



The adoption of Japanese recruitment practices in Malaysia

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Received 21 December 2006

Revised 26 April 2007

Accepted 26 June 2007

Abstract

Purpose – The objective of this research is to examine to what extent Japanese recruitment practices are introduced and practiced in the auto manufacturing companies in Malaysia, since the implementation of the Look East Policy.

Design/methodology/approach – The process involves the gathering of both primary and secondary data, but the main method is a primary data survey. The approach is to target local enterprises as much as possible in the collection of primary data through a set of questionnaires, as well as in-depth interviews with the human resource (HR) directors and some employees of each company.

Findings – It appears that the Malaysian manufacturing companies have not designed their recruitment practices after those of the Japanese. There is no one single model of recruitment practices operating in Malaysia, either among Japanese joint ventures or local enterprises. However, the findings do suggest the existence of some consistent sets of recruitment behavior among the companies, though it cannot be said with much confidence that these patterns are indeed representative of Malaysian recruitment behavior.

Research limitations/implications – Research has been limited to the manufacturing industry only.

Practical implications – HR practitioners can use the outcome of the study to gauge the adaptability of certain elements of Japanese recruitment practices to the Malaysian workplace.

Originality/value – This paper offers an insight into the applicability of Japanese recruitment practices and offers practical help to HR practitioners embarking on new recruitment policies.

Keywords Recruitment, Manufacturing industries, Japan, Malaysia

Paper type Research paper

Introduction

Considering the fact that more than 20 years have passed since the implementation of the Look East Policy (LEP)[1], the extent of Japanese-style management introduced and practiced in Malaysian companies should be reflected in the management policies of Malaysian companies. The objective of this research is to examine whether Japanese recruitment practices are introduced and practiced in the manufacturing companies in Malaysia, since the implementation of the LEP. This paper gives an insight into Japanese recruitment practices during the period of continuous business growth and the adoption of these practices by some of the manufacturing companies in Malaysia. It offers practical guidance to human capital (HC) practitioners embarking on new recruitment policies. Japanese recruitment practices have made it possible for companies to carry out their other human capital management (HCM) policies, such as comprehensive HC development, internal and seniority-based promotion, mentor-mentee system, *kaizen* and job rotation. With Malaysia's efforts towards



continuous economic growth, and the positive effect of Japanese recruitment practices on other aspects of HCM, adopting Japanese recruitment practices would be significant. The main aim here is to explore whether Japanese recruitment practices are implemented in Malaysian enterprises irrespective of whether there are Japanese interests in the companies.

Characteristics of Japanese recruitment practices

Recruitment channel

Traditionally, in large Japanese companies (i.e. those with over 250 employees), the main source of new labor is the routine hiring of new graduates from colleges and universities each year[2]. These companies build up their relationships with colleges and universities over the years, maintaining close ties with their alma maters and pushing hard to recruit its students each year[3]. New recruitments, each spring, are based upon long-range and medium-range business forecasts and expected rate of retirement. Although new recruitment has been the norm in Japanese hiring practices, mid-career recruitment has surfaced in recent years, especially in large corporations[4]. If it is necessary to hire employees with special skills, techniques, knowledge, experience, etc. they are sought in the general labor market. However, these are exceptional cases, especially among large companies. The job of the HC Department is to find a suitable employee within the company, as the objective of recruitment is to find an employee who can build a long-term relationship with the company[5]. Thus, in Japan, recruitment decisions are of strategic importance; companies earnestly try to persuade outstanding students to join them.

Typically, the large companies are interested primarily in candidates from the best schools. According to a pertinent study, employers preferred graduates who were willing to work for the companies, with an emphasis on employing the established university graduates who held membership of sport clubs teams. Employers assumed these graduates were smart in a general way as well as trained in vertical personal relationships (Kishita, 2006). Therefore, intelligent and hardworking graduates of first-tier universities, especially those who have had experience with school sports club activities, are highly appreciated. Graduation from one of the better-known universities or high schools is taken as a sort of guarantee for the applicant's overall acceptability[6].

Recruitment process

For recruiting college graduates, methods such as recommendation by professors, company job fair/seminar and job search info-zine/job search web site are widely used. When hiring new college graduates, points considered important are enthusiasm and ambition (clerical, technical/research, and non-clerical), general common knowledge, good education, cooperative spirit and sense of balance (clerical positions), technical knowledge and skills (technical/research positions) and drive and executive ability (non-clerical work). A survey carried out by the Japan Institute of Labor (2003a) shows similar results, with focus being placed on ambition towards work, attitude and competency, fundamental ability and aptitude, and stamina and good health. Attitude, competency, fundamental ability and aptitude were considered important for humanities-related jobs, while technique, skills, and knowledge were considered important for science-related jobs.

Recruitment practices of four-year university graduates of the humanities and social sciences differ from those of the natural and physical sciences. The norm for the recruitment of university graduates of the natural and physical sciences is either a recommendation by the student's academic advisor, or a request to the advisor from the company for introduction of a student. The hiring of university graduates of the humanities and social sciences starts with a request for materials from various companies during their junior year. Students attend seminars conducted by these companies to gather more information before proceeding to written exam and interview. After two or three interviews successful candidates will be given conditional job offers, normally between May and July. For most companies, job offers are given after much deliberation. However, research by the Japan Institute of Labor (2001) shows that the decision period for some companies is becoming shorter.

In recent years, the convenience of the internet for job search has drastically changed the job-hunting process of university graduates of the humanities and social sciences. Students do not depend so much on company-made brochures for organizational information, but on the company's homepage instead. Applications for events such as company information sessions can be made online. The use of private-sector portal web sites for job-hunting is also becoming increasingly popular. However, this is restricted to large enterprises, as small and medium-sized businesses make a limited use of the internet for recruitment[7]. Another new trend is internship programs carried out by government and public offices as well as companies, where students spend the summer vacation of their junior year working at companies. Although the number of students who have done internships is increasing rapidly, it is still about 30,000 for all of Japan, due to companies' limitations on the number of people that they accept (Ministry of Education, Culture, Sports, Science and Technology, 2003).

On the contrary, for mid-career hires the most common methods are public employment security office, "help wanted" advertisements, fliers in newspapers and personal connections (Ministry of Health, Labor and Welfare, 2001). Job experience (management and clerical categories), technical knowledge/skills and job experience (technical/research positions), and enthusiasm, ambition, good health and stamina (non-clerical workers) are the most desired attributes. The purpose is to make use of ready skills and abilities of management and technical/research candidates. Clerical and non-clerical mid-career workers are often hired to fill vacancies left by retirees. While small and medium-sized companies are increasingly looking for workers in mid-career, large enterprises too are quickly coming to strengthen this trend of hiring mid-career experienced workers. As far as hiring of company directors is concerned, the emphasis will be on hiring mid-career workers. However, research shows that the hiring of mid-career workers has remained the same over the years[8]. On the other hand, the recruitment of new hires without work experience, such as new graduates, fell slightly from 7.0 percent in 1992 to 5.7 percent, an extremely slow change.

Change of approach to recruitment

To remain competitive, Japanese corporations are changing recruitment practices drastically where people with special skills are desired[9]. Additional to colleges and universities recruiting, many companies are using recruiting agencies, mid-career hires, and temporary employees[10]. As for foreign companies, recruiting channels

such as word of mouth, recruiting agencies[11], and advertisements are more common. In addition, foreign companies have had to rely heavily on using temporary employees, poaching employees from other companies, Japanese returnees and others from abroad, and, where justified, expatriates, as on the whole, colleges and universities recruiting was not very useful for them.

Thus, although traditional practices continue to dominate[12], more and more companies are beginning to experiment with unconventional employment methods such as mid-career hiring, lateral hiring from other Japanese companies, outsourcing for special skills, as well as increased use of temporary employees and “freeters” (employees who juggle outside assignments). Recently, many firms have hired temporary workers in a wide range of areas, partly because they are capable of doing jobs formerly done by permanent workers. To keep up with the changes, Japanese people, in general, are beginning to develop more flexible attitudes toward obtaining employment. As a result of the economic situation, some recent graduates have taken temporary jobs, including assignments that are limited in length[13], but these jobs can develop into something more permanent if the students perform well and show initiative.

Characteristics of Malaysian recruitment practices

In Malaysia, recruitment is carried out whenever a vacancy arises. Great emphasis is placed on past experience, as little training is given in the course of the job. Most companies prefer to employ experienced workers rather than train up new staff. However, in recent years some companies have been recruiting directly from schools, colleges and universities. Some of them were recruited when they were still in the final year of their studies. However, unlike Japan, there is no long-term employment policy and it is common for workers to hop from one job to another, seeking greener pastures. Many Malaysians workers are willing to take challenges for the sake of their career. Besides, routine work due to limited job rotation and a tendency for specialization of jobs or skills encourages job-hopping. Therefore, aggressive workers will move on and with their experience, the next company is more than willing to take them. Companies, therefore, are not too willing to undertake costly training programs, as the turnover can be rather high, especially among production workers.

As far as recruitment and hiring are concerned, there seems to be no set pattern. There are striking differences in the implementation style of the hiring practice, in particular between the foreign and the local multinational companies (MNCs) (Chew, 2005). Recruitment is conducted when needed on an *ad hoc* basis (Chong and Jain, 1987; Thong, 1991; Lim, 1991; Putra, 1993). The general practice is to hire employees who have experience from other companies. Western MNCs, in particular, have “deep pockets” that enable aggressive staffing and poaching. They place great emphasis on the person and organization fit in recruitment. Similarly, Japanese MNCs have also started to emphasize the person and organization fit in the selection process (Chew, 2005). Even though recruitment of new graduates was once much emphasized, most Japanese subsidiaries are currently guided by real time HC needs and vacancy openings. External hiring takes place when suitable candidates from within are not available. The new hiring strategy is a departure from the seniority systems in which work experience is valued before entry, and the base salary is competitive with the market rate[14]. Local MNCs tend to emphasize person and job fit in recruitment,

congruence between the demands of the job and the needed skills, knowledge and abilities of a job candidate (Edwards, 1991). Furthermore, talented cadres in Malaysia seem to gravitate to foreign-owned firms (Chew, 2005).

Methodology

This paper addresses the question of whether manufacturing companies in Malaysia have adopted some of the Japanese recruitment practices implemented by companies in Japan during the period of strong economic growth. This is done by analyzing survey-based data sets obtained from samples of Japanese and locally owned firms in the same sector or industry, as well as from local enterprises, with or without foreign capital, in different industries. For the first analysis, research on auto manufacturing companies was carried out. This is because it is a growing industry in Malaysia and most of these companies have Japanese interests. As Japan is a major auto manufacturing country, a comparative analysis of its recruitment practices would be incomplete without analyzing the auto manufacturing industry. Here a comparative study was made between a Japanese auto manufacturing company and three other local auto manufacturing companies (set up before the LEP) – two with Japanese interests and one fully Malaysian-owned.

For the second research, four manufacturing companies – two manufacturers and suppliers of chemical products; two manufacturers and suppliers of electrical items and components – were used in the analysis. This research is carried out to see if Japanese recruitment practices are also evident in other industries besides the auto manufacturing industry. These companies, especially in electrical and chemical manufacturing, sprang up after the launching of the LEP. This part of the research attempts to show that the adoption of Japanese recruitment practices in these companies is more intense as compared to the auto manufacturing companies, which were mostly established before the introduction of the LEP. Ownership of the companies is as shown in Table I.

The objective of both researches is to examine whether Malaysian companies have adopted some Japanese recruitment practices since the implementation of the LEP. Since it has been more than 20 years since the LEP was first introduced to Malaysia, adoption of the Japanese system of recruitment in the local enterprises would be expected to be significant. The approach is to target local enterprises as much as possible in the collection of primary data through a set of questionnaires. As a basis for the research of Malaysian recruitment patterns, this study uses Japanese organization behavior as a reference point, because Japanese management is already well

| Name of organization | Ownership |
|-------------------------------|--|
| J Motor Corporation (JMC) | 100 percent Japanese |
| M Motor Corporation (MMC) | 100 percent Malaysian |
| MJ1 Motor Corporation (MJMC1) | Malaysian-owned with some Japanese interests |
| MJ2 Motor Corporation (MJMC2) | Malaysian-owned with some Japanese interests |
| J Corporation (JC) | 100 percent Japanese |
| A Corporation (AC) | 100 percent American |
| MJ Corporation (MJC) | Malaysian-owned with some Japanese interests |
| MA Corporation (MAC) | Joint venture between Malaysia and America |

Table I.
Ownership of companies

established as a research topic, unlike Malaysian management. Data were collected through a questionnaire survey as well as in-depth interviews with the HC director or manager and some employees of each company. Questionnaires written in English were mailed out to a few manufacturing companies. To facilitate a larger return sample, the questionnaire was kept short and simple. It is also structured with an answering scale for early response.

At the first meeting with the HC Department, the theme, purpose, general outline, method, and details of this study were explained. Three requests were made: to complete the questionnaire, to obtain permission to interview the HC staff and to obtain permission to privately interview company employees – managers, engineers and clerical staff. Interviews were carried out in a private room and lasted for an hour to an hour-and-a-half. Tape recordings of each interview were made. Notes were also taken during the interview and after each interview a summary of each interview was drafted. Then, the taped interviews were transcribed into written form. Answers from the questionnaires were compiled, summarized and compared. The answers to questions relating to a similar topic were tabulated in a series of tables to identify key trends. Overall emerging themes were then identified and these results were used for the writing of this paper. The research findings will be presented in greater detail in the following section.

Results

The questionnaire sent to the companies under survey and the interviews with some of the executives reveal the following findings. Specifically, the recruitment channel, the recruitment process, criteria in recruitment and probation after recruitment are discussed.

Recruitment channel

As for JMC, recruiting new graduates directly from schools and colleges or universities (routine hiring) seems to be the main policy (Wakabayashi, 1980). Although most graduates in Japan start work at the beginning of April, JMC's new recruits already have semi-official employment contracts with the company in their last year of school education. Like other companies in Japan, job seekers in the local labor market are taken up first. Recruitment from the foreign labor market is usually done through an agent and not directly. The company recruits the disabled and young people as well. The company expects the male employees to stay in the company until the compulsory retirement age and female employees to retire when they marry or have babies. This is consistent with research carried out in the past (Abegglen, 1958; Dore, 1973; Schein, 1987; Morishima, 1995).

As for the Malaysian enterprises, recruitment is conducted when needed on an *ad hoc* basis. All the companies, including JC, which is 100 percent Japanese-owned, do not practice Japanese style of recruitment. This is consistent with research findings that noted the difficulty of introducing conventional Japanese HCM to overseas operations (Heise, 1989; Yoshihara, 1989; Kopp, 1994; Kawabe, 1991). An interview with the senior HC manager reveals that recruitment in the company is an ongoing process. Applicants are mostly candidates that have completed their studies. Companies are not too keen to consider applicants who have not graduated, as successful candidates are expected to fill the vacancies almost immediately. A policy of recruiting directly from

schools and colleges/universities is also practiced, though not extensively. In response to the Government's move to promote a caring society, recruiting the disabled and the young is also practiced in some of the companies. MMC has one limping employee and MJMC1 has 35 employees with hearing disability. However, all the other companies surveyed have yet to absorb any disabled or young workers into their organizations.

Whether someone new or experienced is preferred depends on the vacancy to be filled. Except for MJC, all the other companies have a mixed recruitment policy of recruiting both new graduates and experienced staff, especially as production workers. MJC's policy is to take in qualified and experienced staff as far as possible. MAC, on the other hand, recruits new graduates from college or university for its operation staff and trains them in a one-year qualification program. After reaching a certain stage, they move on to the next stage of training. As for managerial and administrative staff, experienced and professional personnel are given priority during recruitment. In all the companies, the emphasis is on recruiting locally, and foreign workers are taken in to fill competency gaps or labor shortage. The expatriates are recruited mainly for their expertise and will leave once transfer of knowledge has taken place.

Recruitment process

In Japan, it is rare for companies to source workers through newspaper advertisement. At the time this research was conducted, the policy of JMC is to screen potential candidates who have applied during the annual recruitment period for new recruits. On the contrary, in Malaysia all the companies surveyed sourced candidates through newspaper advertisement, in-house advertisement, or simply by word of mouth. Applicants normally write in formally, and if they fulfill the requirements an interview is conducted. Walk-in interview is also a common form of recruitment, especially for operation staffs. Another common practice is through staff contacts. For example, in the "Employee Gets Employee Scheme", MJMC1 gives preference to relatives of employees during recruitment. However, recruitment in JMC is not largely based on family ties. In recent years, some of the companies advertised on the internet as well. Although job vacancies are not advertised on the companies' web sites, advertisements are placed in JobStreet and JobsDB. Other forms of recruitment include setting up recruitment booths, recruiting directly from the universities, and advertising on the local radio network, employment agencies, and headhunters. Potential candidates may be called back for a second interview and in most corporations no test is conducted. No guarantee is needed in most cases.

All the companies also rely on internal deployment regardless of whether it is for a new position or to fill in a vacant position. On approval, the HC Department will proceed to source a suitable internal candidate based on the requirements specified by the line manager; failing which they will recruit externally. Internal candidates could be self-nominated or recommended by the superiors. Vacancies are normally advertised in the intranet or in e-mails. Once the candidates have been identified, discussions will be held with the line manager to select the most suitable candidate for the job.

In all the companies, competence-based recruitment is practiced. Competencies required for the job and person specification are clearly stated. The selection process is also rather stringent and there are various stages of screening to ensure high quality hires. Normally, the initial screening would be done by the HC Department, after which

shortlisted candidates would be forwarded to the line manager for a second screening. Candidates shortlisted by the line managers would then be returned to the senior manager of the HC Department who would then call the shortlisted candidates for an interview. For each position an average of about 20 applications would be selected and forwarded to the department concerned for a second screening. In the second screening, eight to ten candidates would be selected by the department for the first interview. Normally, three candidates would be called for a second interview.

The interviewing process in all the companies is structured with much emphasis on the performance of the candidates during the interview. The focus is on the evaluation of knowledge, skills and attitudes, with a great emphasis on the attitudes of the employees[15]. Structured questions prepared in advance by the interviewing panel are used to test the hard and soft competencies of the potential recruits. There are three to seven members in the interviewing panel, which normally includes the senior manager of the HC Department and the line manager who requested for a new recruit. There is much objectivity as scores would be awarded to each question based on a standard score format[16]. With panel interviews, bias is much reduced and the possibility of recruiting the right person for the job is enhanced. Besides selection tests, some companies conduct a second interview to reduce the possibility of recruiting the wrong person for the job.

Criteria in recruitment

Much emphasis is placed on assessing the personal traits of potential candidates, such as personality, initiative and attitudes. Although knowledge and skills are important, all the companies place priority on the soft skills of the candidates. Performance at the interview is important and is one of the deciding factors in recruitment. Besides this, all potential candidates must meet the minimum education qualification set by the company. Some of the companies also take into consideration training undergone by the candidates. Participation in co-curricula activities is also another criterion. To further enhance the metrics in recruiting, none of the companies practiced nepotism or cronyism, although some of the companies showed some flexibility in this respect. There are no racial quotas even though the ratio for each race is proportionately different.

Although qualification is an important criterion in Japanese recruitment system, qualification is not as important as was previously thought in Malaysia. Prevailing opinion suggests that Malaysia is a “qualification society” and companies place great emphasis on qualifications during recruitment, but interviews with the HC practitioners in all the companies surveyed except for MAC proved the contrary. As far as JC is concerned, it is the attitude of the candidates rather than academic achievement that counts. However, a basic minimum qualification is necessary. As far as MJC is concerned, qualification is only theoretical, but human skills are necessary, for example, in negotiations.

Thus, qualification is not really an important factor in recruitment, unlike in Japan. Companies tend to look more for experience than for qualification in recruitment. In the companies surveyed, only 16 percent of the employees have tertiary education. If there were a choice between someone experienced and someone new, the company would prefer not to take in the new candidate, especially at management level. With the experience of the older candidate, it is just a matter of adapting and familiarizing with

the new job. Similarly, for production workers, most companies prefer to take in experienced personnel who are able to do their jobs and are well versed in modern equipment at the time of recruitment. According to one of the HC practitioners, without the right exposure and experience, one with a paper qualification from even the best university may not be able to carry out the job. Japanese corporations, however, prefer to recruit new graduates and then give them intensive training. An analysis of the career history of the companies surveyed reveals that most of the senior employees have vast experience in other companies prior to joining the present organization. For example, both the senior managers and managers have an average of 12 years experience prior to joining their present organizations. Similarly, unlike in Japan, graduating university is not so important in Malaysia, even though there is a tendency to take in graduates from foreign universities. However, the notion of giving priority to overseas graduates does not exist in all the companies surveyed. They are recruited mainly for their overseas exposure and their ability to adapt.

Probation after recruitment

Unlike JMC, where there is no probation period for new recruits, all successful new recruits in the other companies are given a trial period ranging from three to nine months. MMC requires a probation period of nine months for managerial personnel, three months for production workers and six months for those above production levels[17]. As for MJMC1, probation period for new recruits varies from three to six months[18]. Although there is a Japanese interest in MJMC1, it does not follow the Japanese management system where probation period is not widely practiced. Similarly, MJMC2 requires new recruits to go through a three-month trial period which will be extended for another three months if they fail to meet the expectations of the firm during the trial period. All the other companies surveyed also have a probation period ranging from three to nine months. Thus, probation period after recruitment is a common feature in most Malaysian companies. The main reason for this is that not much training is conducted for new recruits. During probation, new recruits will need to prove that they are capable of getting on with the job even without much training. The probation period for all the companies surveyed is as shown in Table II.

In comparison with the results of a survey by the Malaysian Employers Federation on probation period for executives and non-executives in Malaysia, it can be concluded

| Probation period | MMC | MJMC1 | MJMC2 | JC | AC | MJC | MAC |
|-----------------------|-----|-------|-------|----|----|-----|-----|
| <i>Executives</i> | | | | | | | |
| 3 months and below | | | / | | | | |
| 6 months | / | / | | / | / | / | / |
| 9 months | / | | | | | | |
| 12 months | | | | | | | |
| No fixed policy | | | | | | | |
| <i>Non executives</i> | | | | | | | |
| 1 month | | | | | | | |
| 3 months | / | / | / | / | / | / | / |
| 6 months | | / | | | | | |
| No fixed policy | | | | | | | |

Table II.
Probation Period for the
Companies Surveyed in
Malaysia

that all the companies surveyed followed the general policy of most of the other companies in Malaysia as far as probation period is concerned. For executives, the probation period is normally under six months, while for non-executives it is three months. However, none of the companies surveyed revealed that they have no fixed policy.

Discussion

As far as recruitment is concerned, companies in Malaysia still recruit on an *ad hoc* basis. Similar findings were also found by past researchers (Chong and Jain, 1987; Thong, 1991; Lim, 1991; Putra, 1993). Routine hiring is rarely carried out, although some companies do source staffs periodically at job fairs and universities. Routine hiring, as practiced by Japanese enterprises, will help reduce unemployment among new graduates. This systematic hiring practice could be considered by Malaysian enterprises. It can be carried out in Malaysia if the organization surveys the labor market and prepare the organization's long-term labor needs. However, as experienced personnel are readily available, companies do not take the initiative to undertake costly surveys on the labor market. Furthermore, most Malaysian enterprises do not have long-term training and development policies and most do not expect new recruits to stay on until retirement. Because of this, most Malaysian companies are not ready for elaborate and continuous training and development, which follows routine hiring. Although routine hiring is sparingly visible in the local labor market, it would still be a long way before Malaysian enterprises fully adopt Japanese recruitment practices.

The Japanese school year ends at the end of March and new school graduates are employed at the beginning of April. It is customary for Japanese students to go job-hunting during their final year at the college or university. Unlike Japan, most Malaysian graduates only start looking for a job after graduation. This is mainly due to the heavy workload in the final year and examination pressure at the end of the academic year. Moreover, companies are not too willing to consider candidates who have not graduated. Potential employers would be interested in the field of study of new recruits without any working experience. Besides, recruitment in Malaysia is on an *ad hoc* basis and successful candidates are expected to fill the vacancy almost immediately (normally at the beginning of the next month or at the beginning of the second half of the month). Students, therefore, find it very difficult to get a job before graduation. However, in recent years, companies have started taking in employees while the students are still in their final year. Some companies organized career seminars for final year students at the university and potential candidates may be recruited.

The recruitment of new graduates is a common practice in Japanese companies, although mid career hiring has surfaced in recent years. Companies in Malaysia, however, prefer experienced candidates, especially to fill vacancies in higher management. For lower executive and non-executive positions, new graduates are recruited, though experienced personnel are preferred. Foreigners are also taken in when their expertise is needed. As a result, new graduates may find it difficult to get a job, especially in times of recession. It is quite normal for graduates to wait for months before they are finally recruited. Besides, one of the common comments among HC practitioners is that universities are not producing graduates that meet industry needs. On one hand, there are jobless graduates, and on the other, industries compete to get

the most appropriate candidate for a job. Creating industry-university linkages would to a certain extent reduce this problem. As recruiting directly from schools and universities is beneficial to both the potential employers and employees, adoption of this aspect would be beneficial to Malaysian companies as far as recruitment practices are concerned. Companies take in new recruits after studying the needs and potentiality of the company. The possibility of over or under staffing is much reduced and companies have ample time to structure the course of the new recruits. Potential employees, on the other hand, could start work immediately upon graduation, thus reducing unproductive time or lapse period. Besides, recruiting new school graduates and long-term employment make it worthwhile to carry out training, especially now that the Human Resource Development Fund has made it compulsory to set aside funds for training. Appropriate training and long-term employment will lead to greater commitment on the part of the employees.

One of the reasons for hiring experienced personnel whenever possible is that Malaysian style of HCM does not put much emphasis on training and development. However, given the possibility of experienced workers hopping to another company, Japanese style of recruiting workers can be said to be better than that practiced by Malaysian corporations in the long run. Japanese recruitment policy helps retain its workers for longer period of employment and training and development programs could be implemented smoothly throughout the entire career of the employee. Adopting the Japanese style of recruitment would mean lower budget for recruitment, and the reduced expenditure on recruitment could be channeled to programs for staff development. Continuous HC development means greater commitment and greater returns for the company.

Unlike in Japan, new recruits in Malaysia are required to go through a probation period to prove their suitability for the job, and if they fail to perform, they will either be given an extension of the probation period or terminated. New recruits may not fit in or be capable of carrying on with the job immediately, and the probation period would help both the company and the new recruits to identify competency gaps. On the contrary, studies showed that there is no system of probation period in companies in Japan. This is partially due to the long-term employment policy in most Japanese companies, where new recruits are not expected to leave until retirement age (Sano, 1995; Morishima, 1995; Kato, 2001; The Japan Institute of Labor, 2003b). Furthermore, Japanese companies provide continuous training and development for new recruits through the entire career of the employee.

However, this is not practiced in Malaysian corporations, as companies do not find it worthwhile to spend excessively on training programs. Not much training is carried out for new recruits. Employees come and go and as long as the company does not have an effective way to retain its workers, it will not carry out extensive training programs. Training employees would involve large amounts of money and resources which most of the companies could not afford, as some companies may have to resort to big increments to keep staff from leaving. It was not until recently that funds are set aside for training with the enforcement of the Human Resource Development Act. The Malaysian government has placed a lot of emphasis on higher education and self-improvement in the last few years. With this, perhaps the Malaysian labor market would be more internalized and training up of new graduates may in turn lead to greater commitment and loyalty to the firm.

In a nutshell, similarities between Japan and Malaysia are found in the emphasis on giving priority to job seekers in the local labor market and on recruiting the young and disabled. Generally, there are more differences in the recruitment policies, and the obvious ones include routine hiring carried out in Japanese companies and the absence of probation period for new recruits in Japan. Other differences are not that glaring, as Japanese companies are also moving away from conventional recruitment practices, and the more contemporary recruitment policies are rather similar to those practiced in Malaysia. Among these are mid career hires and less emphasis placed on graduating universities.

Implications for HC practitioners in Malaysia

As far as the transferability of traditional Japanese recruitment practices to firms in Malaysia is concerned, the limited evidence from case studies suggests that most Malaysian corporations still adhere to the traditional method of recruiting on an *ad hoc* basis (Chong and Jain, 1987; Thong, 1991; Lim, 1991; Putra, 1993). One of the reasons for this is that most companies do not have long-term manpower planning. Therefore, it is not possible to carry out routine hiring as practiced by Japanese corporations. As recruitment is carried out when the need arises, Malaysian enterprises sometimes experience a limited choice of candidates. The successful candidate may not be the best choice for the job. At the same time, one looking for a job may end up with a job not of his choice or satisfaction. There would be wastage of HC skills if an unsuitable candidate were slotted for the job. All these will eventually lead to discontentment, and that is why job-hopping is common in Malaysia among the younger workers (Kawabe, 1991; Chin, 2003). Thus, as far as recruitment is concerned, routine hiring of new school graduates and long-term employment could be practiced. In addition, Japanese style of recruitment where potential candidates are subjected to a series of test makes it possible to select the candidate most suitable for the job.

Hiring on an *ad hoc* basis encourages job-hopping, as it makes it possible for young aggressive workers to change jobs for short-term gains and challenges. As a result, it is difficult to draw up long-term training programs. An employee will not hesitate to leave if there are better opportunities elsewhere even after obtaining training from the company. Similarly, a company will not hesitate to terminate the services of a non-performer. There is, therefore, a certain degree of uncertainty on both sides, unlike in Japan, where most new recruits join a company for good and concentrate on building their career with the company. Japanese corporations in turn are also more willing to carry out training and development for its HC, which eventually leads to greater returns. If companies in Malaysia were to carry on their present recruitment practices, effective long-term training and development would be too limited to achieve the company's goals and objectives. Progress in employee skills would be rather slow and this will halt the growth of the company in particular and the country's economy in general. Besides, there is no proper identification and organization of HC skills and poor dissemination leads to wastage of expertise. In short, Malaysia has a pool of skilled HC whose potential has yet to be fully tapped. If skills are properly identified and training is given to develop those skills, companies in Malaysia will be more competitive globally.

Besides the findings of the present research, other factors too affect the transferability of traditional Japanese recruitment practices to Malaysia. Among the

important ones are cultural factors. For example, the Japanese work ethics, such as expectations of loyalty to and identification with the firm, are vital in most corporations in Japan, but would be unacceptable to most workers in Malaysia. Their priorities are different from those of the Japanese workers. Malaysian workers place great importance on the family unit and would choose loyalty to the family rather than to the company. However, this does not necessarily mean that local employees of Japanese subsidiaries in Malaysia or employees of locally owned counterparts are not loyal to the companies they work for. In addition, companies in Malaysia have to cater for the Chinese, Malays and Indians at the same work place. Malaysian corporations are required to follow a quota system to include all the races in their recruitment policy. Ethnic and religious tensions mean that incompatibilities inevitably surface from time to time. This will result in a decrease in the satisfaction that workers derive from their jobs and may force some of the workers to leave involuntarily. Management must reduce such tendencies by exercising leadership and setting super ordinate goals with which all employees, regardless of their ethnic and religious background, can identify themselves.

Conclusion

To review the main findings and conclusions of this research, it appears that the Malaysian enterprises have not designed their recruitment practices after those of the Japanese, though there are some similarities. Hiring practices in Malaysia show a preference for experienced and professional employees during recruitment whilst Japanese companies prefer hiring new recruits, though in recent years Japanese companies have resorted to mid-career hiring as well. Besides, Japan practices long-term employment whereas in Malaysia new recruits do not think of working for their first employer throughout their careers. Job-hopping is quite common among the younger workers. In Japan, companies normally give training to new employees upon recruitment, but in Malaysian corporations new recruits are normally left to prove themselves during the probation period. Malaysian employers do not hesitate to terminate the services of a new recruit if he fails to perform during the probation period. This and other differences in the recruitment policies show that Malaysia has yet to adopt Japanese recruitment practices.

Considering that Malaysia openly pledged to emulate Japanese practices under the LEP after a period of superb economic performance by the Japanese economy, why then are companies in Malaysia not receptive to the Japanese recruitment practices? The reason perhaps lies in its limited applicability in the Malaysian environment. Japan with its homogeneous workforce does not have to deal with the multiplicity of races, religions and languages[19]. In addition, women in Malaysia seem to push for equality with men more intensively than their counterparts in Japan[20]. Besides, the increase in teleworking opportunities will provide greater job flexibility, thus encouraging more women to join the labor force. Thus, recruitment practices of companies in Malaysia have to look out more for objectivity where different people could compete on the same footing. Japanese management practices, which are designed for the male-dominated working environment, have limited applicability as far as this is concerned. However, if consideration is given to certain factors that counteract the application of Japanese recruitment practices in Malaysia, Japanese recruitment techniques with slight modifications can be successfully introduced in

Malaysia[21]. The transference of Japanese recruitment practices must be undertaken with endurance and consideration, and in accordance with the mainstream of the basic cultural values of the local population[22].

Notes

1. After the considerable early confusion about it, the “Look East” policy was defined as a campaign to boost productivity by inducing hard work and promoting greater output as well as quality, and more effective modes of labor organization and discipline ostensibly associated with the Japanese.
2. Hiring of new graduates has played an important role in the development of human capital in Japan. Japanese culture of staying on in the same company after recruitment and the policy of long-term employment has enabled companies to draw up comprehensive training programs to train up new staff. Training up new graduates may work to the advantage of the company, as they are more receptive to training. Being young and energetic, they aspire to the highest standards with regards to skills, know-how, knowledge upgrading and self-improvement. In the process, devotion to their job and loyalty to the company is enhanced, making it worthwhile for the company to plan more training programs to develop its human capitals. Moreover, investing in new graduates may yield higher returns, as their length of service in the company may be longer.
3. The same techniques are used by smaller companies, but most often with less success, mainly because they have fewer employees and less “power” in their sectors.
4. Today, as much as 30 percent of the employees in Japan have been employed through mid-career recruitment.
5. In the practice of long-term employment, companies cannot easily increase their work force when needed and fire them when not needed.
6. The employers offered several kinds of “red carpet” benefits to these employees - company housing, tours to domestic or overseas resort locations, parties and sporting events (e.g., golf excursions on business trips). The expenses outlaid for employees’ welfare were considered a company expense in tax accounting systems. In practice, not only senior managers, but also middle managers enjoyed entertainment (e.g., nightspots), which was charged as company entertainment expenses. In fact, many employees embellished their private lives with abundant company entertainment money. Some critics referred to a Japanese salaried employee as a “domestic animal of a company” (Kishita, 2006).
7. The usage of the internet at large enterprises has topped 90 percent, and over half of large enterprises use the internet even for the hiring of mid-career workers. The percentage of small businesses not using it is predictably high (Ministry of Health, Labor and Welfare, 2001).
8. The hiring of mid-career workers was 8.8 percent in 1992 and after slight rises and falls was the same (8.8 percent) in 2002 (Ministry of Health, Labor and Welfare, 2003).
9. Due to the “worst and longest recession” that has followed the collapse of the bubble economy, Japanese companies have aggressively promoted restructuring. They tried to reduce personnel costs by reducing the number of new graduates they normally hire or by sending employees to subsidiaries and other companies. In addition, people with lesser capabilities were let go.
10. It is likely that temporary staff agencies will consolidate their position in the changing Japanese labor market. An increasing number of firms will think it unnecessary to employ permanent staff if they can hire temporary workers with the necessary skills for a specific period of time.

11. Japanese companies seldom use recruiting firms, but almost all foreign companies do.
12. The recruitment of new graduates still continues, but the process is becoming freer and more competitive. In order to hire good students to form a larger pool, companies care less about the ranking of the universities they come from, and companies can now hire even outside the previously set recruitment period. At the same time, companies do not promise pay based on seniority or long-term employment anymore. Increasingly, job security and compensation are now becoming more performance-based.
13. Japan limits the time of temporary employment by one employer, usually to one year.
14. Informally, Japanese subsidiaries of the same industry worked closely to minimize job-hopping of Malaysian employees via discussing and agreeing on competitive pay decision, exchanging information on job applicants, and allowing for discussion and negotiation that may lead to harmonious exchange of employees when one firm intends to poach staff of other Japanese firms (Chew, 2005). In most Japanese subsidiaries, Malaysian top managers were assigned to manage human capital matters.
15. Knowledge could be acquired and skills could be trained, but attitude is hard to change.
16. Based on the points accumulated, the candidates are categorized into either of the four groups or its equivalent, namely, Group 1 – “do not meet requirement”, Group 2 – “meets requirement”, Group 3 – “exceeds requirement” or Group 4 – “outstanding”.
17. If the new recruit fails to meet the expectations of the firm during the trial period, he will be terminated in the case that he fails in attendance and attitude, but will be given an extension of the probation period if he fails in work performance.
18. Production workers are normally terminated if they fail to meet the expectations of the firm during the trial period, but for management personnel there have been no cases of termination so far.
19. In Malaysia, where Chinese, Malays and Indians have to work side by side, ethnic and religious tensions mean that incompatibilities inevitably surface from time to time, resulting in lower productivity, poorer quality of goods and services, smaller profits and a decrease in the satisfaction that workers derive from their jobs.
20. Institutions of higher learning are churning out more female graduates every year in various domains.
21. By adapting the values of the traditional systems in recruitment and incorporating certain aspects of Japanese and Western recruitment practices in its modified form, a Malaysian-style of recruitment could evolve.
22. Transference is made easier due to the interest in Japanese HCM practices held by foreign academicians who are teaching such practices to their students in their own academic institutions. The local news media also play a role in disseminating such information to the general public. The groundwork for creating awareness and understanding of Japanese HCM practices has been started and still continues. This helps to ensure that when Japanese companies transfer manufacturing and service activities to Malaysia, their presence and activities will not prove to be a cultural shock to the local populace.

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