

JAC Recruitment JAPAN

Development of Our Offices in Japan



* The numbers assigned to each office indicate the order in which the offices were established.

It has been 37 years since JAC Recruitment began to expand into Japan. Let us take a look at how our network of offices within Japan has been expanded and enhanced.

So, how has JAC Recruitment expanded into Japan's regions, and what kind of social role has it fulfilled there? This is a round table discussion among some executives and employees who have much experience of the days when JAC Recruitment's regional offices were being rolled out. Here, they talk together about how these regional offices were developed, and about the activities being carried out there to revitalise their regions.



Masahiro Oishi
Senior Sales Director, West Japan
(Former branch manager of the Osaka Office)



Takashi Shimoshiba
Senior Manager, West Japan Business Administration Division
Senior Manager, Business Promotion Division
(Established the Kyoto Office as branch manager)



Yuka Hattori
Deputy Senior Manager, Executive Search Division
(Former branch manager of the Kyoto Office)



Yuichi Hongo
Deputy Senior Manager, Osaka Executive Division
Deputy Senior Manager, Osaka Division 1
(Established the Chugoku Office as branch manager)

How we kept the need for collaboration in mind when expanding into Japan

What is the story behind the development of the Japanese offices?

Oishi: In 1988, we at JAC began our expansion into Japan, setting up our Head Office in Tokyo first, before establishing our Osaka Office in 1993. These two offices were set up with the intention of establishing a firm foothold in Japan's two main centres of economic activity as a starting point. We then went on to establish the Kyoto Office and Yokohama Office in 2002, followed by the Nagoya Office in 2004, and the Fukuoka Office and Kobe Office in 2006. Most people would assume that Nagoya should be third in line after Tokyo and Osaka; at JAC, however, we focused on Kyoto, Yokohama and Kobe first.

Shimoshiba: I was involved in the establishment of the Kyoto Office. The reason we expanded into Kyoto and Yokohama before Nagoya was that establishing offices in the areas around Tokyo and Osaka would make collaboration easier. These two main economic zones of Japan were to serve as the starting points for the steady expansion of our business.

In addition, the decision to set up new offices in Kyoto, Yokohama, Nagoya, Fukuoka and Kobe in such a short space of time was prompted by the fact that JAC at the time was hoping to be listed on the JASDAQ market. This was a period when the business we had carried out up to then was starting to undergo many changes—including the recruitment of new graduates and the start of our dispatch business—and expanding our office network was set out as one of our growth strategies for achieving a JASDAQ listing.

Oishi: Yes, this was definitely a time when we were working

proactively on expanding the scale of business operations. Incidentally, the establishment of the Nagoya Office in 2004 was triggered by the Expo 2005 Aichi, Japan. The background to this was our desire to expand our dispatch business.

When market changes were made to the first section of the Tokyo Stock Exchange in 2015, this prompted JAC to develop a series of new offices—the Shizuoka Office, the Chugoku Office and the Kita-Kanto Office—bringing us to the network of 13 offices (including the Tokyo Head Office) that it has today. As it has expanded this network of offices, it has been mindful of which regions feature clusters of companies that are in the process of expanding their operations overseas in order to make the most of its strength.

Hongo: At the time, I was working on developing Hiroshima and Okayama as part of a process of expanding the Kobe Office into its wider area. As this development got underway, it looked as though we would be able to expect increased demand in this area to an extent, so we started up the Chugoku Office development project, establishing a branch preparation office in July 2014. Getting the Chugoku Office successfully started up as part of an extension of our development of the Kobe Office was an experience of immense value.

Shimoshiba: The way this happened—with employees working on the ground being able to drive forwards the movement of the company as a whole—is a distinctive feature of JAC, I think. In fact, when the Kyoto Office was being set up, a notice was put out saying “Please put yourself forwards as a candidate if you would like to be branch manager”. After seeing the notice, I said I'd like to be considered. When I bring this story up during recruitment interviews, candidates often tell me how JAC's corporate culture—of open-mindedness and the spirit of challenge—strikes a chord with them.

That said, staff numbers are always going to be lower at regional offices, which makes management a difficult task. I personally experienced some tough times too. When things did not go well—for example, when our figures just would



not improve—we would look at things from a management perspective and try reshuffling our staff, changing our approaches, going back to first principles to see things from the customer's perspective, whereupon our figures would creep up just a little... We had to go through this cycle again and again, and gradually building up this kind of experience as part of a financially independent organisation in this way is an experience of immense value.

Hattori: Working on the ground as an employee can offer some amazing experiences. Within the “small pond” that is a regional office, there are all kinds of things going on. There are issues with customers, there is HR development within the office, there is a corporate culture to be created...You are continually being called upon to deliver results, and you feel a tremendous sense of motivation, which is what makes the job interesting.

How JAC's strong points as a company expanding overseas are being deployed in the regions of Japan

What is JAC's role in the regions?

Hattori: I feel that there is real value for society in the way we can reliably deliver outstanding human resources to companies in regional areas of Japan.



When customers from regional companies ask our competitors to introduce human resources, for example, these rival firms sometimes say “Well, there aren't many people who are prepared to come to regional areas, so could you reduce your demands in terms of the skills you expect?” At JAC, however, we provide carefully tuned support to such customers, saying “Although there are fewer eligible candidates, we'll make sure we approach them for you without fail”. We are able to do this because we have a network of offices overseas, and a fully comprehensive database in Tokyo. To put it in concrete terms, we have quite a lot of information on candidate needs, in terms of what kind of family structures tend

to be found among candidates who want to return to their hometown regions. In the past, Japanese human resources who were stationed in overseas posts often faced many difficulties to do with their children's education; for their next career move, therefore, some of these candidates may hope to transfer to a workplace in a regional area of Japan where the ideal high school for their child is to be found. Some families may seek to move to where they were born and raised—an “I-turn” move (when candidates seek to leave cities to move to rural areas)—because family circumstances necessitate a move to the wife's hometown. We make full use of this kind of information as we work closely with regional companies and people who are looking for new jobs, enabling us to create detailed offers that take advantage of both I-turn and U-turn moves (when candidates seek to return to hometowns which they previously lived in). This approach to recruiting is the kind of thing only JAC can do.

Oishi: Proposals based on U-turn and I-turn moves are of enormous significance in terms of revitalising regions. So you could say that JAC plays an important role in the future of the regions.

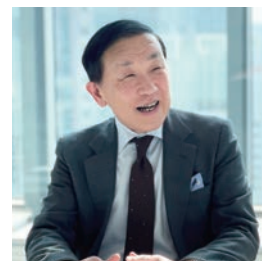
Hattori: In particular, I think JAC's ability to introduce human resources who can fill the most important positions in regional companies, including in the directorial class, has an especially important impact on the regions. When people like these are introduced into regional companies, they can bring about changes in the decision-making processes there; if this then engenders all kinds of positive changes, including accelerating moves to expand operations overseas and helping to build up good performances, this in turn can also strengthen trust in JAC among the regions. And so a win-win cycle can be generated. One outstanding feature of JAC's regional offices is the exceptional number of customers that they've worked with for 10 years or more, perhaps because they've done a good job of delivering value in this way. I am very proud of JAC's unique role as an agency capable of ensuring that the changing lifestyles of people are matched with the needs of companies undergoing global expansion.

Oishi: Our management policy at JAC is: “Introduction of candidates should be based on the deep level of understanding



that is developed through the company listening directly to the people working on the ground”. The important thing is to be deeply rooted in your region, to work closely with regional companies, and to anticipate their needs as you go about your job.

Hattori: When it comes to the question of how relationships of trust are to be built with regional companies, one thing that comes to mind is the fact that JAC did not pull out of the regions following the collapse of the Lehman Brothers. As the recruitment industry is highly dependent on the economic climate, it's very tough to keep our offices going during an economic downturn; however, you can't build a relationship of trust with your customers if you take the attitude that “We'll set up offices when times are good, and then leave when the economy is bad”.



Shimoshiba: From the start, it was commonly understood throughout the company that retreating and then expanding once again would be very hard work. So we adopted the mindset of “We just need to hold on, no matter what it takes”.

Hongo: I remember how we had to reduce staff numbers at some branches after the collapse of the

Lehman Brothers.

Hattori: As Mr Hongo says, staff numbers fell by about a third across all offices. Nevertheless, we did not pull out of the regions. Our customers were struggling, but our consultants tried to stay by their sides as much as possible. I believe that the way we stuck with our customers and worked with them to overcome all sorts of problems is all the more reason why JAC of today is growing and enjoys such trust from our customers. Going forwards, we will keep our network of regional offices going, as a lasting feature of JAC.

Growing with our regions:

The mission of our Japanese office network

What is our vision for the Japan of the future?

Hongo: The question of how to revitalise regional areas is an issue not only for the regions themselves, but for the whole of Japan. With outstanding human resources heavily concentrated



in Tokyo, government policy aims to have some of these move out into regional areas. “Professional HR strategy hubs” have been in place around since 2016, as an effort for revitalising the regions. JAC is contributing to regional revitalisation at this kind of policy level too.

In Hiroshima, which is part of the responsibilities of our Chugoku

Office, the prefectural governor in charge at the time put considerable effort into this initiative; JAC, meanwhile, held meetings around once a month with the Hiroshima prefectural government, where we discussed which company managers in Hiroshima should be approached and in what way. During these meetings, the prefectural government created lists of all the Hiroshima companies wanting human resources; as we

approached these one by one, this became an important starting point for building connections with the companies that represent the prefecture. I feel that forming connections with local governments, chambers of commerce, banks and the like, and responding to labour shortages in the regions, are part of the role of our regional offices.

Oishi: These kinds of connections are even more important for regional offices than they are in the major urban areas. At our Kobe Office, if I remember correctly, JAC has helped to create more opportunities to bring foreign affiliated companies together. If JAC becomes an organiser that helps customers connect with each other, the awareness of JAC will increase in the area. It will also raise expectations that we are an agency that focuses on the area, so I think it is very important to create opportunities.

Hattori: I'd like to talk about this from a different perspective for a moment. Many regional companies are owner-operator companies; inevitably, we frequently receive inquiries about the issue of business succession.

Oishi: Without a doubt, those sorts of inquiries are even commoner in the regions than they are in Tokyo.

Hattori: When you are planning to hand a company on to your children, what kind of advisers can you find from outside? Or should they shore up their human resources from inside the company? These are the sorts of inquiries we receive. That said, it is not always easy for recruitment consultants to offer proposals for all of these questions.



Hongo: Yes, I do feel that business succession is probably the greatest worry of all for regional companies. In some cases, even if a successor to take on the business can be found, things may still not go well for the business due to inability to secure employees in the next generation. Witnessing this situation for ourselves, we know that our business at JAC—recruitment—is directly connected with business succession and with resolving the issues involved in keeping businesses going. Our regional offices are places where the consultants themselves have a keen sense of how important this issue is as they work, and we hope to help our regional businesses expand as much as possible.

Shimoshiba: To further revitalise the regions going forwards, I think the independent initiatives that we are undertaking in the various regional areas need to be shared more widely. I believe it would be good to focus more on these different initiatives and get everyone more excited about them. This can help our regional offices to further improve all the various abilities that will help them with their key mission of working closely with and contributing to the regions: negotiation skills, ability to break open new fields, management abilities and so on.

Oishi: After all, there is a stronger desire to improve the situation and revitalise in local cities compared with the major urban areas. When doing business in regional areas, we at JAC must never forget that we are there to fulfil these visions. What's more, by doing our utmost to support regional firms, JAC itself can grow too, as a company that Japan needs. I believe that pursuing these possibilities is the mission of our Japanese office network.