Total	71.2%	0.7	94.7%	0.4

(Notes) 1. Employment rate is based on the survey as of April 1, 2014

2. The survey was conducted by way of interviewing 6,250 students from 112 schools

(Source) SMAM, based on the Ministry of Internal Affairs & Communications data

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