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Brokers and the Organization of Recruitment of 'Global Talent' by Japanese Firms—A Migration Perspective

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Japan's major companies, aiming to diversify their human resources, have in recent years begun to systematically recruit non-Japanese graduates from universities in Japan, but increasingly also from overseas, for permanent positions in Japan. This article locates this development within the study of migration. Utilizing data from an interview study with brokers, HR departments and young foreign employees, it follows recent calls to look at the meso-level of migration. Looking at brokers in qualified labor migration and positioning them equally in a triangular relationship between employers and migrants, this article contributes to the growing discourse on brokers and migration that has so far focused on low-skilled, often temporary migration from a broker-migrant perspective. Based on the Japanese case, our research makes two contributions to the migration literature. Firstly, we show how following the call to investigate the changing roles of brokers along the stages of initiation, take-off, maturity and decline of a migration trend, does indeed contribute to a better understanding of the complexities of a migration system. Secondly, we demonstrate that brokers play a particularly important role in qualified labor migration and propose that the level of broker engagement depends on the degree of distinctiveness of employment systems.

Keywords: *Japan; migration; job agents; brokers; high-skilled labor; labor market intermediation; varieties of capitalism; employment system*

1. Introduction

These days, along the corridors of any Japanese Studies department or language center in Asia, posters such as 'ASEAN Career Fair with Japan', 'Top Career Asia Pacific' or 'Nikkei Asian Recruitment Forum' greet the visitor. Posters display the names of prominent companies such as Panasonic, Sumitomo Mitsui Banking Corporation, Japan Tobacco or Mitsubishi Corporation, announcing the ambitions of Japan's leading companies to recruit the graduates of major universities in Asia into their home operations in Japan. These activities have resulted in a flow of young people from other parts of Asia to Japan, adding to those non-Japanese employees who have been recruited to work in Japan after graduating from Japanese universities (Liu-Farrer 2009, 2011;

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Moriya 2012; Oishi 2012; Breaden 2014). Some companies have even introduced numerical targets for the recruitment of non-Japanese young employees, aiming for a share of 10–20% among their annual group of new hires recruited as fresh university graduates (interviews with HR departments). Thus, while Japan has widely become known as a country that is reluctant to accept non-Japanese people into its labor force and with no explicitly formulated immigration policy (Aiden 2011; Vogt 2013; Kobayashi *et al.* 2015), its major corporations have over the last 5 to10 years actively recruited young non-Japanese university graduates to train and deploy them equally alongside their Japanese peers.

The above-mentioned recruitment fairs, representing different Japanese employers and being organized by professional recruitment companies, represent only the most visible activity of an industry that has developed around the employment of foreign workers in Japanese corporations. Such recruitment companies also support the targeted recruitment of employees of certain nationalities, the organization of company specific seminars at universities, the handling of visa applications, or the mentoring of employees after their arrival. Following Lindquist, Xiang and Yeoh (2012), we refer in this article to such recruitment companies or human resource consultancies broadly and interchangeably as 'brokers' or 'intermediaries', as they play a role in facilitating labor migration by bringing together foreign employees and Japanese employers.

Migration research has historically tended to focus on the so-called micro-level, such as the immediate experiences and aspirations of migrants, and on the macro-level, such as legal and regulatory frameworks and economic conditions. Only recently has the meso-level, that is the role of intermediaries, such as recruitment agents and networks, received increased attention (Lindquist, Xiang and Yeoh 2012; McKeown 2012; Gammeltoft-Hansen and Nyberg Sorensen 2013; Groutsis, van den Broek and Harvey 2015; Van den Broek, Harvey and Groutsis 2016). Yet, the focus of this research has so far been on the situation of temporary migrants, recruited to perform low-skilled or non-skilled work, and the broker-migrant relationship. With this article we aim to close a gap in the literature by focusing on the role of brokers in qualified labor migration and the broker–employer relationship, which has so far escaped closer academic scrutiny.

Our research makes two contributions to the migration literature. Firstly, we show how going beyond describing the functions of brokers in a static way and instead mapping the changing roles of brokers along the stages of initiation, take-off, maturity and decline of a migration trend (Hernández-León 2013) contributes to a better understanding of the complexities of a migration system. Secondly, we demonstrate that brokers play a particularly important role in qualified labor migration and propose that the level of broker engagement depends on the degree of distinctiveness of employment systems.

To pursue these issues, this article is structured as follows: The next section discusses shortly the existing literature on brokers in migration studies and the limited literature on the recruitment of non-Japanese fresh university graduates into Japanese corporations. This is followed by an overview of the labor market intermediation (LMI) literature and the Varieties-of-Capitalism (VOC) literature that we use to inform our analysis of the different roles of recruitment brokers. After a discussion of our methodology, we proceed with an overview of the intermediary market for foreign qualified labor in Japan. In the main findings sections, we discuss the various roles of brokers and map changes in their functions over time. The following sections focus on what we perceive to be the most important and distinct roles of brokers in the Japanese context and reflect on some of the ethical dimensions of the new hiring trend. We finish with a short conclusion to summarize our findings.

2. Literature and Theoretical Points of Departure

Existing research on brokers and migration has focused on the situation of temporary migrants, recruited to perform low-skilled or non-skilled work, and often migrating to countries that are further economically developed than their home countries (e.g. Spaan 1994; Jones and Pardthaisong 1999; Elrick and Lewandowska 2008; Pijpers 2010; Lindquist 2012; Sporton 2013; Kern and Müller-Böker 2015; Phuong and Venkatesh 2016; Samaluk 2016). While highlighting some demand side factors, such as the aim of employers to overcome labor shortages, secure lower labor costs, or gain flexibility in the deployment of workers, this research has commonly concentrated on the broker-migrant relationship. Elrick and Lewandowska (2008) see agents as 'knowledgeable brokers of scarce information about migration routes, job opportunities or means of integrating into the host society' (p. 72). Brokers raise awareness of employment opportunities, provide information, navigate bureaucratic processes in home and destination countries, organize travel, provide financing, and might even continue to support migrants after their arrival in the destination countries. Yet, the literature also highlights how brokers might use informational advantages to misinform potential migrants about processes and potential workplaces and shows how this can lead to dependencies (e.g. Spaan 1994; Müller-Böker 2015; Samaluk 2016). Phuong and Venkatesh (2016) demonstrate how brokers on different levels and in different localities might work together and how they, especially in low-skilled migration, have come up with various ways of exploiting migrants, from overcharging them for their services to shifting risks to them. The literature also discusses the possibility that agents might assume a formal position between home and destination countries by being assigned labor export or visa quotas by authorities in migrants' home or destination countries (Findlay and Li 1998; Phuong and Venkatesh 2016). Finally, Krissman (2005) argues that, while it is employers who initiate labor migration and eventually profit from the employment of migrants, migration research has commonly neglected the employers' position in migration networks, delegating employers to the structural macro-level, and focusing on brokers and their roles and relationships with migrants instead. Thus, as already mentioned, the role of brokers in skilled labor migration, as well as the broker–employer relationship remain under-researched and are therefore at the center of this paper. Shifting focus also necessitates a fresh ethical evaluation of broker involvement, with brokers' activities so far having been judged as somewhat necessary, yet overall negatively, with agents often creating dependencies and exploitative relationships with migrants (also Lindquist, Xiang and Yeoh 2012).

The recruitment of foreign fresh university graduates by Japanese corporations has drawn some academic attention, with the focus so far having been on students graduating from universities in Japan (e.g. Liu-Farrer 2009, 2011; Moriya 2012; Oishi 2012; Yamaguchi 2016). The recruitment from abroad, as a much newer trend, has received lesser attention, and there is, to the best of our knowledge, no work yet that has looked at the activities of employment brokers in the context of qualified labor migration. Breaden (2014) addresses the policy and meso-level by linking the recruitment of international students to interests of companies, the government and internationalizing universities. However, he mentions the existence of employment brokers only in passing.

To inform our analysis of the roles of Japanese employment brokers, we refer in this article to the LMI literature and the VOC literature. An intermediary is generally defined as an 'economic agent that purchases from suppliers for resale to buyers or that helps buyers and sellers meet and transact' (Spulber 1996: 135). Building on the transaction cost approach of institutional economics, Spulber (1996) shows that information imperfections shape intermediate activities. The LMI literature differentiates between three main functions: information provision, matchmaking and administration (Bonet, Cappelli and Hamori 2013). As information providers, intermediaries inform individuals about vacancies in organizations and provide information about these individuals to the

organizations. Matchmakers play a larger role than information providers, as they mediate and also often ensure the quality of placements. Administrators, finally, take on the role of employers themselves and supply workers on demand to their clients. Benner, Leete and Pastor (2007) argue that, based on the degree of involvement, labor market intermediaries can be market-meeting, market-molding or market-making. Overall, LMI has been found to play an increasing role in labor markets worldwide, has changed the way that employees and employers think about employment and career development, and has affected employment outcomes (Bonet, Cappelli and Hamori 2013). Applying these perspectives to our study, we aim to analyze the general functions of employment brokers in bringing Japanese employers and foreign employees together and examine changes in their relevance and roles over time.

Finally, we propose that employment brokers in Japan take on a particularly important role by facilitating the injection of young foreign employees into a distinct Japanese employment system, as it has been discussed in the VOC literature. The VOC literature proposes that the governance of economies and firm behavior differ significantly in so-called coordinated market economies (CMEs) (countries like Germany, the Netherlands and Japan) and so-called liberal market economies (LMEs) (countries like the UK and the US) (Delbridge, Hauptmeier and Sengupta 2011). Employment systems in LMEs are market-based, deregulated and fluid with companies and employees relying less on long-term relationships. In contrast, CMEs have less fluid labor markets that are largely characterized by longer-term employment relationships, and are more strongly regulated (Hall and Soskice 2001). Referring to the VOC perspective, we analyze how brokers help to overcome information asymmetries related to the differences in employment systems between the migrants' home countries and Japan and how they coordinate some of their activities with other Japanese stakeholders such as semi-governmental organizations and universities.

3. Methodology

Our findings are mainly based on semi-structured interviews with representatives of ten commercial Japanese recruitment brokers, whose responses were triangulated (Yin 2003) with semi-structured interview data from interviews with 19 human resource departments of mainly large-sized Japanese multinational companies as well as interviews with thirty-three foreign fresh university graduate recruits working for a Japanese multinational company in Japan for no longer than 4 years (see Tables A1–A3 for an overview of the informants). Interviews were mostly conducted in Japanese between June 2014 and September 2016 and lasted one to two hours. Interviewees were guaranteed confidentially to assure candor of responses. Quotes are provided in the findings section to illustrate points that were confirmed after triangulating the different data sources and thus should not be misunderstood to represent a simple, single evidence.

While the broker sample appears relatively small, it includes many of the leading players of this industry in Japan. We confirmed this with informants (brokers, HR departments and additionally four Japanese university career centers), asking with whom they had worked and whom they considered to be the key players in the intermediary sector. Moreover, we studied 30 web pages of brokers and visited four specialist recruitment events for foreign graduates, two in Singapore and two in Tokyo. Our sample is diverse as it also includes smaller brokers that specialize in certain tasks or country markets. We interviewed brokers about their business models, how they work together with their clients (employers), how they connect to and attract applicants (non-Japanese university graduates), and how they aim to differentiate themselves from other brokers in a very competitive industry. In

addition, we sought their views on the newly emerging recruitment trend in Japan, including their perceptions of motivations of employees and employers, as well as their understanding of the issues that employees and employers face in the workplace after young employees have begun to work.

The company sample includes representatives of HR departments of Japanese firms that we contacted based on their participation in specialized job fairs. The resulting sample is not particularly large, but we managed to include leading firms from a wide range of industries. For the employee sample, we followed a snowball approach from contacts among the graduates of our respective academic institutions. We also gained access to a Tokyo-based association of young Chinese graduates and its members, which organizes social events and supports its members' job-hunting activities. This was important as many of the foreign graduates in Japan come from China (JASSO 2014). With four exceptions, we refrained from referrals via HR departments and on-site interviews, because we wanted to make sure that informants would openly express their views. Most interviews were recorded, transcribed and where necessary translated into English. Translations were checked and discussed, before organizing the data in a Microsoft Access database, employing an initial coding frame based on our research questions, followed by inductive coding to identify additional themes and commonalities.

4. The Intermediary Market

Before analyzing the various roles of Japanese employment brokers in more detail, we present here first a general overview of the intermediary market.

For the recruitment of new employees, Japan's large companies have created a highly standardized and institutionalized system that focuses on annually hiring a pre-determined number of fresh university graduates. Activities follow a fixed time schedule from the official start of recruitment activities with information sessions by companies to the acceptance of applications, the selection process through interviews, applicants receiving offers, down to a specified time of company entry, usually at the beginning of April each year, with some companies having a much smaller second intake in October (Rebick 2005; Firkola 2011; Pickl-Kolaczia 2013). The schedule also determines the activities of HR departments, from first securing the predetermined number of new employees to socializing them into companies from April of each year onward, and eventually allocating them to their first workplaces.

In domestic Japanese recruitment, commercial human resource agencies have long played a role in running large job search sites, where companies provide information about themselves and where applicants can inform themselves about offers and register for job-related information. Companies might also outsource some basic tasks, like document processing and basic skills testing, to such agencies. Moreover, many companies maintain close relationships with human resource agencies for the provision of temporary labor or the search for mid-career employees. Here, companies are looking for employees with specific skills for specific jobs, while in the recruitment of fresh university graduates potential and perceived fit with company culture and values play a larger role (Shozugawa 2001; Weathers 2001; Raisanen 2005).

Recruitment brokers also have come to play a significant role in the recruitment of what in Japan is often generically referred to as 'global talent' or 'global human resources' (*gurōbaru jinzai*): foreign students enrolled at Japanese universities and especially native and non-native Japanese language speakers from universities outside of Japan. The recruitment industry in this market segment consists of some large companies that, among other activities, organize their own recruitment fairs in and

outside of Japan or operate websites where students can register their interest to work in Japan. Many of these companies have also set up offices overseas. The pioneering firm here is *Disco* that ran its first Boston Career Fair in 1987 by targeting Japanese students enrolled at US universities. Disco has since expanded into organizing fairs in other cities overseas and in Japan itself and also the recruitment of non-native Japanese language speakers. Human resources market leader *Recruit* has set up a 'Work in Japan' section that advertises itself on its Japanese website as the 'premium human resource provider for high potential fresh university graduates from the Asian region' (Recruit n.d.). *Pasona Global*, a division of the market leader for temporary work staffing Pasona, is tempting foreign students at Japanese universities to register with its mail magazine '*Global Rookies*', where it introduces students to potential employers. *Fourth Valley* was founded in 2007 with the explicit purpose to connect Japanese companies with foreign students and to consult companies in the process, down to comprehensive recruitment and a mentoring scheme. It is running its own 'Top Career' recruitment fairs, not only in Japan, but also in Shanghai, Singapore and London. Similarly, *Vein Global*, founded in 2012, regularly organizes 'Global Leader' fairs for foreign students in Tokyo and Osaka, as well as a job fair in the US and seminars at US universities. *Nikkei Recruit*, the recruitment arm of the business newspaper *Nihon Keizai Shinbun*, has students from Asian universities applying for a 'Nikkei Asian Recruiting Forum', held annually in Tokyo since 2013. Besides this there are many smaller companies like for example *Energize Inc.* or *Global Human Capital Corp.* that have been jointly organizing the Osaka University-linked 'ASEAN Career Fair' in Singapore since 2013.

There is thus a substantial industry that has emerged around the recruitment of foreign qualified labor into corporations in Japan. We argue that the actors from this industry play an active role in shaping the direction and the outcomes of this new recruitment trend. The presentation of our findings below follows our research objectives. We start by outlining the various roles that these brokers perform and how they have changed over time. This is followed by a discussion of what we consider to be the brokers' specific roles in Japan's CME and an ethical reflection.

5. Roles of Brokers

As highlighted in the overview of the LMI literature, brokers' work involves the exploitation of information asymmetries. Our data show that, in the case of the recruitment of foreign employees in Japan, these asymmetries are a result of the geographical, institutional and cultural distances between Japanese employers and foreign applicants. Generally, employment brokers reduce search costs and increase efficiency for job seekers and employers by agglomerating demand and supply through the creation of databases and the organization of recruitment fairs. By keeping information on foreign employees and the needs of companies in their databases, brokers play the role of stock keepers, allowing companies to readily access a pool of applicants when needs occur. Brokers also engage in quality control by screening, testing and ranking applicants and for job seekers by reassuring them about the quality of employers. While the above activities can be considered as *market-meeting* activities, many brokers also actively engage in *market-molding* by communicating to companies the specific employment needs and expectations of foreign employees and by preparing employees for passing recruitment tests and interviews. At least one broker also reported *market-making* activities by setting up its own language schools overseas and thus shaping supply.

Table 1 summarizes the different broker functions in the Japanese case, illustrated by excerpts from our interviews with brokers and web pages. However, it is important to note that not all brokers fulfill all of the outlined functions. Some companies mainly provide database services, charging

Table 1. Functions and Activities of Japanese Recruitment Brokers.

Functions	Illustrative Quotes From Interviews and Web Pages
Agglomerating and linking supply and demand	'30 excellent Japanese companies will be there looking for talents from all over Southeast Asia.' (ASEAN Career Fair with Japan) http://asean-career.com/details/index.html
	'You can meet 100 students from the top universities of 9 Asian countries in Japan!' (Nikkei Asian Recruitment Forum in Tokyo) http://workjapan.nikkeihr.co.jp/html/asianfair/
	'Having a network of students from the world's top 700 universities, and having tens of thousands of fresh graduates from overseas universities registering with us, 38,000 people from 20 countries have participated in our overseas recruitment events (2010–2014)'. (4th Valley Concierge) www.4th-valley.com/services/globalconsulting.html
	'There are nearly 40,000 registered members in our system, more than 10,000 fresh graduates have been interviewed by our professional advisors'. (Recruit Work in Japan) https://workinjapan.asia/main/intro.php
Stock keeping	'Of course, we visit companies every day to receive information on fresh demand. Yet, it is not only about meeting a company's needs, we also cultivate new people to register with us and then propose these people to companies'. (A2).
	And sometimes, the top, as a KPI [Key Performance Indicator], has set the goal to hire something like 10 foreigners, yet at the end of March they have only managed to hire 2. So, to still fulfill their objectives, they say 'we can't help it if we want to be on time'. (A2).
Bridging distance	'The HR people have to do various other tasks, they are very busy. These people really cannot go on long trips to Singapore, Vietnam or the Philippines. So, since they cannot go outside, we bring the applicants in'. (A9).
Bridging information asymmetries	'They don't have connections, they don't speak English, they don't have links with foreign universities, and also the recruitment timing differs'. (A8).
	'So we do the branding, telling the students what the company does, what the attractive part is, because usually the students don't even know the company's name'. (A4).
	'The first thing is that not many Korean students know about Japanese corporations, they know Mitsubishi and Mitsui, but they do not know much, so the first thing is to let the students know. This is very important, not only at the career fair, but also before the career fair, to visit those targeted universities and do some presentations'. (A5).
	'As for job searching activities by foreigners, they might understand the schedule, but they do not understand the way it is done'. (A9).

Table 1. *Continued*

Functions	Illustrative Quotes From Interviews and Web Pages
Bridging expectations and providing local literacy	'In Korea it is mostly similar to US corporations and many Korean candidates are very accustomed with this: 'I have to have this score, I have to have overseas experience, I have to have this and that.' … But Japanese corporations don't have this. The Japanese corporations basically look at an employee's potential'. (A5). 'If applicants cannot explain about the company, they cannot pass the interview. We tell them to state why they want to work in Japan, what they want to do in the future. They should think about the kind of business. …. If students have not thought about this, we talk to them and think together with them'. (A1). 'Pasona Global will coordinate the interview schedule with the company. If after receiving the offer there are issues that you find difficult like the salary or conditions Pasona Global will negotiate on your behalf'. (Pasano Global) www.pasona-global.com/gl/foreigner/
Shaping supply	'We don't just do simple matching, we check the proficiency in Japanese and business manners and the level of understanding of Japanese society, and if they do not meet certain standards we educate them using our company's original program, thereby providing an environment that allows foreigners to contribute smoothly to a Japanese company'. (Randstad) https://www.randstad.co.jp/client/special/global/ 'The first "Japan Center" has opened in Danang, Vietnam to nurture talents to work in Japan' (August 2016) (4th Valley Concierge) http://en.4th-valley.com/ 'TOP CAREER is launching Japanese language schools at several locations throughout Asia to expand on our access to international talents'. (July 2016) (Top Career) http://en.4th-valley.com/
After services	'We regularly conduct interviews after the recruitment, formulate career plans for foreign talent and conduct stress management. We will contribute to the development of enterprises by raising the retention rate of foreign talented personnel and cultivate foreign talent as core personnel'. (Asuka Corporation) https://global-saiyou.com/

clients for the successful recruitment of employees, while others mainly organize recruitment fairs, charging clients for participation and sometimes successful recruitment. Some brokers are selective in focusing on job-seekers with certain language skills or only fresh graduates, while others have a wider focus, allowing large numbers of job seekers to register, including less qualified applicants looking for part-time or contract work. Offering different layers of services and focusing on different segments of the foreign graduate market allows these companies to differentiate themselves from the competition.

The interviewed HR departments concurred that they used brokers to save on transaction costs, since compared to the domestic recruitment of Japanese students, numbers of foreign graduates are

substantially lower. They also reported on difficulties in accessing and bringing together qualified applicants from overseas (also Keizai Sangyōshō 2015). While some companies were just looking for access to applicants and questioned the capacity of agents to conduct a qualified pre-selection, others reported that they left the screening and pre-selection to their brokers. Young graduates in our sample reported that it were often the announcements by brokers, advertising recruitment fairs or information sessions, that had first alerted them to the possibility of working in Japan. Brokers then provided them with information on how to fill in applications, what to wear during interviews, what questions to expect and how to behave. Brokers also assisted them in the negotiation with companies about starting dates and in two cases a broker even provided employment to bridge over the waiting period between graduation and the start date.

Overall, these findings confirm that Japanese brokers fulfill all of the functions that have been discussed in the LMI literature. However, as highlighted in this literature, it is important to note that, based on organizational and individual learning, service innovations, the introduction of new technologies or changes in the legal environment, the location of these functions can shift between employers, brokers and employees over time (Autor 2009). This will be explored in the next section.

6. A Dynamic Perspective on Broker Involvement

Not only the LMI literature but also the migration literature has proposed to take a dynamic view of broker activities. Hernández-León (2013) has suggested to look at the activities of brokers within the migration hump and map brokers' activities along the stages of initiation, take-off, maturity and decline of a migration trend. Moreover, Elrick and Lewandowska (2008) have linked findings on brokerage to those of the migration discourse, arguing that brokers are embedded in migration networks, with the roles of agents becoming more peripheral as networks move from being broker-dominated to pioneer-dominated and finally follower-dominated. However, this development is by no means predetermined. For example, Kern and Müller-Böker (2015) have pointed to the possible sustained importance of brokers based on the continuous need to overcome factors such as bureaucracy, multi-locality and political uncertainty.

In the initiation phase of the recruitment of foreign fresh graduates to Japan in the early 2000s, employers were found to be largely non-strategic (Table 2). The few non-Japanese employees whom they hired were those that applied to them on their own initiative after graduating from Japanese universities. Brokers began first to play a role when companies started to search for non-Japanese employees with technical skills. Towards the end of this stage in the late 2000s, more and more employers began with the targeted recruitment of non-Japanese students, widening their scope to backgrounds beyond science and engineering and also beyond graduates from universities in Japan. Companies were herein reassured and supported by a growing and increasingly competitive industry of intermediaries aiming to sell a widening array of services. Only a relatively small number of agencies were set up specifically for the handling of non-Japanese employees. Instead, established companies branched into handling non-Japanese job-seekers from an original focus on HR consultancy services, online HR database services, and temporary-staff provision, an industry that had seen fast growth after having been deregulated in two steps in 1999 and 2004 (Kuroki 2012).

Based on our interview data, we posit that the take-off stage of broker involvement was around 2008. Brokers actively marketed the opportunities of work in Japan to potential applicants that until then had mainly thought about having careers in their own countries. At the same time, brokers approached potential clients, emphasizing the advantages of employing foreigners and advertising

Table 2. Mapping Foreign Fresh Graduate Migration to Japan over Time

Approximately	2000–2008	2008–2015	2015–?	?
	Initiation	Take-Off	Maturity	Decline
Foreign fresh graduates	• Japanese universities	• Japanese and Asian universities • Start building of networks	• Universities worldwide • Advancing careers • Changing jobs in Japan • Wide networks	• Returning home • Recruited based on specialist skills- rather than language skills
Brokers	• Japanese native English speakers • Overseas engineers	• Recruitment fairs overseas • Individual introduction of foreign employees • Serving smaller companies • Overseas offices • Utilizing foreign employees	• Catering to foreign job changers in Japan • Mid-career overseas recruitment • Training/taking care of employees • Corporate branding	• Outplacement • Re-integration into home employment market
Japanese companies	• Non-strategic hiring • Foreign engineers with non-regular employment conditions	• Use of foreign employees in recruiting • Adapting systems • Building reputation	• Defining needs • Foreign role model employees • Integrating HR management in Japan and abroad	• Global HR policies

Note: For each stage new activities and focus of activities only. Activities from previous stages may continue.
Source: the authors.

their own services in securing them. At this stage, the recruitment of foreigners received wide media coverage and some brokers admitted that hiring foreigners became something of a fashion: '*Actually in Japan, it is like this, if one big company starts something, if one big company hires foreign people, does something new, the other companies try to follow the idea, because they also want to be seen as top, as forerunner at that time' (*A4). Similarly, some company representatives admitted that they had begun recruiting foreigners without having a proper plan for their utilization. Brokers in the later stage of this phase also moved to serving small- and medium-sized companies, setting up overseas offices and employing non-Japanese graduates themselves to build trust with applicants. Yet, we also see first moves by employers trying to somewhat reduce their dependency on the services of brokers. Young foreign employees in our sample reported that they had been asked to directly approach juniors at the universities they had graduated from. At the recruitment fairs that we visited, we saw many companies matching potential applicants with non-Japanese employees whom they had hired earlier. We also see the advancement of migrant networks, as reported in other migration studies (e.g. Elrick and Lewandowska 2008), often by nationality, that take over some roles of brokers. Through websites, meetings or joint activities, these networks provide employment information and even link up job-seeking students with those that are already employed. Yet, migrant networks and brokers might also collaborate, such as the ASEAN Youth Network Japan, which co-organizes, together with Benesse i-Career, the ASEAN job fair in Tokyo.

The current situation in companies as well as ongoing activities and plans voiced by the brokers in our sample allow us to infer possible future directions of broker involvement. The future of the recruitment of foreigners into Japanese companies will very much depend on whether employers will be able to adapt employment conditions. Currently, employees, employers, as well as brokers in our sample reported serious tensions, especially when non-Japanese employees are injected into domestically oriented workplaces where their background and skills are of little use (also Moriya 2012; Oishi 2012; Conrad and Meyer-Ohle forthcoming). Companies therefore will have to come up with sustainable models of employment that ensure the satisfaction of employees. Here some brokers see the possibility to expand their roles by taking over the mentoring and development of foreign employees, as well as the intercultural training of supervisors and co-workers. One company has even begun to shape its own supply by setting up language schools overseas and providing study scholarships. Brokers also pointed towards possible future needs of foreign employees who, discontented with their initial employers, might return to their agents, seeking a new employer. '*Candidates who got first offers from Japanese companies through us, four/five years ago, they are now the mid-career candidates, and then it is quite normal for them to start thinking about changing their job'* (A4). Brokers might in the future also receive demands from disillusioned employers for the re-matching of non-Japanese employees into alternative employment in Japan or overseas.

Discussing a possible decline stage is more speculative, but further population and market shrinkage in Japan, a relocation of more headquarter functions of Japanese companies overseas, organizational learning on how to recruit and treat foreigners, or human resource policies that see more employees coming temporarily via overseas subsidiaries to headquarters (*inpatriation*) might well lead to a decline in demand for the services of brokers. Future development will, of course, also depend on the level to which the Japanese population and policy makers will tolerate continuous immigration: '*If Japan were to enter into a very severe recession, then people will start to ask why Japan has been bringing in so many foreigners. Then the government also might become stricter. I think, at least until the Olympics* [2020] *it will be an open climate, yet thereafter this might not continue*' (A2).

After shedding light on the functions of Japanese brokers over time, we now turn to what we consider to be their particular roles in linking the macro- and micro-level of qualified labor migration in the Japanese context.

7. Brokers in Japan's CME

The activities of brokers take place in a macro environment that is characterized by Japan's shrinking and aging population, leading to a shortage of young people in educational institutions as well as labor markets. Policy makers have responded to this by opening Japan's educational institutions to foreign students and, while not coming up with a coherent immigration policy, significantly relaxing the rules for the employment of skilled foreign workers (Breaden 2014). Governmental institutions also came up with a plethora of workshops, seminars and publications that provide advice on the employment of foreigners (e.g. ASS 2011; GRG 2016). At the same time, demographic change has led to fears of shrinking domestic markets and the perceived need for established Japanese companies to strengthen their positions abroad. Yet, in our interviews, companies stated frequently that they encountered a lack of supply of Japanese applicants with the relevant language skills and international mindset. Overall, this has created an environment that welcomes the recruitment of qualified non-Japanese employees.

Companies' interests meet here with those of Japanese universities. To counter the shrinking student numbers in the Japanese education system and to make Japanese universities internationally more competitive, the Japanese government has started an initiative to increase the number of foreign students to 300,000 by 2020. Moreover, as foreign student numbers reached 246,000 in 2015, the Japanese cabinet announced in June 2016 plans to raise the share of these students finding work in Japan after graduation from 30% to 50% (The Japan Times News 2015). At the same time, and largely being driven by an interest in Japanese popular culture, the number of foreign students studying Japanese abroad, especially in East Asia, has been rising in recent years. This has provided a pool of graduates who are generally open to and interested in the idea of living in Japan and utilizing their language skills.

The above macro and micro factors have as push and pull factors certainly influenced migration to Japan. However, more recent migration research has argued that such factors alone cannot sufficiently explain the development of a migration trend. This has let to the current focus on the crucial role of the meso-level, such as brokers and networks (Faist 2000). Agreeing with these arguments, we maintain that skilled labor migration in the Japanese context relies on the initiative and activities of brokers in linking the macro- and micro-level.

A survey among 600 responding foreign students in Japan highlights the problems they face in their job seeking activities. Even many students studying in Japan are not familiar with the established, highly structured Japanese recruitment system (33.8%), do not know how to conduct research into Japanese industries and companies (29.0%), do not understand what kind of human resources companies are looking for (24.8%), state that the Japanese language poses multiple hurdles (32.2%), and are unsure about the work they are expected to perform after being hired (22.7%) (Keizai Sangyōshō 2015).

These insecurities are closely related to the distinctiveness of the Japanese employment and recruitment system that, despite a long-standing debate about change, has been shown to be relatively stable—in particular in large companies (Robinson 2003; Rebick 2005; Suda 2007; Meyer-Ohle 2009; Conrad 2010, 2011; Matanle and Matsui 2011; Sekiguchi 2013; Aoki, Delbridge and Endo 2014): Based on internal labor markets and a long-term orientation, this employment system constitutes a

central element of what has been termed Japan's variety of capitalism. At the core of the employment system lies the regular recruitment of large numbers of fresh graduates who, after joining companies, are carefully socialized into what companies consider to be their distinct corporate cultures. New hires are trained in-house and as generalists through frequent job rotations. Promotion progresses slowly and is based on a mix of acquired abilities, seniority and performance, with interpersonal skills and the ability to operate in teams considered essential for long-term success. Initial selection is based on a worker's perceived potential and fit to organizational culture. Fresh graduates are regarded as a 'white cloth' that can be died in any color after entry into an organization (Nagano 2014). As companies invest significant time and resources in employee training and as it is difficult to dismiss employees once they have been hired (Sugeno and Yamakoshi 2014), it is vital that companies are extremely careful in selecting (foreign) employees. All this means that foreign applicants face expectations in the application and selection process, as well as later in their work places, that are significantly different from those in their home countries, where educational achievements, certain skills and specialization are commonly emphasized. The process of the school to work transition in Japan is as such relatively clearly structured, in terms of timing and practices, and allows foreign students at Japanese universities in principal to just join in. However, many employees in our sample reported that, after first trying by themselves, they eventually only found their jobs by attending specialized recruitment events for foreigners.

The Japanese employment system also conditions the situation in HR departments. Largely domestically-oriented HR departments typically lack specialist skills in handling overseas applicants and have structural problems in developing such skills, as their staff members are themselves usually subjected to generalist and rotation-based career paths. The Japanese overseas subsidiaries of such companies, that one might expect to assist here, were described to us as lacking themselves behind in localization and having problems in developing strong reputations as employers. Most of our HR informants thus reported that they do not involve their subsidiaries in initiatives to hire foreign graduates for Japan.

Therefore, given the multiple challenges outlined above, brokers in the recruitment of qualified labor into Japanese companies have a lot of room to exert their expert authority and exploit information asymmetries between employers and foreign employees. As outlined above, brokers not only provide efficiency and convenience by linking up employers and employees through data bases and recruitment fairs, but, more importantly, they bridge expectations, provide quality assurance, and provide the local literacy to potential applicants to manage application and selection processes.

Furthermore, the recruitment of foreign employees can be considered with reference to the concept of Japan as a CME, where interactions are often not simply market based, but commonly supported by and coordinated with other organizations and institutions (Hall and Soskice 2001). As for coordination among companies, Olcott (2009) has pointed to the fact that many elements of the Japanese employment system have originated from isomorphic tendencies of Japanese organizations, with leading companies setting examples that others adopted. We have found some evidence that the recruitment of foreign fresh graduates is again an example of Japanese companies moving in tandem in making changes to their employment practices. As pointed out earlier, several brokers and companies admitted that the new hiring trend might be somewhat of a fashion. Moreover, the vagueness in hiring objectives that we encountered in some of our company interviews also point in this direction.

As for coordination among other stakeholders, we did not find evidence for an overall strategic or highly coordinated approach at the macro-level, with governmental institutions directing activities. However, the influential Japan Business Federation (Keidanren) (Nippon Keidanren 2007), as well as several ministries (Burgess 2015) have taken an active interest in the recruitment of foreigners, publishing policy advice and organizing symposia on the recruitment of young foreigners. Moreover,

we encountered several examples of how Japanese brokers cooperate with macro-level stakeholders to connect to particular audiences or to lend their activities credibility. For example, in 2013 *Nikkei Human Resources* secured the support of its Nikkei Media arm and the governmental Japan Foundation to, alongside its recruitment event in Tokyo, organize an event for overseas Japanese language teachers. Both organizations have, through their networks of representatives in Asia, extensive links to local universities and their involvement also vouched for the credibility of the event. Another example is the ASEAN Career Fair in Asia, organized by the broker *Energize*, yet listing Osaka University and the ASEAN University Network among its supporters. Building on the original initiative of the Osaka School of International Public Policy at Osaka University to enhance employment opportunities for students who had been on exchange in Japan, many of the participating students come from the academic partners of Osaka University in Southeast Asia. As part of the program, Osaka University and Energize also have been organizing seminars, bringing together academics from participating Asian universities and companies (PAHSA 2016).

Moreover, macro-level actors are not simply being 'used' by brokers to enhance their credibility, but are themselves sometimes actively involved in the organization of such events. For example, METI co-organized in January 2017 a job fair in Singapore with the broker *Fourth Valley Concierge*, which listed companies like Softbank and Yoshinoya among its participants. This event was part of activities that METI supports as the founder of the 'Nippon New Network for Innovation (NIN2)', which it defines as a community that '*will build a sustainable platform for "Japan fans" (people who are well aware of Japan) in order to build a strong connection between them and Japanese enterprises in order to serve mutually beneficial ends, including addressing shared challenges and needs, as well as creating new opportunities for business and the sharing of experiences*'. METI maintains a Facebook page for this network (METI 2016). Another example is the Association of the Tokyo Metropolitan Vocational Schools (Tōkyō-to Senshū Gakkō Kakushu Gakkō Kyōkai), which has organized a number of recruitment events with the broker *Originator* and the endorsement of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) (Originator 2017). Overall, events that involve brokers as organizers or co-organizers show frequently public or semi-public organizations such as the Japan External Trade Organization (JETRO), Japan Student Services Organization (JASSO), the Tokyo Employers Association or the Tokyo Chambers of Commerce and Industry as supporting organizations.

8. Ethical Reflections

The mentioning of brokers in the migration literature often comes with negative connotations, such as financial gains from migrants, misinformation and later exploitation in workplaces (e.g. Lindquist, Xiang and Yeoh 2012). Considering the overall situation of foreign fresh university graduates in Japanese corporations, it is safe to say that they are privileged when compared to the group of non-Japanese workers that is employed for menial work in Japan's manufacturing or agricultural sectors. Foreign workers belonging to the latter group are usually brought into Japan only temporarily on the Technical Intern Training Program, with their working and living conditions having drawn some criticism (Surak 2013). Foreign fresh university graduates also do not face the extremely high hurdles that Japan has put up in terms of accreditation and Japanese language skills for the recruitment of nurses from overseas (Vogt 2013). The employees in our sample did not consider themselves to be excluded or explicitly discriminated against, and described their formal employment conditions as being no different from those of their Japanese peers (also Maki, Ebisuya and Sekiguchi 2015). Yet, many voiced discontent and insecurity in terms of their current and possible future utilization

by companies and the acquisition of further skills for career development (also Moriya 2012; Oishi 2012). Brokers seem to be well aware that many companies are still in a trial and error stage in terms of creating suitable employment conditions for non-Japanese employees. In particular, declarations that companies and their top management make about being global and striving for diversity often stand in stark contrast to the mindset of superiors and co-workers in the actual workplaces. Here the insertion of non-Japanese employees might disrupt long-standing and cherished work practices: '*Human resources does not think about where to put them before they come, only when they are there, they think: "What to do? Let's put these people into sales." There, the colleagues are then surprised, saying things like "Why is this person coming to us? We do not have work that fits this person*'" (A1).

Brokers inform potential applicants that work practices and expectations in Japanese companies differ significantly from those in their home countries, yet at the same time need to brand companies as attractive employers to motivate students to register for their databases, come to events and eventually apply for jobs. Several of the young employees in our sample reported disparities between the image of open and global companies that was conveyed during the recruitment process and the reality that they later faced in their workplaces. Similarly, Kern and Müller-Böker (2015) have described the role of a migration broker as a '*balancing strategy between attracting potential migrants and serving the interests of the foreign clients*' (p. 164). The awareness of brokers of problems in Japanese workplaces, as well as their earlier described role in prepping students before interviews, thus raises some ethical concerns. In terms of financial rewards, while most other studies on brokerage and migration find that agents draw their income from migrants, the Japanese brokers in our interview and website samples appeared to depend for their revenues solely on payments from the companies and not the job seekers. This state of affairs was corroborated by the employees in our sample. Yet, we also heard of the existence of consultancies or advisors that aim to charge students for preparing them for company interviews or charge transaction fees for introductions to companies, especially those that introduce students to smaller businesses (A8 and informant at career university office).

The activities of agents in promoting and shaping migration flows also have been linked to brain drain or brain waste, with migrants being taken out of the labor markets in their home economies and some ending up in work that is below their qualifications (Mattoo, Neagu and Özden 2008; Van den Broek, Harvey and Groutis 2016). Evaluating the current activities of Japanese agents and companies in regard to this issue leads to a mixed picture. Some foreign young employees voiced concerns, especially in the early training stages of their careers in Japan, that they were not given proper challenges. Yet, there are also concerns that those who have acquired Japanese language skills and knowledge about Japan as part of their university studies are not given proper opportunities to utilize those skills in their home countries, partly due to inadequate career development opportunities in Japanese overseas subsidiaries (A3; Yu and Meyer-Ohle 2008). Agents and young employees also reported that students decided to move to Japan because of difficulties finding work in their home countries. This was especially the case for young employees from Korea and China, two countries with very competitive labor markets. Yet, Japanese companies, with the help of brokers, have increasingly been shifting their focus to countries like Indonesia, Vietnam or Myanmar, which have a smaller graduate base. Here the explicit focus on students from the very top universities might indeed raise concerns over of a brain drain.

9. Conclusion

In this article, we have looked at the case of the recruitment of foreign fresh graduates by Japanese corporations for their operations in Japan to analyze the role of brokers in qualified worker mobility.

Overall, focusing on recruitment intermediaries and therefore the meso-level has allowed us to develop a more nuanced understanding of the complexities in the evolution of a new migration trend. To make our arguments, we first referred to the LMI literature to identify the functions that brokers play, showing how they exploit information imbalances and create efficiencies for both employers and employees. We then, building on the notion that characteristics of markets change over time and that migration trends develop their own dynamics, applied a dynamic perspective to analyze broker activities. With the hiring trend reaching some maturity, we identified first indications of alternatives to brokerage developing, such as migrant networks and employers acquiring skills by themselves and brokers consequently looking to change and enhance their roles to stay relevant. These developments are similar to those pointed out in the general literature on migration. Finally, we discussed what we consider to be the particular important roles and characteristics of brokers within Japan's CME and reflected on some ethical issues. Overall, we demonstrated that in qualified labor migration differences in employment systems between emigration and immigration countries need to be given proper consideration. In circumstances where employment systems differ significantly, we propose that the meso-level takes on a particularly important bridging role. Moreover, while we have not found evidence of a high-level strategic alignment of actors at the different levels, we did find evidence of coordination. Brokers link the micro- and macro-levels by involving the various stakeholders in their activities.

The systematic recruitment of foreign fresh graduates for employment in Japan is still a fairly new trend and therefore not all questions could be answered conclusively. With Japanese companies focusing on the employment of fresh graduates and development paths being slow in Japanese corporations, it will take several years until large numbers of employees have reached the stage where they are up for promotion to leadership positions. It also needs to be seen whether they will stay with companies, will move to other companies in Japan, or will move back to their home countries, thereby contributing through their skills acquired in Japan to local development. We believe that these will be important questions for Japan-specific migration research. As for a general migration research agenda, investigating the roles of brokers in dependence on differences in employment systems between emigration and immigration countries appears to be a fruitful avenue for further empirical work and theoretical conceptualization.

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Appendix

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 with potential employees (S)
3	Firm that has been 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 that has been set up around the recruitment of Japanese students studying overseas and foreign students in Japan and abroad (L)
8	Firm 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 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	**n = 33**	**Industry**	**n = 33**
Chinese	16	IT/ Communication	8
Korean	5	Electronics	6
Singaporean	6	Finance	5
British	3	Trading	4
Other	3	Retail	2
Gender	**n = 33**	Chemical	2
Male	14	Consumer Goods	2
Female	19	Other	4
Highest Degree	**n = 33**	**Contact Method**	**n = 33**
Japanese University	15	Company not involved	29
University Overseas	18	Company involved	4