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Transnationalization of a Recruitment Regime: Skilled Migration to Japan

Harald Conrad* and Hendrik Meyer-Ohle**

ABSTRACT

Japan, facing a demographic decline and challenges by companies and universities to internationalize, has opened its doors to skilled migration. Focussing initially on a two-step student migration model, Japanese companies are now recruiting young graduates from overseas universities, mainly in Asia. We argue that, with the help of brokers, the domestic recruitment regime (a set of particular employment practices) has been transnationalized. Based on interviews with stakeholders and discussing international recruitment fairs as the site of engagement, we present first evidence that the activities of brokers have the potential to change attitudes towards employability among overseas universities and their students. We also find that this development compromises the original diversity objectives of Japanese employers and point to a lack of rules of engagement for brokers operating across national borders.

INTRODUCTION

“Open for Professionals” – This is how Japan’s Ministry of Economics, Trade and Industry describes Japan on its website (METI, 2018). This stance is somewhat surprising for a country that has not been known for its openness to migrants and that has largely been described as having no explicit immigration policy (Vogt, 2013; Kobayashi et al., 2015; Komine, 2018). In a related policy presentation, the ministry describes several success stories of foreign employee recruitment. A Japanese manufacturer recruited graduates from leading Thai universities through recommendations by professors and internships and from Indonesian universities by setting up a scholarship system. Potential employees were trained in the Japanese language and culture with the help of a government foundation. The new recruits are to spend 3–5 years in Japan to be nurtured as future leaders for overseas subsidiaries. A machine maker, since 2007, has been hiring fresh graduates from a university in Viet Nam. These now make up 10 per cent of the companies’ technicians in Japan and even lead young Japanese employees. Other examples are of international students, who, after studying at Japanese universities, contributed to their workplaces in Japan by providing new knowledge and new ideas (KS, 2017). These examples highlight that in recruiting skilled foreign employees into operations in Japan, companies aim to maintain their domestic practice of recruiting skilled labour as fresh university graduates, then training them carefully according to the needs of the companies for long-term careers with one employer. In Japan, this traditional focus on fresh graduate recruitment has led to some collaboration between educational institutions, policymakers and employers, upholding a standardized and quite rigid system for the transition from education to work.

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Academic work on two-step migration – international students taking up employment in their country of study – increasingly argues against the assumption by policymakers that international students will transition smoothly into employment (e.g. Hawthorne, 2010, 2012). Instead, studies point to the necessity of support from university educators and career centres as well as the need to provide workplace experience through internships (Scott et al., 2015). In Japan, the challenges that international students face in the transition from education into employment have been recognized not only by educators and public administrators, as a policy issue, but also by commercial brokers, as a business opportunity. This has led to the development of a lively industry that caters to international students and employers and often seeks the collaboration of universities. In this article, we look at this brokerage industry and investigate its role in the transition of students from education into employment in Japan. Here, we not only look at the situation in Japan itself, but also argue that the brokerage industry has transnationalized by facilitating the transition of students from educational institutions overseas into employment in Japan. Following an overview of the policies in Japan concerning the recruitment of foreign skilled labour, we take the international recruitment fair as the main site of investigation, to argue that it is the characteristics of the Japanese recruitment system that have led to opportunities for brokerage. While recruitment fairs simply seem to offer opportunities for companies and applicants to meet, we show that doing so successfully requires much more from brokers than just renting an event space. In addition to mobilizing potential employees and employers, brokers need to establish strong links with overseas educational institutions. In our discussion, we argue that the case of Japan is one where, through the activities of brokers, a recruitment system has been transnationalized beyond domestic borders, with Japanese attitudes towards employability being now also enforced in overseas recruitment. Moreover, the involvement of brokers allows companies to pursue nationality targets and, therefore, influences migration outcomes. Our research thus contributes to the knowledge on migration brokerage, a growing field of research that has so far mainly focussed on low-skilled labour.

LITERATURE AND METHODOLOGY

In this article, we combine the focus on skilled migration with several other fairly recent discussions that revolve around the transition from higher education into employment, the employability of foreign students, as well as brokerage in migration. Initially, skilled migrants were seen as professionals with ample work experience who were recruited into specialized tasks by commercial brokers with expertise in certain professions or regions (e.g. Salt and Findlay, 1989). The interest in international students developed when international student numbers had increased at universities and these students were recognized as a source of income. Also, some host countries, such as Australia or Canada, began to experience a shortage of employees in certain professions. Consequently, host country governments developed policies that allowed for a preferential transition from studies to employment for international students, with the expectation that such graduates would integrate relatively smoothly into labour markets (Baas, 2010; Robertson, 2013): “*They are seen by governments and employers as posing no problems regarding “recognition” of their qualifications and being able to integrate speedily in the labour market*” (Iredale, 2001: 9–10). Based on these assumptions, broad and quite open policies for two-step migrants were developed; yet some studies questioned the success of these policies by demonstrating worse labour market outcomes for two-step migrants than for those who were recruited offshore (Hawthorne, 2010, 2012; Lowell and Avato, 2014; Scott et al., 2015). This led to some questions in the academic discourse about the employability of international students and the processes that underlie their transition from education into employment. Li (2017) argues that employability is not just a set of certain generic skills and professional qualifications but also includes social capital and access to information. Here, Li

builds on Tholen (2015) who found significant differences in the way that employers and employees across different countries see employability and the transition into employment. Tholen, pointing to cross-national differences, describes the labour market in the UK as relational and holding a belief in the symbolic value of educational institutions and thus differing from the skill- and experience-oriented labour market in the Netherlands: “*Not every student has the same feel for the game, they bring with them their own habitus (acquired in particular through socialisation)*” (778). Gribble and Blackmore (2012) find among international students in Australia a lack of knowledge about the employment scene and local work culture, as well as shortcomings in communication skills. Scott et al. (2015) add for Canada a lack of industry connections in the course of international students’ studies.

Another crucial angle in the two-step migration discourse is employer expectations. Factors that employers might look at in the recruitment of international students include specific employment skills, familiarity with the work environment, knowledge about overseas markets and foreign languages, or workforce diversity (Bauer and Kunze, 2004). Here, some companies perceive international students as filling a need for so-called global employees or global human resources (Salt, 2011; Hawthorne, 2012). Employers might generally recognize some value in what international employees offer in terms of skills and by contributing to diversity. In the actual recruitment process, however, this seems to be overshadowed by an interest in employees who can integrate smoothly and thereby contribute quickly (Blackmore et al., 2014). Desai-Trilokekar et al. (2016), in a detailed policy report on Canada, state that “*for the most part IS [international students] are seen through a deficit lens whereby programs and services are offered to encourage them to adapt to Canadian ways.*” (5). Consequently, they demand to “*shift the discourse around IS soft skills from a deficit model to one that acknowledges a ‘value added’ approach*” (5). Their demand strongly relates to research on Japan, where Breaden (2014) similarly argues that while the recruitment of foreign graduates has often been linked to objectives of companies to increase workforce diversity, the main discourse among stakeholders is about how to prepare international students, to equip them with the “*socio-cultural literacy*” so that they can adapt to peculiarities in the application and selection process and later work in the company (also Conrad and Meyer-Ohle, 2017, 2018). In terms of the peculiarities of the Japanese employment system and workplace environment that foreign students need to understand, the following features are particularly important: Seniority-oriented remuneration, implicit long-term employment promises for full-time career-track workers, frequent job rotations, team work, generalist career paths, and an emphasis on soft skills, such as the ability to communicate, cooperate and build networks (Robinson, 2003; Rebick, 2005; Meyer-Ohle, 2009; Conrad, 2010; Aoki et al., 2014).

In sum, the above literature has established that international student transition into employment along a two-step migration model is not as simple as it is sometimes perceived to be by governments and that the perspectives of students, universities and employers need to be considered. Our research demonstrates the potential importance of yet another actor, commercial employment brokers who have recognized the study-work transition of international students as a business opportunity. We show that commercial brokers, after having established a role in Japan itself, have expanded their operations to other countries of Asia, aiming to play a central role in the flow of young, skilled workers from other countries in Asia to Japan. With our analysis of brokerage, we aim to contribute to opening the so-called black box of migration research, by considering “*how mobility is made possible and organized, most notably in the recruitment process*” (Lindquist et al., 2012, 10). Our argument resonates here with Higuchi (2002a,b) who has argued that labour migration in Asia is frequently reliant on market exchange relations or commodified migration systems, where recruiting agencies, rather than family or personal networks, play a decisive role in facilitating and channelling migration streams. In a similar vein, Groutsis et al. (2015) have argued that migration intermediaries have increasingly stepped into the roles of governments in managing international labour migration and that their functions should be studied in more detail.

There has been some recent research on non-skilled labour, yet knowledge about processes taking place in skilled labour migration is still scarce (Van den Broek et al., 2016). In terms of policy, brokers have on the one hand been associated with the exploitation of migrants, and thus a need to govern their activities, yet there has also been some acknowledgement of the need and collaboration with brokers in terms of governing mobility (Lindquist et al., 2012). For Japan, employer initiatives to recruit foreign personnel have received some academic attention (e.g. Liu-Farrer, 2009, 2011; Moriya, 2012; Oishi, 2012; Maki et al., 2015; Yamaguchi, 2016). With regard to the domestic transition of international students from university to work, Breaden (2014) has discussed the attitudes of stakeholders, especially the government and universities. Conrad and Meyer-Ohle (2018) have extended the debate to commercial brokerage, describing the evolving business models of brokers and locating the activities of brokers within the particular employment system of Japan. This article drives this debate further, by looking at overseas recruitment and demonstrating how a recruitment system can transnationalize.

Based on the above discourses, we ask the following questions. What role does two-step migration play for Japan? How has commercial brokerage extended beyond Japan and how do brokers operate? How do brokers influence employment outcomes and what policy implication does this have?

For this article, we combine interview data, field observations and the analysis of primary and secondary policy sources. The interview data stem from semi-structured interviews with 33 foreign young employees, the human resource sections of 19 companies and 10 brokers (Appendix A1: Tables A1-A3). For the employee sample, we decided to use a snowball approach to provide informants with the opportunity to openly answer our questions without interference from employers. The sample includes members of a network of Chinese students and young employees in Japan that we gained access to. Two companies introduced employees and this led to onsite interviews with four young employees. While still useful for our research, we found that the onsite interviews somewhat lacked in candour. For companies, we approached those that participated in recruitment fairs. The sample covered a wide range of industries and some of Japan's most established companies. For private brokers, we interviewed companies of different sizes, ranging from small firms that specialize in assisting their clients with recruiting employees of a certain nationality to those that run large databases and organize recruitment fairs with the participation of a large number of companies. The interview data were transcribed and, as most interviews were conducted in Japanese, translated into English. Translations were discussed among the investigators and the data coded into a database based on our initial research questions, with additional themes identified later.

Field observations were made at four recruitment events in Singapore and two events in Tokyo. All events were visited with the consent of the organizers. We stayed at each event for at least two hours, observing the organization of the event, the appearance and activities of companies and applicants. For our overview of policies, we use the available secondary literature as well as policy papers by stakeholders, such as governmental institutions or business associations. We use quotes here only to illustrate our findings. They should not be misunderstood as single evidence, but as illustrations of general findings that we gained through triangulation of the interview data.

POLICIES FOR THE EDUCATION AND EMPLOYMENT OF INTERNATIONAL SKILLED LABOUR IN JAPAN

The interest of policymakers in international students studying at Japanese institutions to become part of the domestic workforce is a relatively recent development. Initially, Japanese policymakers saw educating international students as a form of developmental aid and a means to generally foster a better understanding of Japan, especially after the country had become an economic superpower. A 1984 plan to have 100,000 students studying in Japan thus was seen as being part of Japan's

foreign and not economic policy; it took the country until 2003 to reach this objective (Fujiyama, 2012). With Japan entering into a phase of liberalization policies under the Koizumi administration in the 2000s, universities were increasingly seen as being in global competition and faced demands to internationalize. Breaden (2014) concludes that within “*the internationalization agenda, the recruitment of international students, is an end in itself, with enrolment numbers routinely treated as a measure of progress on internationalization as a whole*” (5). Labour market outcomes were not a major concern of universities. In 2008, Japan announced an ambitious plan to have 300,000 students studying at Japanese universities by the year 2020, a figure that would bring the number of students to roughly 10 per cent of the country’s total student population. As of 2015, 246,000 students were enrolled in educational institutions in Japan and the government declared its ambition of increasing the share of international students finding work in Japan from currently 30 per cent to 50 per cent (*The Japan Times* 2016; Yonezawa and Yonezawa, 2016). This plan mirrors increasing concerns about the attractiveness of Japanese universities, considering that the number of foreign students who want to work in Japan after graduation exceeds by far the number of those who eventually manage to find work. It also coincides with demands from business associations and policy-makers that surfaced from the mid-2000s and saw foreign students as a resource for the further internationalization of Japanese businesses, especially with Japanese students being described as becoming increasingly inward-looking (Fujiyama, 2012; Breaden, 2014). Even more recent reports point to international students as plugging labour shortages in certain areas of the economy, primarily in IT and in small and medium-sized enterprises (KS 2017).

While Japan has thus developed an interest in employing international students, a number of challenges remain, ranging from a mismatch in qualifications to international students’ lack of understanding of the recruitment processes. With Japanese companies focussing their recruitment on fresh university graduates, they have established a highly organized system that asks applicants to adhere to certain formal procedures and a rigid application time schedule, as well as to possess high levels of Japanese language skills and to understand Japanese industries and workplaces (Liu-Farrer, 2009; KS 2015; Conrad and Meyer-Ohle, 2018).

Responding to this situation, the Japanese government has come up with initiatives to prepare international students for working in Japan after graduation, the most prominent being the “Career Development Program for Foreign Students”, a pilot initiated by Japan’s Ministry of Economy, Trade and Industry and organized in collaboration with the Ministry of Education, Culture, Sports, Science and Technology (MEXT) (Breaden, 2014). While this programme was organized for students who were especially recruited to first study and later work in Japan, the latest effort of the Japanese government focussed more generally on international students studying in Japan. For 2017, the government, through MEXT, announced an initiative that encouraged universities, business associations, companies and other stakeholders to form regional consortia with the aim of equipping international students with Japanese business language skills, knowledge about Japanese corporate culture, and internships of at least one month. The programme was propagated as a means to “*revitalize the entire Japanese economy*”, where “*the use of foreign human resources has become one of the pillars of the governments’ directions*” (MEXT, 2017:1). Eventually, the ministry selected 12 consortia from all over Japan. Significantly, several of the consortia included major recruitment brokers as members.

BROKERAGE IN THE TRANSITION FROM EDUCATION TO EMPLOYMENT

In Japan, commercial brokerage plays an important role in the transition of students from university to employment. Brokers operate online platforms where companies advertise and where students apply online for positions. Having recognized problems of international students finding employment and some demand by employers, brokers have begun to organize a plethora of specialized

recruitment events and information sessions for international or bilingual students. Such fairs differ in size and range from events with only 20 companies and about 300 visitors to those with more than 160 companies and thousands of visitors. Some brokers specialize in international students and others have set up special divisions for this purpose. Companies not only bring employers and employees together but also aim to play a major role in the planning of recruitment needs as well as in the later integration of international employees into companies (Conrad and Meyer-Ohle, 2018). While voicing some scepticism about the role of brokers, domestic universities seem to have largely arranged themselves with their existence, subscribing to their databases or allowing brokers to hold events on campus. Besides pointing to manpower issues in dealing with the growing numbers of international students, university career centres also recognize the market knowledge of brokers, their ability to reach small and medium-sized companies, and their overseas contacts which allow them to find jobs for students overseas (interview career centres).

Having thus already assumed an important role in the domestic recruitment of international students, brokers have in recent years increasingly focussed on graduates from overseas universities, especially in Asia. In doing so, they are aiming to fulfil demands by Japanese companies that cannot be met through the government's envisioned two-step migration policy. Some agents and companies have expressed scepticism about the standards of admission and quality of university education in Japan, believing that some non-Japanese students only enrol at universities in Japan because they cannot get into top universities in their home country.

Recently, all those HR managers say that the level of these students has been going down. Let's say 20 years ago, it was so easy to reach very energetic, enthusiastic students, who wanted to learn something from Japan and then bring it back to their home country (Agent 6).

Other companies say that they cannot meet diversity objectives since most international students studying at Japanese universities come from China.

Those that use HR agents are those that want to hire not only from China but also, for example, from ASEAN countries. Because there are many Chinese studying in Japan, they receive the applications from them, they can do the hiring by themselves. . . . We have orders, where they say 'students from ASEAN would be good' (Agent 2).

Finally, companies seek certain skills or even character traits that they believe they cannot find in Japan.

The human resource department says something like 'We want someone whom we cannot meet in Japan, very motivated or aggressive'. . . Japan is a warm comfortable environment and Japanese corporations want someone who has been struggling in other environments (Agent 5).

There is thus clearly a demand from Japanese companies for graduates from overseas universities. We suggest that, given this latent demand, it was only the creation of an international recruitment infrastructure by commercial brokers that allowed companies to begin systematically recruiting from educational institutions overseas. To analyse this development in more depth, we focus in the following on international recruitment fairs as the most visible site where brokers, employers and potential employees interact.

OVERSEAS RECRUITMENT FAIRS

Japanese brokers have been organizing overseas recruitment fairs for Japanese companies for a long time, yet the initial focus was on Japanese students studying outside of Japan. The oldest

recruitment fair here is the Boston Career Forum, organized by the broker *Disco* annually since 1987. With its focus on Japanese students studying at universities in North America, the fair aimed to provide Japanese companies with Japanese employees who had English language capability and the experience of living overseas.

While early overseas fairs attracted some non-Japanese students who had acquired Japanese language skills, fairs that especially focussed on such applicants only appeared in Asia in the 2010s. For example, *Top Career* since 2013 has annually organized its Top Career Asia Pacific career fair. Another regular event in Singapore is the ASEAN Career Fair with Japan, organized by brokers *Energize Inc. & Global Human Capital Corp.* since 2013. The above two fairs recruit students from educational institutions across Southeast Asia.

In the following sections, we discuss the role of commercial brokers and the recruitment fairs in more detail. Here, we follow the suggestion of Groutsis et al. (2015) to look at the activities of brokers in the three main stages of their involvement as labour market intermediaries: Attraction, allocation and integration.

Attraction: mobilizing employers, students and universities

Commercial brokers attract companies to participate in their recruitment fairs by pointing to the number of attendants, the quality of universities that attendants study at and the disciplinary background of students. Here, brokers consider a variety of countries of origin, a good share of science and engineering students and students with Japanese language proficiency as a major draw for companies. To assure clients of the quality of potential applicants, brokers also preselect attendees. Finally, they advertise additional services, such as travel arrangements for company recruiters or language training and visa services for employees hired. Brokers gather students with the promise that they can meet a number of companies at once and that brokers will help them in their job-hunting efforts. In addition, brokers promise participants who apply to attend the job fairs travel allowances based on the distances they need to travel. Attendees might not only be invited to short job fairs in Asia, but can potentially spend an extended period in Japan. For example, the *Nikkei Asian Recruitment Forum* advertises to students in Southeast Asia: “*You can visit Tokyo for free for one week and receive interviews with global Japanese companies. In principle you will work in Japan at the headquarters, the salary level is the same as for Japanese regular employees*” (Nikkei HR, 2017).

Our research shows that to gather students, build credibility with and attract clients, brokers need to invest significant energy in creating links with educational institutions in the home countries of potential applicants. Agents maintain that companies themselves lack local knowledge and connections: “*They don’t have connections, they don’t speak English, they don’t have links with foreign universities, and also the recruitment timing differs*” (Agent 8). Brokers are very resourceful in building these links and often employ the support of other Japanese institutions. For example, in 2013 *Nikkei Human Resources (Nikkei HR)* worked with its Nikkei newspaper arm and the governmental Japan Foundation to organize an event for overseas Japanese language teachers alongside its recruitment event in Tokyo. Both organizations are well connected to local universities, especially departments or centres teaching courses on Japan and Japanese language. A Vietnamese news website reported on the event:

Eight Vietnamese universities attended the event, which was jointly organised by Nikkei Media Group, Nikkei Human Resources Inc. (Nikkei HR) and the Japan Foundation (JF) to provide an opportunity for Japanese businesses and Asian universities to exchange experience in training and recruiting global workforce. In the framework of the seminar, Nikkei HR also hosted a recruitment fair from August 28-30 as the first pilot model for Japanese enterprises to approach abundant labour forces from foreign countries (VietnamPlus, 2013).

Another example of how brokers link stakeholders and build reputation is the ASEAN Career Fair in Asia, which lists Osaka University, the ASEAN University Network and the Japanese Chamber of Commerce in Singapore amongst its supporters and has organized seminars for academics from Asian universities alongside its recruitment events in Singapore (PAHSA, 2016). Overseas universities usually welcome the advancements by brokers in view of the employment situation of their graduates, and brokers have recognized that they can leverage this point.

Currently, the number of students who do not use their Japanese language after graduation has greatly increased. There are people who join a local Japanese branch office and quit soon afterwards because they only get to work as an assistant in administration. So younger students have become negative and the number of students studying Japanese language has decreased (Agent 3).

Indeed, Japanese subsidiaries overseas have been described as only offering limited career opportunities to local staff, as they tend to rely heavily on Japanese expatriate managers (Yu and Meyer-Ohle, 2008; Shiraki, 2014).

In summary, we find that to mobilize significant numbers of students and companies to participate in their fairs, brokers in skilled-labour migration need to mobilize a network of stakeholders that includes overseas universities and semi-governmental Japanese institutions.

We have a network with students from the world's top 700 universities, every year we register several 10,000 students overseas. 38,000 students from 20 countries (2010–2014) have attended our overseas recruitment events (Fourth Valley Concierge, 2018).

Allocation: the recruitment fair

Coming into the event hall of the recruitment fair, the most memorable sight is hordes of dark-suited young people. The uniformity of appearance mirrors the standardized character of the application and selection process of Japanese companies. In seminars and on their websites, brokers advise students not only on what to wear but also on various other issues such as what to write in the application.

When students prepare the essay, [answering the question] 'why are you selecting Japanese corporations in Japan', then probably nine out of ten people would say: 'bridge' [to act as a bridge to their home country]. So, students will write 'bridge', but the corporations are not seeking bridges, only a small number are seeking bridges, so there is a gap, so we consult the candidates, do not say 'bridge' (Agent 1).

At the fair, companies conduct presentations at their booths to introduce their business to students. Presenters are often younger, non-Japanese employees. The language of presentations differs. Most companies seem to prefer to present in Japanese even when overseas, with the exception of one job fair that explicitly welcomes non-Japanese speakers. Yet even at this job fair, some companies presented in Japanese. Company presentations are usually followed by a first round of interviews. Later job interviews then often take place in the headquarters in Japan. Brokers feel that students need preparation for these interviews. Our company informants emphasized that, in selecting employees, they apply the same standards as in selecting Japanese employees. This means that companies mainly look for what they perceive as general positive character traits of applicants, the ability to communicate or to fit into an existing corporate culture. In contrast, achievements that many overseas students regard as important to secure jobs, such as the degree course, grades attained, prior job or internship experience, are of much lesser importance. Just as in the local Japanese context, where companies have preferences for graduates from higher-ranked Japanese institutions, they commonly prefer to hire international students from higher-ranked overseas universities.

The rank of the university functions here frequently as a proxy for the academic abilities of students, while their specific degree courses or marks matter less.

Young employee informants largely agreed that the job interviews they had participated in lacked focus and extended to very personal issues. One young employee, now working in Japan, even reported that she had once walked out of an interview:

... they actually said things, like you know you have to understand that your boss will always leave first [meaning that subordinates have to wait until the boss finishes work], and when you get married your boss will sit at the table with your family, can you accept all this? So, they had this checklist of Japanese culture and customs that they just kept pressing, can you do this? Can you accept this? (young female employee in financial services).

Most broker informants stated that they are interested in long-term relationships with their corporate clients and would therefore like to introduce only applicants who understand the employment and working situation in Japanese companies. Yet some recruitment fair participants still stated that brokers had prepped them before the interview:

Before my final interview, they checked me out in a corner. They informed me that they had some feedback from [the company], but said 'we are not supposed to give you advice'. You should look for this, you should express that you really want the job, things to watch out for in the final interview. ... I felt that it is really a deal that they want to clinch (young female employee in consumer goods).

Integration: beyond the recruitment fair

Normally, the work of brokers comes to an end when applicants and employers agree on an employment contract. Yet there are brokers who continue to play a role by organizing preparatory language courses in home countries or by assisting with visa and travel arrangements. Brokers expressed that they would like to stay in contact with employees once they enter the company, with one informant explicitly stating that they see a lucrative future market in assisting international employees who are dissatisfied with their current employer and interested in switching companies. Some brokers also described an ideal business model, where they assist companies in all matters pertaining to the setting up and running a system for the employment of international employees, beginning from the early stage planning of needed resources, to the recruitment of employees and the eventual integration and utilization. This includes the mentoring of foreign employees as well as diversity and intercultural training for supervisors and co-workers (e.g. Fourth Valley Concierge, 2018).

DISCUSSION

Our findings show that the Japanese government has adopted an increase of foreign students at Japanese universities as a key policy target. This policy is partly driven by the assumption that a higher number of foreign students will translate into higher numbers of foreign employees at Japanese companies, which are currently keen to recruit highly skilled employees with an international mind-set against the backdrop of the country's demographic decline. Yet, as existing research has shown, the assumption of a frictionless two-step migration into a country's domestic labour market is far too simplistic. Our findings confirm this for the Japanese case. Due to particular hiring and employment practices, the transition of international students studying in Japan from university to work requires non-commercial (universities) and commercial intermediation (recruitment agents). Still, Japanese companies have found that relying on domestic international graduates alone does not allow them to acquire all the skills they are looking for to increase the diversity of their organizations from within. As companies are not able to recruit systematically from overseas by

themselves, a market for commercial brokerage has emerged to serve this latent demand. The brokerage of skilled labour into Japan is thus a case where a brokerage system has transnationalized. Japanese brokers, taking advantage of the information asymmetries of a rigid Japanese recruitment regime and building on existing relationships with clients, have been able to extend their operations abroad rather than leaving these activities to local brokers in the origin countries of skilled migrants. This closely mirrors the internationalization processes of Japanese manufacturers, which also relied heavily on the services of other Japanese companies and thereby managed to transfer their distinct production regimes abroad (e.g. Hatch and Yamamura, 1996). Similarly, Japanese brokers, to satisfy the needs of their Japanese clients, recreate the specific Japanese recruitment regime overseas. The literature review highlighted that perceptions of employability can differ between countries (Tholen, 2015). Indeed, looking at the overseas recruitment fair as the central site of engagement has shown how attendants follow Japanese conventions of appearance and are advised by brokers how to present themselves during interviews. With such overseas recruitment fairs now being operated for several years, some students have begun to see employment in Japan as a realistic choice. This might change the way they think about and prepare for employability; for example the value of internships, which are of much lesser importance in Japan. In the same vein, universities overseas have begun to reconsider how they can prepare students better for employment in Japan by looking at language education and curricula. Agents have even begun to work with local universities to offer additional courses in the Japanese language to prepare students better for the recruitment process and eventual work in Japan. In the Japanese domestic context, the Japanese state has compelled the stakeholders to come up with some ground-rules for graduate recruitment. Currently, companies and brokers are only allowed to approach students in their final year, and activities are synchronized as not to disrupt teaching calendars too much (Okudaira, 2017). Universities that allow agents on campus insist on concluding data protection agreements, for example requirements that agents cannot share personal data that was collected for application to one particular company with another company later (interview university career office). Such ethical standards of engagement, however, have yet to be developed for the conduct of brokers overseas.

The Japanese recruitment regime, as it is now being transnationalized, has its roots in the perceived need to mould students so that they fit into the Japanese employment system as we have characterized it in the literature review. Thus, while we have shown that Japanese companies pursue overseas hiring with the explicit aim to increase workforce diversity beyond what is possible by recruiting domestically, the transfer of the Japanese regime equally leads brokers and companies to apply a “deficit lens” (Desai-Trilokekar et al., 2016) to international students. In recruitment and selection, brokers and companies mainly look for attitudes and skills which suggest that these students will be able to assimilate quickly to company cultures and practices. Some brokers have even made equipping applicants with such skills part of their business model. Overall, there is therefore a paradox between the stated aim for diversity and the reality of the recruitment regime.

The literature on brokerage argues that the involvement of brokers affects employment outcomes. Groutsis et al. (2015) talk about the existence of ethnic penalties in migration processes and state that: “*while the market mechanism can act in the interest of many skilled migrants, particularly in areas of high demand, it can also result in a pecking order of attraction and therefore segmentation based on ethnicity...*” (p. 1569). Our findings show that indeed, while many companies say that they want to recruit so-called global talent regardless of nationality, some companies have specific targets to recruit employees of certain nationalities. While such targets might sometimes be justified by the objective to enter certain overseas markets, they seem in other instances driven by vague diversity objectives or even perceptions about the character traits of particular nationalities. The use of brokers enables companies to fulfil such objectives, yet brokers might also use such arguments to canvas their services and usefulness to companies. This can lead to self-reinforcing mechanisms by which the popularity of certain recruitment markets increases or vanishes, regardless of the actual qualifications of applicants.

CONCLUSION

In this article we have looked at the recruitment of international employees by Japanese corporations. We have shown that the Japanese government has so far focussed its attention on a two-step migration model, recently adding support for international students at Japanese universities through its 'Career Development Program for Foreign Students'. In the meantime, Japanese companies, enabled by brokers, have moved beyond this model by hiring not only international students studying in Japan but also, increasingly, from abroad. Here, they have been successful in enlisting some support from semi-governmental organizations like the Japan Foundation. However, this, in our view, does not indicate that the government is no longer committed to a two-step migration model. A continued focus on fresh graduates as the main source of company recruitment has induced companies and brokers to engage with overseas universities. Using the recruitment fair as the main site of engagement between the different stakeholders, we have shown how a recruitment regime has been transnationalized and how diversity objectives are being compromised. While companies demand more diverse labour forces, the recruitment regime forces the applicants to acculturate to a large degree to Japanese norms. The use of brokers also influences migration outcomes, allowing companies to pursue the recruitment of employees of certain nationalities. As the overseas recruitment of young international graduates into Japanese companies in Japan is still a relatively new development, a conclusive analysis of this phenomenon is not yet possible. Future studies will need to focus on the long-term migration outcomes of this new trend, including ethical and policy implications. Currently, most stakeholders seem to be welcoming this new development, with some brokers even maintaining that their activities originate from a motivation to help overseas students and universities. Yet brokers are, after all, profit-oriented companies, which work first of all in the interest of their paying clients. Thus, we have also pointed to manipulative behaviour during interviews and presentations and the lack of rules of engagement between brokers and overseas universities. Combined with worries about a possible brain drain, this points to the need for future policy initiatives in sending countries. Finally, there might be some general lessons from the case of Japan. Japan is a frontrunner in terms of its aging population, yet eventually companies from countries with similar demographics might follow, which might have implications for the education and employment systems in the countries of origin.

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APPENDIX A1

TABLE A1
DETAILS OF INTERVIEWED BROKERS

No	Description
1	Firm with strong links to and expertise on one particular country (S)
2	Firm based overseas offering innovative ways for companies to meet potential employees (S)
3	Firm set up around the recruitment of Japanese students studying overseas and foreign students in Japan and abroad (M)
4	Firm that mainly provides human resource administration solutions, but has been helping some clients in recruiting non-Japanese employees (M)
5	Job website operator with a division and overseas offices for the recruitment of non-Japanese employees overseas (L)
6	Dispatch agency that has set up a special division for foreign employees (L)
7	Firm set up around the recruitment of Japanese students studying overseas and foreign students in Japan and abroad (L)
8	Company that specializes in the recruitment of foreign employees from overseas (S)
9	Job website operator that organizes job fairs (M)
10	Mid-career job website that also caters to non-Japanese employees already working in Japan (L)

Note: The descriptions have to be kept fairly general to maintain anonymity.

S = less than 50 employees, M = 50–300 employees, L = over 300 employees.

TABLE A2
DETAILS OF INTERVIEWED COMPANIES

Sector	Total number of employees (Thousands)	Overseas sales as % of total sales
Electronics	100–150	Over 60%
IT infrastructure/services	150–200	Over 40%
Trading company	5–10	Over 20%
Chemicals	50–100	Over 40%
IT infrastructure/services	100–150	Over 20%
IT network/systems	5–10	N/A
Heavy machinery	25–50	Over 40%
Advertising	>5	N/A
Logistics	150–200	Under 10%
Chemicals	25–50	Over 20%
Engineering	0.5–1	N/A
Electronics/home appliances	200–300	Over 40%
IT network/systems	10–25	Over 10%
IT network/systems	0.1–0.5	Under 10%
Banking & finance	50–100	Over 20%
Automobile	100–150	Over 60%
Trading company	50–100	Over 20%
Trading company	25–50	N/A
IT infrastructure/services	5–10	Under 10%

Note: Employee numbers as well as the overseas sales ratios are only presented in ranges to give an indication of company size and the degree of business internationalization while maintaining anonymity.

Sources: *Toyo Keizai (2015)* and company websites for employee numbers. Sales data kindly provided by *Nomura Research*.

TABLE A3
 DETAILS OF INTERVIEWED YOUNG FOREIGN EMPLOYEES

Nationality	<i>N</i> = 33
Chinese	16
Korean	5
Singaporean	6
British	3
Other	3
Gender	<i>N</i> = 33
Male	14
Female	19
Highest degree	<i>N</i> = 33
Japanese University	15
University Overseas	18
Industry	<i>N</i> = 33
IT/communication	8
Electronics	6
Finance	5
Trading	4
Retail	2
Chemical	2
Consumer goods	2
Other	4
Contact method	<i>N</i> = 33
Company not involved	29
Company involved	4